caprihans
INDIA LIMITED

Quality packaging solutions....for decades

73rd ANNUAL REPORT 2018-2019

caprihans
INDIA LIMITED

Certifications

CERTIFICATE

TÜV NORD

Requirements for Quality Management System as per

ISO 9001 : 2015

In accordance with TÜV INDIA procedures, it is hereby certified that

CAPRIHANS INDIA LIMITED
Plot No.76 /77, MIDC, Trimbak Road,
Satpur, Nashik – 422 007, Maharashtra,
India

caprihans INDIA LIMITED

applies a management system in line with the above standard for the following scope

Develop, Manufacture and Supply of Rigid, Plasticized, PE Laminated & PVDC Coated PVC films and Hollow Corrugated Boards

Certificate Registration No. **QM 01 00894**
Audit Report No. **Q 9577/2019**

Valid until **04.06.2022**

Certification Body
TÜV INDIA PVT. LTD.

Issue: **05.06.2019**
Place: **MUMBAI**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures and shall be valid subject to regular Surveillance Audits.

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India. cert.helpdesk@tuvindia.co.in

CERTIFICATE

TÜV NORD

Requirements for Environmental Management System as per

ISO 14001 : 2015

In accordance with TÜV INDIA procedures, it is hereby certified that

CAPRIHANS INDIA LIMITED
Plot No.76 /77, MIDC, Trimbak Road,
Satpur, Nashik – 422 007, Maharashtra,
India

caprihans INDIA LIMITED

applies a management system in line with the above standard for the following scope

Develop, Manufacture and Supply of Rigid, Plasticized, PE Laminated & PVDC Coated PVC films and Hollow Corrugated Boards

Certificate Registration No. **EM 01 00020**
Audit Report No. **Q 9577/2019**

Valid until **04.06.2022**

Certification Body
TÜV INDIA PVT. LTD.

Issue: **05.06.2019**
Place: **MUMBAI**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures and shall be valid subject to regular Surveillance Audits.

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India. cert.helpdesk@tuvindia.co.in

CERTIFICATE

TÜV INDIA
TÜV NORD GROUP

Primary Packaging Materials for Medicinal Products –
Requirements for the Application of ISO 9001:2008,
with reference to Good Manufacturing Practice (GMP)

ISO 15378 : 2015

In accordance with TÜV INDIA procedures, it is hereby certified that

CAPRIHANS INDIA LIMITED
Plot No.76 /77, MIDC, Trimbak Road,
Satpur, Nashik – 422 007, Maharashtra,
India

has been assessed and certified as meeting the requirements of the above standard for the following scope

Develop, Manufacture and Supply of Rigid, Plasticized, PE Laminated and PVDC Coated PVC films

Certificate Registration No. **PPM 01 00002**

Valid until **26.10.2019**
Initial certification **27.10.2016**

TÜV INDIA Certification Body

Mumbai, **27.10.2018**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures & shall be valid subject to Re-Certification Audit before **14.08-2019**

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India. cert.helpdesk@tuvindia.co.in

CERTIFICATE

TÜV NORD

Requirements for Occupational Health &
Safety Management Systems as per

ISO 45001 : 2018

In accordance with TÜV INDIA procedures, it is hereby certified that

CAPRIHANS INDIA LIMITED
Plot No.76 /77, MIDC, Trimbak Road,
Satpur, Nashik – 422 007, Maharashtra,
India

caprihans INDIA LIMITED

applies a management system in line with the above standard for the following scope

Develop, Manufacture and Supply of Rigid, Plasticized, PE Laminated & PVDC Coated PVC films and Hollow Corrugated Boards

Certificate Registration No. **OHS 01 00004**
Audit Report No. **Q 9577/2019**

Valid until **04.06.2022**

Certification Body
TÜV INDIA PVT. LTD.

Issue: **05.06.2019**
Place: **MUMBAI**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures and shall be valid subject to regular Surveillance Audits.

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India www.tuv-nord.com/in

BOARD OF DIRECTORS

MR.	MOFATRAJ P. MUNOT	Chairman
MR.	ROBIN BANERJEE	Managing Director
MRS	ANKITA J. KARIYA	Directors
MR.	BHOUMICK S. VAIDYA	
MR.	K. V. MANI	
MS.	ANJALI SETH	
MR.	NITIN K. JOSHI	
MR.	SIDDHARTH S. SHETYE	
MR.	NARENDRA S. LODHA	

CFO & COMPANY SECRETARY

K. R. VISWANATHAN

BANKERS

BANK OF MAHARASHTRA
HDFC BANK LTD
STATE BANK OF INDIA

STATUTORY AUDITORS

S R B C & CO LLP
Chartered Accountants

REGISTERED OFFICE

BLOCK-D, SHIVSAGAR ESTATE,
DR. ANNIE BESANT ROAD,
WORLI, MUMBAI - 400 018.
Tel. : 2497 8660, 2497 8661
Email : cil@caprihansindia.com
Web : www.caprihansindia.com

CIN : L29150MH1946PLC004877

FACTORIES

PLOT NOS. C-13/16, ROAD NO. 16/T, WAGLE INDUSTRIAL ESTATE, THANE 400 604.
PLOT NOS. 76/77, MIDC INDUSTRIAL ESTATE, TRIMBAK ROAD, SATPUR, NASIK 422 007.

Directors' Report

To THE MEMBERS

Your Directors present their Seventy Third Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:

	Year ended 31st March, 2019 (Rs. in Lacs)	Year ended 31st March, 2018 (Rs. in Lacs)
Profit before finance cost, depreciation and tax	**865.53**	972.60
Finance cost	**68.84**	50.21
Depreciation	**335.25**	338.01
Profit before tax	**461.44**	584.38
Tax expense	**95.27**	170.33
Profit after tax	**366.17**	414.05
Other Comprehensive Income/(Expense)-Net of tax	**(0.54)**	10.56
Total Comprehensive Income - Net of Tax	**365.63**	424.61
Balance from last year	**4329.58**	4172.48
P&L Balance available for appropriation	**4695.21**	4597.09
Appropriations (In F.Y. 2019-20 and 2018-19 – As per Ind AS)		
Proposed Dividend	**98.50**	197.01
Tax on Dividend	**20.25**	40.50
Transfer to General Reserve	**15.00**	30.00
Carried forward to Balance sheet	**4561.46**	4329.58
Total	**4695.21**	4597.09

2. DIVIDEND:

The Directors are pleased to recommend payment of dividend @ 7.5% on the Equity Share Capital (Rs. 0.75 per share of the value of Rs. 10/- each) for the year ended 31st March, 2019.

3. PERFORMANCE:

a) The Company's turnover for the year amounted to Rs. 269 crores as compared to Rs. 255 crores in the previous year. The Company earned a profit before tax of Rs. 4.6 crores as compared to Rs. 5.8 crores in the previous year.

b) Cost pressure due to raw material price increase resulted in lower profits. However, on the positive front, there has been some softening of raw material prices during the later part of the financial year.

c) An all India transporters strike which took place in July 2018 affected movement of goods. A major impact was incurrence of demurrage charges at the ports on imported consignments. The sudden declaration of the strike resulted in some unforseen costs.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, wherever applicable;

(b) Appropriate accounting policies have been selected and applied consistently. The accounting estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2019 and of the Profit of the Company for the year ended 31st March, 2019.

(c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud.

(d) The annual accounts have been prepared on a going concern basis.

(e) The Company has laid down internal financial controls to be followed and that such financial controls are adequate and effective; and

(f) The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and effective.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Re-appointment of Director liable to retire by rotation:

In terms of Section 152 of the Companies Act, 2013, Mr. Narendra S. Lodha, Director is liable to retire by rotation at the ensuing Annual General Meeting and offer himself for re-appointment.

Other information pertaining to Mr. Narendra S. Lodha is provided in Corporate Governance Report annexed as **Annexure IIA** to this Report.

Resignation of Director:

Mr. Mohan H. Bhandari resigned from the Board of Directors w.e.f. 14th December 2018. The Board expressed and took on record its deep appreciation of the services rendered by Mr. Mohan H. Bhandari during his tenure as a Director of the Company.

Appointment of Director:

In terms of Section 161 of the Companies Act, 2013, Mrs. Ankita J. Kariya was appointed as an Additional Director of the Company effective 14th December, 2018, in the category “Promoter Non-Executive and Non-Independent” and she holds office upto the date of ensuing Annual General Meeting of the Company.

Other information pertaining to Mrs. Ankita J. Kariya is provided in Corporate Governance Report annexed as **Annexure – II A** to this Report.

Necessary resolution seeking your approval for the appointment of Mrs. Ankita J. Kariya as “Promoter Non-Executive and Non Independent Director” will be set out in the Notice convening the forthcoming Annual General Meeting.

Re-appointment of Independent Director:

The existing 5(five) years term of the following independent Directors of the Company will expire on 25th September 2019 and can be renewed for a further term of 5 (five) consecutive year’s subject to approval of the members of the Company by passing special resolution

- Ms. Anjali Seth
- Mr. Bhoumick S. Vaidya
- Mr. K.V. Mani
- Mr. Siddharth S. Shetye
- Mr. Nitin K. Joshi

Necessary resolutions seeking your approval for the re-appointment of Independent Directors and other information will be set out in the Notice convening the forthcoming Annual General Meeting of the Company.

Independent Director(s) Declaration:

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, and Listing Regulations, stating that they meet the criteria of independence as provided therein.

6. EVALUATION OF THE BOARD’S PERFORMANCE:

Pursuant to the provisions of Section 134(3), Section 149(8) and Schedule IV of the Act read with Listing Regulations, the performance evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, a separate meeting of the Independent Directors was held on 8th February, 2019 without the attendence of non-independent Directors and Company executives. The Independent Directors discussed matters pertaining to the Company’s affairs and functioning of the Board and presented their views.

7. CONSERVATION OF ENERGY:

Details relating to the Conservation of Energy and Technology absorption and foreign exchange earnings and outgoings as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in **Annexure I** forming part of the Directors’ Report.

8. CORPORATE GOVERNANCE:

In terms of Listing Regulations and Companies Act, 2013, a report on the Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance and Management Discussion and Analysis Report are given in **Annexure II and III** respectively, to this report.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In line with company's CSR policy, the company is helping in educating the under-priviledged and economically challenged children. Keeping this in mind, the company is attempting to upgrade facilities and enhance the quality of education / training of identified educational institutions. Accordingly, the company is involved with 3 educational institutions through direct participation in their upliftment as under:

(i) Municipal School in Nasik (co-education municipal school for economically backward children);

(ii) Dharmveer Anand Dighe Jidd Special School at Thane (special school for physically handicapped and mentally challenged children), and

(iii) Daang Seva Mandal Ashram School at Nasik (boarding and day-scholar school for adivasis and the under priviledged children).

The Annual Report on CSR activities is given in **Annexure IV** to this report.

10. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, no reportable material weakness in the design or operation were observed.

11. VIGIL MECHANISM:

Under the vigil mechanism of the Company, by way of a whistle blower Policy, protected disclosure can be made by a whistle blower to the Managing Director. The Whistle Blower Policy may be accessed on the Company's website at the link:

http://www.caprihansindia.com/corporatepolicy

12. SEXUAL HARASSMENT MECHANISM:

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace and formed a committee to address the complaints in this regard in a time bound manner.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2018-19, no complaints were received in this regard.

13. AUDITORS AND AUDITORS REPORT:

STATUTORY AUDITOR:

At the Sixty-ninth Annual General Meeting (AGM) held on 28th September, 2015, M/S. S R B C & Co. LLP, Chartered Accountants (Firm Reg.No 324982E), were appointed as the Statutory Auditors of the Company to hold office for five years, from the conclusion of the Sixty-ninth AGM until the conclusion of Seventy-fourth AGM of the Company to be held in the year 2020.

The amounts mentioned in the observations of the Statutory Auditors' in Annexure 1 to their report dated 16th May, 2019 (Refer Serial Nos iii(c) and xiii) regarding related party transactions are adequately provided in the books of accounts.

COST AUDITOR:

At the Seventy Second Annual General Meeting (AGM) held on 20th September, 2018, M/S. Dhananjay V Joshi & Associates, Cost Accountants (Firm Reg. No 000030), were appointed as Cost Auditors of the Company, for conducting the audit of cost records of the Company for the financial year 2018-19.

SECRETARIAL AUDITOR:

The Board had appointed M/s DVD & Associates, Practising Company Secretaries, to carry out Secretarial Audit under the provisons of Section 204 of the Companies Act, 2013 for the financial year 2018-19.

The Report of the Secretarial Auditor pursuant to Section 204(1) of the Companies Act, 2013 and the rules made thereunder is given in **Annexure V** to this report.

14. DISCLOSURES:

(a) AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Siddharth S. Shetye (Chairman), Mr. K.V. Mani and Mr. Bhoumick S. Vaidya as members. All the recommendations made by the Audit Committee were accepted by the Board.

(b) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

In terms of the provisions of Section 197(12) of the Companies Act (herein referred as Act), read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Mangerial Personnel) Rules 2014 statement showing the names and other particulars of the employees drawing rumuneration is excess of the limits set out in the said rules forms part of the Annual Report.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rules 5(1) of the Companies (Appointment and Remuneration of Mangerial Personnel) Rules 2014 also forms part of the Annual Report.

However, as per the provisions of Section 136(1) of the Act, the Report and Accounts are being sent to the members, excluding the aforesaid information. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company.

(c) EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the annual return is available on the Company's website www.caprihansindia.com.

(d) NUMBER OF BOARD MEETINGS:

The Board of Directors met 5 (five) times in the year 2018-19. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

(e) RELATED PARTY TRANSACTIONS:

All the related party transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Regulations. All the related party transactions are presented to the Audit Committee for their recommedations to the Board.

The Related Party Transaction Policy is available on the Company's website at the link:

http://www.caprihansindia.com/corporatepolicy

The disclsoure relating to the transaction with related parties are mentioned in Note No. 33 to the notes on financial statement.

(f) PARTICULARS OF LOAN GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

Particulars of loan given are provided in the Note No 6 to the notes on financial statements.

15. INDUSTRIAL RELATIONS:

The industrial relations remained cordial during the year.

16. ACKNOWLEDGEMENT:

The Board wishes to place on record its appreciation of the services rendered by the employees of the Company. The Board also wishes to thank the Bankers for the co-operation and assistance extended by them.

On behalf of the Board of Directors

ROBIN BANERJEE
Managing Director

Place : Pune
Dated : 16th May, 2019

SIDDHARTH S. SHETYE
Director

Annexure I to the Directors' Report

A. CONSERVATION OF ENERGY:

(i) Steps taken for conservation of Energy:

- Maintaining the improved power factor.
- Insulation of Steam & Hot water pipes to reduce heat loss due to radiation
- Replacement of old pumps by energy efficient pumps.
- Replacement of belt driven exhaust fan with Direct Driven Exhaust fan for power saving
- Insulation of Boiler Feed water tank to maintain to reduce heat loss due to radiation.

(ii) Steps taken by the Company for utilizing alternate source of energy:

- Feasibility of using Solar Energy is being evaluated.

(iii) The Capital investment on energy conservation equipment:

- Replacement of DC motor by AC motor for certain equipments.

B. TECHNOLOGY ABSORPTION:

(i) Major efforts made towards technology absorption:

- Establishing ISO, 15378 thereby bringing better systems and processes, improved quality in all production lines, which is in line with customer expectations.
- Establishing ISO, 14001 thereby bringing better systems and processes, improved utilization of natural resources.
- Working on different formulations including cost effective ones.

(ii) The benefit derived like product improvement, cost reduction, product development or import substitution:

- Achieved better quality and higher line efficiency
- Cost effective finished products
- Different variants depending upon customer specific requirements
- Six Sigma projects on various production activities.

(iii) Information regarding imported technology:

(Imported during last three years): **NIL**

(iv) Expenditure incurred on Research and Development (R&D)

The Company had received from Department of Scientific & Industrial Research (DSIR), Government of India recognition for In-House R&D unit(s) for both the factories viz. Nashik & Thane Factory in the previous financial years and was valid upto 31st March, 2019. The Company has made renewal application to DSIR for extending the said validity. Both the R&D laboratories are equipped with wide range of modern and sophisticated testing and development equipments, to cater the needs of both national and international customers. The product development instruments are manned by qualified and experienced personnel.

The Company is actively working on various R&D opportunities in optimizing cost, enhancing product deliverables and improving customer satisfaction.

Following are the details of expenditure incurred on R&D for the financial year ended 31st March, 2019

	Year ended 31st March, 2019 (Rs. in Lacs)		
	Thane	**Nashik**	**Total**
(a) Capital	0.97	8.41	9.38
(b) Recurring	28.19	30.90	59.09
(c) Total	**29.16**	**39.31**	**68.47**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to Exports	:	The exports of goods during the year amounted to Rs. 4,649 lacs.
2. Total foreign exchange		
(a) Used	:	(i) CIF Value of Imports : Rs. 13,482 lacs. (ii) Expenditure in foreign currency : Rs. 88 lacs.
(b) Earned	:	FOB value of exports : Rs. 4,003 lacs.

Annexure II to the Directors' Report - Corporate Governance

1. **Company's Philosophy on Corporate Governance**

   The Company's philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability across all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

2. **Board of Directors**

   (a) **Composition:**

   The composition of the Board as on 31st March, 2019 is as follows:

Name and Designation of the Director	Category	*No. of Directorships and Committee Membership/ Chairmanship (Other than Caprihans India Limited)		
		Other Directorship	**Other Committee Membership	**Committee Chairmanship
Mr. Mofatraj P. Munot (Chairman)	Promoter Non-Executive	2	3	0
Mrs. Ankita J. Kariya***	Promoter Non-Executive	—	—	—
Mr. Robin Banerjee (Managing Director)	Executive	2	4	1
Mr. Bhoumick S. Vaidya	Independent Non-Executive	—	—	—
Mr. K. V. Mani	Independent Non-Executive	1	—	1
Ms. Anjali Seth	Independent Non-Executive	7	4	2
Mr. Siddharth S. Shetye	Independent Non-Executive	—	—	—
Mr. Nitin K. Joshi	Independent Non-Executive	1	—	—
Mr. Narendra S. Lodha	Non-Independent Non-Executive	3	—	—

   Notes:

   * Directorships in private companies, foreign companies and associations are excluded.

   ** Represent Membership / Chairmanship of Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee only.

   *** Appointed w.e.f. 14.12.2018.

   Out of total strength of Nine (9) Directors as on 31st March, 2019, five are independent which complies with the requirements of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the composition of the Board.

   (b) **Category of Directorship held by the Directors of the Company in other Listed entities:**

Name of the Director	Name of Listed entity(s) where he/she is a Director	Category
Mr. Mofatraj P. Munot	Kalpataru Power Transmission Limited	Promoter – Whole Time Director
Mrs. Ankita J. Kariya	None	NA
Mr. Robin Banerjee	VIP Clothing Limited	Independent Director

Name of the Director	Name of Listed entity(s) where he/she is a Director	Category
Mr. Bhoumick S. Vaidya	None	NA
Mr. K. V. Mani	Kalpataru Power Transmission Limited	Independent Director
Ms. Anjali Seth	ADF Foods Limited	Independent Director
	Endurance Technologies Limited (Cn)	
	Kalpataru Power Transmission Ltd	
	JMC Projects (India) Ltd	
	Centrum Capital Limited	
Mr. Siddharth S. Shetye	None	NA
Mr. Nitin K. Joshi	None	NA
Mr. Narendra S. Lodha	None	NA

(c) Profile of Directors:

A brief profile of Directors seeking appointment/re-appointment is given in Annexure II A to this report.

(d) Number of Board Meetings, attendance at Board Meetings and previous Annual General Meeting:

During the year ended 31st March, 2019, Five (5) Board Meetings were held on 18/05/2018, 08/08/2018, 02/11/2018, 14/12/2018 and 08/02/2019.

Attendance at above Board Meetings and at last Annual General Meeting (AGM) held on 20th September, 2018 is as under:

Name of the Director	No of Board Meetings attended	Attendance at the last AGM
Mr. Mofatraj P. Munot	3	YES
Mr. Mohan H. Bhandari*	3	NO
Mrs. Ankita J. Kariya**	1	NA
Mr. Robin Banerjee	5	YES
Mr. Bhoumick S. Vaidya	5	NO
Mr. K. V. Mani	4	YES
Ms. Anjali Seth	4	NO
Mr. Siddharth S. Shetye	5	YES
Mr. Nitin K. Joshi	5	YES
Mr. Narendra S. Lodha	4	YES

* Resigned w.e.f. 14.12.2018

** Appointed w.e.f. 14.12.2018

Shareholding of Non-Executive Directors as on 31/03/2019 is as under:

Name of the Director	No. of Shares
Mr. Mofatraj P. Munot	664371
Mrs. Ankita J. Kariya*	—
Mr. Bhoumick S. Vaidya	—
Mr. K. V. Mani	—
Ms. Anjali Seth	—

Name of the Director	No. of Shares
Mr. Siddharth S. Shetye	—
Mr. Nitin K. Joshi	—
Mr. Narendra S. Lodha	—

* Appointed w.e.f. 14.12.2018

(e) Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics for all the Board Members, and all the employees in the management Grade of the Company. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put on the Company's website at the link:

http://www.caprihansindia.com/corporatepolicy

A declaration signed by Managing Director is published in this report.

(f) Meeting of Independent Directors and Declaration of Independence:

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, a separate meeting of the Independent Directors was held on 8th February, 2019 without the attendance of non-independent Directors and company executives. The meeting was attended by Mr. K.V. Mani, Mr. Bhoumick S. Vaidya, Ms. Anjali Seth, Mr. Nitin K. Joshi and Mr. Siddharth S. Shetye. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views.

3. Committees of the Board

A. Audit Committee:

Composition and Attendance at the Meeting:

During the year ended 31st March, 2019, 4 (four) Audit Committee Meetings were held on 18/05/2018, 08/08/2018, 02/11/2018 and 08/02/2019. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Siddharth S. Shetye	Chairman	Independent Non-Executive	4
Mr. Bhoumick S. Vaidya	Member	Independent Non-Executive	4
Mr. K. V. Mani	Member	Independent Non-Executive	3

The terms of reference, role and scope are in line with those prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

Mr. K. R. Viswanathan, the Company Secretary, acts as the Secretary to the Committee.

B. Nomination and Remuneration Committee:

Composition and Attendance at the Meeting:

During the year ended 31st March, 2019, 2 (two) meetings were held on 18th May 2018 and 14th December 2018. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Nitin K. Joshi	Chairman	Independent Non-Executive	2
Mr. Bhoumick S. Vaidya	Member	Independent Non-Executive	2
Mr. K. V. Mani	Member	Independent Non-Executive	2

The terms of reference, role and scope are in line with those prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

REMUNERATION POLICY

The Company follows a policy on remuneration of Directors and Senior Management Employees.

Remuneration to Non-Executive Directors:

All Non-Executive Directors shall be paid sitting fees for participation in the Board/Committee Meetings as approved by the Board of Directors within the limits prescribed under the Companies Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration of Managing Director & CEO:

At the time of appointment or re-appointment, the Managing Director & CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes Nomination & Remuneration Committee and the Board of Directors) and the CEO & Managing Director with in the overall limits prescribed under Companies Act.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the Managing Director & CEO is broadly divided into fixed and variable component. The fixed compensation shall be salary, allowances, perquisites, amenities and retirement benefits. The variable component shall comprise of performance bonus.

The Company shall decide from time to time, revisions in the remuneration as it deems fit.

Remuneration of Senior Management Employees:

The remuneration is divided into two components viz., fixed component shall comprise of salary, allowances, perquisites, amenities and retirement benefits and the variable component shall comprise of performance based incentives.

The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual performance.

The Managing Director & CEO will carry out the individual performance review based on standard appraisal and after taking into account the appraisal score and the other factors mentioned above.

Remuneration to Directors

The details of remuneration paid to Mr. Robin Banerjee, Managing Director is as under:

Sl. No.	Particulars	Rs. in lacs
1	Gross Salary including perquisites	115.75
2	Company's contribution to Provident & Other Fund	8.28
	TOTAL	**124.03**

The above figures exclude provision for gratuity and leave encashment which are actuarially determined on an overall Company basis.

The details of Directors sitting fees paid to Non-Executive Directors during the period 01/04/2018 to 31/03/2019 are given below:

Name of the Director	Amount Rs. in lacs
Mr. Mofatraj P. Munot	1.50
Mr. Mohan H. Bhandari*	1.50
Mrs. Ankita J. Kariya**	0.50
Mr. Bhoumick S. Vaidya	4.25
Mr. K. V. Mani	3.25
Ms. Anjali Seth	2.25
Mr. Siddharth S. Shetye	3.50
Mr. Nitin K. Joshi	3.00
Mr. Narendra S. Lodha	2.00
TOTAL	**21.75**

* Resigned w.e.f. 14.12.2018

** Appointed w.e.f. 14.12.2018

C. **Stakeholders Relationship Committee:**

Composition and Attendance at the Meeting:

During the year ended 31st March, 2019 one meeting was held on 08/02/2019. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhoumick S. Vaidya	Chairman	Independent Non-Executive	1
Mr. Robin Banerjee	Member	Executive	1
Ms. Anjali Seth	Member	Independent Non-Executive	1

The Committee oversees redressal of shareholders and Investor grievances/ complaints. Mr. Pritam Paul, Financial Controller is the Compliance Officer of the Company.

The Company is prompt in attending to complaints/queries from Shareholders/ Investors. The total number of complaints received and attended during the period 01/04/2018 to 31/03/2019 are 4. The number of complaints received from SEBI is None. No transfers were pending as on 31st March, 2019.

D. **CSR Committee:**

The CSR committee comprises of Mr. Bhoumick S Vaidya, Ms. Anjali Seth and Mr. Robin Banerjee, as members of the Committee. The CSR committee have formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the list of activities to be undertaken by the Company and the same has been approved by the Board.

During the year, the Company carried out its CSR activities at the following educational institutions:

(i) Municipal School in Nasik (co-education municipal school for economically backward households);

(ii) Dharmveer Anand Dighe Jidd Special School at Thane (special school for physically handicapped and mentally challenged children), and

(iii) Daang Seva Mandal Ashram School at Nasik (boarding and day-scholar school for adivasis and the under priviledged children).

The terms of reference, role and scope are in line with those prescribed by provisions under Companies Act, 2013.

4. **General Body Meetings**

During the preceding three years, the Company's Annual General Meeting were held at Sunville Banquets, Mumbai - 400018. The date and time of Annual General Meetings held during the last three years, and the special resolution(s) passed thereat, are as follows:

Financial year ended	Date	Time	Special Resolution Passed
31-03-2018	20th September, 2018	3 p.m.	• Special Resolution for approving the re-appointment of Mr. Robin Banerjee as Managing Director of the Company for a period of three years starting from 29th April, 2018 till 28th April, 2021 and payment of remuneration to him for the said period • Special Resolution for approving the continuation of Directorship of Mr. K.V. Mani beyond the age of seventy-five years till the completion of his present term of office i.e. up to 25th September, 2019 • Special Resolution for approving Restructuring the terms of repayment schedule of Inter Corporate Deposit (ICD) placed with Bilcare Ltd alongwith interest accrued thereon together with outstanding dues toward supplies of goods made to Bilcare Limited from time to time.
31-03-2017	22nd September, 2017	11 a.m.	No Special Resolution was passed
31-03-2016	30th September, 2016	11 a.m.	Special Resolution for approving Remuneration of Managing Director for a period of two years with effect from 29/04/2016 to 28/04/2018.

5. Disclosures

- Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:

  The Company has an agreement with Kalpataru Ltd (KL) (formerly known as Kalpataru Homes Limited) whereby KL has underwritten the amount to be realized by the Company from the disposal of its non-core assets. Mr. Mofatraj P. Munot is a Director of KL. The performance of KL under this agreement has been guaranteed amongst others by Mr. Mofatraj P Munot, Director of the Company. Any enforcement action that the Company might be required to adopt in respect of the aforesaid agreement or the performance guarantee will potentially result in a conflict of interest between the Company and Mr. Mofatraj P. Munot who is the Director/Promoter of the Company.

  The Company had entered into various transactions from time to time with Bilcare Ltd such as sale and purchase of goods, job work and placement of inter- corporate deposits. The total amount outstanding as at the year end on account of these transactions aggregates to Rs. 703.97 lacs. Any action that the Company might be required to adopt in respect of the aforesaid transactions will potentially result in conflict of interest between the Company and Mrs. Ankita J. Kariya, Director of the Company as she is the daughter of Mr. Mohan H. Bhandari, who is the Promoter Director of Bilcare Ltd.

  A petition has been filed before the National Company Law Tribunal, Mumbai Bench by K.C. Holdings Pvt. Ltd & Others against the Company & Others for seeking relief under section 241 to 244 of Companies Act, 2013. The said matter is pending for hearing and disposal before the Tribunal.

- Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital markets, during the last three years: **NONE.**

- **CEO/CFO Certification:**
  A certification from the CEO and CFO in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board Meeting held on 16th May, 2019 in connection with the Audited Annual Accounts for the year ended 31st March, 2019.

6. Whistle Blower Policy:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a vigil mechanism and whistle blower policy under which employees are free to report violations of applicable laws and regulations and the Code of conduct. Employees may also report to the Chairman of the Audit Committee.

7. Means of Communication:

Half-yearly report sent to each household of shareholders	:	No, the results of the Company are published in Newspapers.
Quarterly results	:	– do –
Any website, where displayed	:	Yes, on Company's website www.caprihansindia.com
Presentations made to institutional Investors or to the analysts	:	No
Newspapers in which results are normally published in	:	- The Free Press Journal (English) - Navashakti (Marathi)
Whether MD&A is a part of Annual Report or not	:	Yes, forms part of the Director's Report.

8. Statutory Auditor Fees

The details of Statutory fees to the Statutory Auditory during the financial year 2018-19 are provided in the Note No 27 to the notes on financial statements

9. General Shareholder Information:
Annual General Meeting

– Date and Time	:	20th September, 2019 at 11.00 am
– Venue	:	Sunville Banquets, Royal Hall, 3rd floor, Middle of Worli Flyover, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
Financial Calendar	:	(a) 1st April, 2019 to 31st March, 2020. (b) First quarter results by mid of August, 2019. (c) Second quarter results by mid of November, 2019. (d) Third quarter results by mid of February, 2020. (e) Results for the year ending 31st March, 2020 by end of May, 2020.
Date of Book Closure	:	14th September, 2019 to 20th September, 2019 (both days inclusive)
Dividend payment Date	:	After 20th September, 2019.
Corporate Identity Number (CIN)	:	L29150MH1946PLC004877
Listing on Stock Exchange	:	BSE Ltd. The Company has paid the applicable listing fee.
<u>Stock Code</u>		
BSE (Physical form)	:	9486
BSE (Demat form)	:	509486
ISIN number for NSDL/CDSL	:	INE479A01018

Listing Fee: The Company has paid the applicable listing fee to BSE Limited, where the Company's shares are listed.

Market Price Data: High/Low during each month in the last 12 months (i.e. from 01/04/2018 to 31/03/2019) and performance in comparison to BSE Sensex.

Paid-up value – Rs. 10/- per Share

Month	**Share Price of Caprihans India Ltd.**		**BSE Sensex**	
	High (Rs.)	**Low (Rs.)**	**High**	**Low**
2018				
April	93.95	85.00	35,213.30	32,972.56
May	90.00	78.40	35,993.53	34,302.89
June	82.50	72.10	35,877.41	34,784.68
July	81.50	68.15	37,644.59	35,106.57
August	85.95	76.05	38,989.65	37,128.99
September	82.40	70.00	38,934.35	35,985.63
October	74.95	65.75	36,616.64	33,291.58
November	73.40	67.15	36,389.22	34,303.38
December	72.00	66.55	36,554.99	34,426.29
2019				
January	73.40	59.00	36,701.03	35,375.51
February	68.90	54.00	37,172.18	35,287.16
March	70.00	56.00	38,748.54	35,926.94

Name and Address of the Registrar & Transfer Agents:

Link Intime India Pvt. Ltd.,
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No : +91 22 4918 6000
Fax : +91 22 4918 6060

Share Transfer System

Messrs. Link Intime India Pvt Ltd is the Common agency (Registrar & Transfer Agents) for both physical and electronic mode of transfer of shares. The share held in physical mode can be lodged at the above mentioned address for transfer. The Share Transfer Committee of the Company approves the transfer of shares and share certificates are dispatched within the stipulated time, if the documents are complete in all respects.

Distribution of Shareholding as on 31st March, 2019

Range	No. of Shareholders	% of Total	No. of Shares held	% of Total
1 – 500	7408	91.34	839012	6.39
501 – 1000	351	4.33	286879	2.18
1001 – 2000	167	2.06	251393	1.91
2001 – 3000	52	0.64	129175	0.98
3001 – 4000	34	0.42	121385	0.92
4001 – 5000	16	0.20	75242	0.57
5001 – 10000	37	0.46	279106	2.13
Over 10000	45	0.55	11151779	84.92
TOTAL	**8110**	**100.00**	**13133971**	**100.00**

Shareholding pattern as on 31st March, 2019

Sr. No.	Type of shareholders	No. of shares held	% of Total
1	**Promoters**		
	Foreign	6698325	51.00
	Indian	2713430	20.66
2	Financial Institutions & Banks	483370	3.68
3	Mutual fund/s	2166	0.02
4	Non-resident Indians	39156	0.30
5	Domestic Companies	159579	1.22
6	Individuals/HUF/Trusts/Others	2966745	22.58
7	IEPF	71200	0.54
	TOTAL	**13133971**	**100.00**

Dematerialisation of shares and liquidity

As directed by SEBI, Company’s shares are traded compulsorily in dematerialised form from 28th August, 2000. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Service India Limited (CDSL) for this purpose. As of 31st March, 2019 a total of 12943370 shares of the Company, which forms 98.55% of the share capital of the Company stand dematerialised.

Your Company's shares are liquid and actively traded on BSE.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	:	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments
Plant Locations	:	1. Plot Nos. C-13/16, Road No. 16/T, Wagle Industrial Estate, Thane - 400 604 2. Plot Nos. 76/77, MIDC Industrial Estate, Trimbak Road, Satpur, Nasik - 422 007
Address for correspondence	:	CAPRIHANS INDIA LIMITED Block - D, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018 Tel.: 24978660/61

10. Unpaid / Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, an amount of Rs. 1,79,127/- of unpaid / unclaimed dividends of the financial year 2010-2011 were transferred during the year to the Investor Education and Protection Fund.

11. List of Core of Skills/Expertise/Competence identified by Board as required in context of its Business

Skills/expertise/competence	Whether available with the Board or not?
Manufacturing Industry knowledge	Yes
Technical ability in interpreting financial information	Yes
Behavioral Competencies	Yes
Human Resources Abilities	Yes
Business Strategy	Yes

12. Non-Mandatory Requirements

The Company at present has not adopted the Non-Mandatory requirements in regard to maintenance of Non-Executive Chairman's office, and sending half-yearly financial performance to the shareholders to their residence. Postal ballots as required by the Companies Act will be followed by the Company.

Certificate of Compliance with The Code of Conduct

As provided under Regulation 17(8) of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

For CAPRIHANS INDIA LIMITED

Place : Mumbai | ROBIN BANERJEE

Dated : 16th May, 2019 | Managing Director

Certificate on Corporate Governance

To The Members of Caprihans India Ltd.

We have examined the compliance of conditions of Corporate Governance by Caprihans India Limited (the Company) for the year ended on 31st March, 2019, as stipulated under Regulation 15(2) read with Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande

Place : Mumbai | *Partner*

Date : 16th May, 2019 | FCS No. 6099 COP No. 6515

Certificate Under Regulation 34(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Caprihans India Limited,
Shivsagar Estate, Block D,
Dr Annie Besant Road, Worli, Mumbai - 400 018.

In my opinion and to the best of my information and according to our examination of the relevant records and information provided by CAPRIHANS INDIA LIMITED (‘the Company’) and based on representation made by the Management of the Company for the period from 1st April, 2018 to 31st March, 2019 for the purpose of issuing a Certificate as per Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the LODR Regulations’) read with Part C of Schedule V of the LODR Regulations, I hereby certify that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority for the period as on 31st March, 2019.

For Mayank Arora & Co.
Company Secretaries

Place : Mumbai | Mayank Arora

Date : 14th May, 2019 | (Proprietor)

Annexure II A

Details of Director seeking re-appointment at the forth coming Annual General Meeting

Name of the Director	Mr. Narendra S. Lodha	Mrs. Ankita J. Kariya
DIN	00318630	08292735
Date of Birth	10th November, 1963	1st July, 1988
Date of first appointment	22nd September, 2017	14th December, 2018
Qualifications	Chartered Accountant and Company Secretary	Chartered Accountant
Expertise in specific functional areas and experience	Mr. Narendra Lodha was associated with M/S Khandelwal Jain & Co. prior to joining Kalpataru group in 1988. Over the years he has lead various functions like Account, Finance, Sales & Marketing and Business Development. He is currently part of leadership team at Kalpataru and is the Director of Sales and Marketing. In last three decades Mr. Narendra Lodha has played various strategic role in field of finance where he was responsible for raising debt and equity funds for the project. He has played pivotal role in various mergers and acquisition the group undertook in past. He has also overlooked various project level private equity deals which Kalpataru group has executed. In recent years He has been deeply involved with sales and marketing function of the group and has developed a dynamic team and a strong network of channel partners at Kalpataru which focuses on sales of various real estate projects. He is also responsible for the business development function and overseeing various development projects which group undertakes.	Mrs. Ankita J. Kariya holds a Bachelor's Degree in Commerce from University of Pune and is a Chartered Accountant with Institute of Chartered Accountants of India. She spearheads the Strategy and Business Growth functions at Bilcare Research Global Holding Company and has been associated with the Group activities for the last several years. She comes with a prior experience from a Global Consulting major where she largely handled consulting assignments for their Key and Global Priority Accounts working with cross culture teams in India, Australia, Belgium and USA. She has closely observed Bilcare Research founded by her father Mr. Mohan Bhandari from its inception until today. Knowing the grassroots and the foundations gives her the added edge to add immense value and be a multiplier in the Business.
Directorships held in other Companies (Excluding Private Companies)	Amber Real Estate Limited Saicharan Properties Limited Dynacraft Machine Company Limited	None
Committee positions held in other companies	None	None
Number of Equity shares held in the Company	Nil	Nil

Annexure III to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Caprihans is one of the largest manufacturers of PVC Films, consisting of both Flexible and Rigid. The Company is one of the leading players in pharma/non pharma packaging industry in India, producing high quality products. The Company operates from its two plants located at Thane and Nasik, Maharashtra. The Company also has sales offices across India.

The Company is engaged in the processing of plastic polymers and manufactures PVC films by calendering process. It also produces PVDC coated Rigid PVC film and certain other plastic products through extrusion processes. Rigid PVC film is largely used for packaging in the Pharmaceutical, Food and FMCG industries. Flexible PVC film and plastic extruded products are used for a variety of industrial and consumer applications. Overall growth rate of the market size is estimated to be around 10% annually.

The image of the Company, built through decades of quality products and efficient customer service is the major strength of the Company. The Company has a significant share of the Rigid PVC film market and is also the quality leader in the Flexible PVC film market.

OPPORTUNITIES, THREATS AND OUTLOOK

The Company foresees opportunities of growth in the coming years. With the growing trend of mass consumerism and better living standards, demand for Company's products are expected to grow. Opportunities can also be explored to convert certain non-PVC packaging applications into PVC-based films. Though the Company is a major player for over decades, it faces competition in domestic market, as similar products being made available by many local players belonging mostly to the unorganised sector. However, Company always remained as a preferred vendor in the respective segments being a quality supplier. The industry is seeing lot of capacity additions though there is already excess capacity available. Due to enhanced competition and price sensitiveness, many customers have downgraded their specifications norms, leading to some new-comers supplying lower priced products.

Consistent quality, superior customer service, timely delivery and appropriate pricing we believe, will help us to mitigate some portion of the potential risks.

SEGMENT PERFORMANCE

Company's business is covered under single business segment.

RISKS AND CONCERNS

PVC resin, used as key raw material has many industrial competing applications. Resin is a by-product of Petroleum. Given the volatility in Global crude oil price and demand for polymers for competing applications, the pressure on the input costs can be expected to fluctuate. Demand for PVC resin in the country has been increasing every year. Domestic supply is not adequate to meet the rising demand. Hence imports are made to fulfil resin requirements as and when required, which is subjected to fluctuating prices, forex risks, logistics issues, import-duty and anti dumping regulations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company has proper and adequate internal control systems to ensure that its assets are safeguarded and that transactions are properly authorised, reported and recorded. The Company has also a system of internal audit and management reviews to ensure compliance with the prescribed procedures and authority levels.

FINANCIAL PERFORMANCE

The Company's turnover for the year amounted to Rs. 269 crores as compared to Rs. 255 crores in the previous year. The Company earned a profit before tax of Rs. 4.6 crores as compared to Rs. 5.8 crores in the previous year. Cost pressure due to raw material price increase resulted in lower profits. However, on the positive front, there has been some softening of raw material prices during the later part of the financial year. The Company continues to face pressure on margins due to volatility in raw material prices, enhanced market competition, surplus capacity in the industry and entry level pricing startegy by new entrants etc.

Company's Financial position for ten (10) years is appended seperately in the Annual Report.

HUMAN RESOURCES

The Company appreciates continued efforts of its dedicated team of employees. Industrial relations by and large remained cordial during the year. The number of employees on the roll as on 31st March, 2019 was 369 across all locations. The Company accords very high priority to safety in all aspects of its operations. The employees are trained in various aspects of safety.

KEY CHANGE IN FINANCIAL RATIOS AND RETURN ON NET WORTH

As the change in key financial ratios in the current financial year is less than 25% as compared to previous financial year, the same is not commented upon.

Due to reduction in profits, the Return on Net Worth in the current financial year is marginally lower at 2.8% as compared to 3.3% in the previous financial year.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing Company's objectives, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect Company's operations include significant change in political and economic environment in India or key markets abroad, tax laws, environmental laws, litigations, labour relations, exchange rate fluctuation, interest and other costs.

Annexure IV to the Directors Report

Corporate Social Responsibility (CSR) Report:

1.	A brief outline of the Company's CSR Policy, including overview projects or programs proposed to be undertaken and a reference to the Web-link to the CSR Policy and projects or programs.	The CSR activities are normally carried out directly by the Company by identifying activities. The Company has formed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Companies website : **www.caprihans.india.com/Policy**
2.	The Composition of the CSR Committee as on 31.03.2019	1. Mr. Bhoumick S. Vaidya - Chairman 2. Mr. Robin Banerjee - Member 3. Ms. Anjali Seth - Member
3.	Average net profit of the Company for last three financial years (Amount in Rs. Lacs)	Rs. 1040.47 lacs
4.	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	Rs. 20.81 lacs
5.	Details of CSR spent during the financial year	
	(1) Amount unspent as on 1st April, 2018	NIL
	(2) Amount to be spent for the F.Y. 2018-19	Rs. 20.81 lacs
	(3) Total Amount to be spent during F.Y. 2018-19 (1+2)	Rs. 20.81 lacs
	(4) Amount spent during F.Y. 2018-19	Rs. 11.12 lacs
	(5) Amount unspent, if any as on 31st March, 2019	Rs. 9.69 lacs
	(6) Manner in which the amount spent during the financial year:	**Dharmveer Anand Dighe Jidd Special School, Thane** The Company helped to set up a modern 'sensory garden' which aids the handicapped and mentally challenged children to familiarise and learn the five human senses namely: sight, hearing, smell, taste and touch. The Company takes care of expenditure related to the maintainence of this garden. The Company pays for special physio and speech therapists at the school. The Company also provides specialised medical equipments to the affected children. **Daang Seva Mandal Ashram School, Nasik** The Company spent funds for building the girls' hostel and improving the infrastructure of the School.
	(7) Reasons for CSR Amount unspent	The activities at the above mentioned schools are ongoing. The balance unspent amount will be utilised in the ensuing financial year after assessing the requirements of funds of the schools. Further the Nasik Muncipal School at Nasik was awaiting consent of Municipal authorities to operate and which has since been received after close of the financial year 2018-19

Annexure V to the Directors' Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Caprihans India Limited
Block D, Shivsagar Estate,
Dr. Annie Besant Road, Worli,
Mumbai - 400018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by M/s. Caprihans India Limited (hereinafter called "the Company").

The Secretarial Audit was conducted for the period from 1st April, 2018 to 31st March, 2019, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of the following list of laws and regulations with our observations on the same:

(i) **The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review.

(ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:** The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').

(iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:** The Company is a listed public company and its shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable for the period under review);

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable for the period under review);

   (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the period under review); and

   (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable for the period under review);

   (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable for the period under review);

   The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

   I further report that, as per the opinion of the officers of the Company and information provided by them there are no specific applicable laws on the basis of activities of the Company:

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.

(ii) The Listing Agreement entered into by the Company with BSE Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

We further report that:-

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors as required by Section 149 of the Companies Act, 2013.

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande
Partner

Place: Mumbai — FCS No.: 6099
Date: May 16, 2019 — COP No.: 6515

'Annexure A'

To,
The Members,
Caprihans India Limited
Block D, Shivsagar Estate,
Dr. Annie Besant Road,
Worli, Mumbai,
Maharashtra - 400018

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande
Partner

Place: Mumbai — FCS No.: 6099
Date: May 16, 2019 — COP No.: 6515

caprihans INDIA LIMITED

Financial Position at a Glance

(Rupees in lacs)

	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019
WE OWNED										
Fixed Assests	2659.35	2393.20	2098.18	1968.46	1726.49	1613.42	1765.78	1707.57	1909.54	2157.54
Inventories	2155.76	3071.15	2961.88	2788.41	3666.79	2749.63	3769.20	3584.67	3928.18	3693.42
Receivables	4747.07	5349.16	5263.05	6303.34	5736.25	6061.60	5259.73	5261.32	6373.33	7335.33
Liquid Funds	2375.67	1178.86	1226.73	1747.69	2076.38	3106.04	3766.88	3244.84	2683.36	1878.59
Advances	541.37	876.40	1519.72	1223.45	1302.00	1531.27	1784.85	1763.19	1477.61	1128.75
	12479.22	**12868.77**	**13069.56**	**14031.35**	**14507.91**	**15061.96**	**16346.44**	**15561.59**	**16372.02**	**16193.63**
WE OWED										
Payable & Provisions	2865.90	2908.42	2636.35	3224.04	3405.68	3518.29	4387.30	2811.32	3434.26	3127.74
Dividend & Tax - Proposed	382.88	228.97	228.97	230.49	230.49	237.12	237.12	237.12	237.51	118.75
	3248.78	**3137.39**	**2865.32**	**3454.53**	**3636.17**	**3755.41**	**4624.42**	**3048.44**	**3671.77**	**3246.49**
NET WORTH										
Share Capital	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40
Reserves & Surplus	7917.04	8417.98	8890.84	9263.42	9558.34	9993.15	10408.82	11436.87	11624.36	11752.49
Dividend & Tax - Proposed	—	—	—	—	—	—	—	(237.12)	(237.51)	(118.75)
	9230.44	**9731.38**	**10204.24**	**10576.82**	**10871.74**	**11306.55**	**11722.22**	**12513.15**	**12700.25**	**12947.14**
	12479.22	**12868.77**	**13069.56**	**14031.35**	**14507.91**	**15061.96**	**16346.64**	**15561.59**	**16372.02**	**16193.63**
What We Earned and Spent										
EARNINGS	**18184.97**	**20842.52**	**21467.00**	**24518.59**	**27210.58**	**27612.55**	**26765.46**	**25949.32**	**25799.23**	**27245.70**
OUTGOINGS:										
Materials	11116.48	13176.48	13411.17	15252.57	17532.01	17245.08	15618.33	15707.16	17032.98	19118.74
Excise	1141.88	1596.20	1617.75	2145.41	2373.96	2437.76	2343.68	2275.89	591.81	—
Expenses	4250.63	4583.75	5032.86	5737.42	6140.94	6497.81	6718.95	6352.41	7236.27	7331.08
Depreciation	383.73	366.18	349.39	420.12	353.26	344.67	352.68	342.88	338.01	335.25
Trf. From revaluation reserve	(12.00)	(12.00)	(12.00)	(76.00)	—	—	—	—	—	—
	16880.72	**19710.61**	**20399.17**	**23479.52**	**26400.17**	**26525.32**	**25033.64**	**24678.34**	**25199.07**	**26785.07**
Profit before extraordinary items and tax	1304.25	1131.91	1067.83	1039.07	810.41	1087.23	1731.82	1270.98	600.16	460.63
Extraordinary income/(expense)	—	—	—	—	—	—	(682.03)	223.06	—	—
Tax Provision	802.00	390.00	354.00	360.00	285.00	382.00	397.00	514.61	175.55	95.00
Net Profit	502.25	741.91	713.83	679.07	525.41	705.23	652.79	979.43	424.61	365.63
Dividend & Tax - Proposed	382.88	228.97	228.97	230.49	230.49	237.12	237.12	237.12	237.51	118.75
	119.37	**512.94**	**484.86**	**448.58**	**294.92**	**468.11**	**415.67**	**742.31**	**187.10**	**246.88**

Independent Auditor's Report

TO THE MEMBERS OF
CAPRIHANS INDIA LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Caprihans India Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Revenue recognition *(as described in note 2.2 (xi) of the Ind AS financial statements)*	
Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, in accordance with the delivery terms agreed with the customer. The Company uses a variety of delivery terms with customers and this has an impact on the timing of revenue recognition. Ascertainment of timing of revenue recognition is a key audit consideration for sales transactions occurring near to the year end.	Our audit procedures included the following: • Obtained understanding of the Company's process to recognize revenue in appropriate period, including understanding the design and tested the operating effectiveness of the controls on a samples basis. • Read and assessed the Company's accounting policy for recognition of revenue to assess compliance with relevant accounting standards. • We performed following substantive procedures on a sample of revenue contracts entered by the Company: – Read and identified the distinct performance obligations in these contracts and compared these performance obligations with those identified and recorded by the Company. – Read the terms of the contracts and tested the basis used by the management for recognition of revenue at a point of time as per the requirements of Ind AS 115.

Key audit matters	How our audit addressed the key audit matter
	– Tested the basis used by the management to measure revenue recognised at a point in time as per the requirements of Ind AS 115. – Tested on a sample basis that revenue has been recognised in the appropriate accounting period.
Receivables from related parties *(as described note 33 of the Ind AS financial statements)*	
The Company has significant outstanding receivables from related parties. These include: a. Receivables from Kalpataru Limited (formerly known as Kalpataru Homes Limited) The Company has outstanding receivables of Rs. 245.74 lacs, pertaining to certain non-core assets which were underwritten by Kalpataru Limited. Specific performance of such underwriting by Kalpataru Limited has been guaranteed by Mr. Mofatraj P. Munot, Director of the Company, Kalpataru Group Companies and by others. b. Receivables from Bilcare Limited (the Ultimate Holding Company) The Company has outstanding receivables of Rs. 703.97 lacs, pertaining to trade receivables, inter corporate deposits and interest on inter corporate deposit. The above receivables are pertaining to transactions entered prior to 2015. Considering the age of these receivables from related parties, the above has been considered as a key audit matter.	Our audit procedures included the following: • Read the documents underlying these transactions, to understand the contract and approval of the board of directors for transaction with Bilcare Limited. • Assessed and tested the management basis for making the provision against these receivables. • Read the documents relating to guarantee for receivables from Kalpataru Limited, to understand terms of the guarantee. • Traced the amounts as disclosed in the financial statements to the underlying books of accounts and to the confirmations. • Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.

Other Information and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors’ Report, but does not include the Ind AS financial statements and our auditor’s report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Amyn Jassani
Partner
Membership Number: 046447

Place of Signature: Pune
Date: May 16, 2019

Annexure '1' to The Independent Auditor's Report

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Caprihans India Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ investment property are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, during the year. Accordingly, the provisions of clause 3(iii) (a) of the Order are not applicable to the Company and hence not commented upon.

(b) In respect of loan granted in the earlier years, to a company, covered in the register maintained under section 189 of the Companies Act, 2013, the repayment of principal amount was not made as stipulated and payment of interest was not due as at the year end in accordance with the revised repayment schedule.

(c) The Company has amounts aggregating to Rs. 27.50 lacs which are overdue for more than ninety days in accordance with the revised repayment schedule from a company covered in the register maintained under section 189 of the Companies Act, 2013 and in our opinion and according to the information and explanation given by the management, the Company has taken reasonable steps for the recovery of the principal as stated in note 33 of the Ind AS financial statements.

(iv) In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of PVC films and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other statutory dues wherever applicable to it.

(b) According to the records of the Company, the dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. lacs)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax, including interest	40.50*	AY 2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax, including interest	14.59*	AY 2006-07	Income Tax Appellate Tribunal

Name of the statute	Nature of the dues	Amount (Rs. lacs)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax, including interest	54.52*	AY 2007-08	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty including penalty	119.62*	2004 to 2005	CESTAT

Note: * The amounts disclosed above are net of the payments made to the respective authorities where the dispute is pending.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company and hence not commented upon.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards except for transactions with Bilcare Limited aggregating Rs. 288.50 lacs, where the recoveries are not as per stipulated terms.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, the provisions of clause 3(xiv) of the Order are not applicable to the Company and not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Amyn Jassani
Partner
Membership Number: 046447

Place of Signature: Pune
Date: May 16, 2019

Annexure 2 to The Independent Auditor's Report of even Date on the Financial Statements of Caprihans India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Caprihans India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Amyn Jassani
Partner
Membership Number: 046447

Place of Signature: Pune
Date: May 16, 2019

BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Notes	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	**1,953.65**	1,670.41
(b) Capital work-in-progress	3	**12.52**	16.43
(c) Investment property	4	**79.73**	83.63
(d) Intangible assets	5	**111.64**	139.07
(e) Financial assets			
(i) Loans	6	**4.75**	4.41
(ii) Other financial assets	7	**464.47**	611.03
(f) Deferred tax assets (net)	29	**325.76**	318.76
(g) Other non-current assets	8	**30.93**	36.80
Total non-current assets		**2,983.45**	2,880.54
II. Current assets			
(a) Inventories	9	**3,693.42**	3,928.18
(b) Financial assets			
(i) Trade receivables	10	**7,335.33**	6,373.33
(ii) Cash and cash equivalents	11	**656.66**	366.11
(iii) Bank balance other than (ii) above	11	**1,221.93**	2,317.25
(iv) Loans	6	**9.31**	7.33
(v) Others financial assets	7	**52.07**	84.93
(c) Income tax assets (net)	12	**6.74**	—
(d) Other current assets	13	**234.72**	414.35
Total current assets		**13,210.18**	13,491.48
Total assets		**16,193.63**	16,372.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**1,313.40**	1,313.40
(b) Other equity			
(i) Securities premium	15	**6,497.27**	6,497.27
(ii) General reserve	15	**560.00**	530.00
(iii) Retained earnings	15	**4,695.22**	4,597.09
Total equity		**13,065.89**	12,937.76
LIABILITIES			
I. Non-current liabilities			
(a) Provisions	18	**219.62**	211.70
Total non-current liabilities		**219.62**	211.70
II. Current liabilities			
(a) Financial liabilities			
(i) Trade and other payables			
(a) Outstanding dues of micro and small enterprises	17	**161.61**	66.58
(b) Outstanding dues other than micro and small enterprises	17	**2,498.40**	2,791.24
(ii) Other financial liabilities	16	**25.16**	67.44
(b) Other current liabilities	19	**110.25**	140.18
(c) Provisions	18	**112.70**	94.03
(d) Current tax liabilities (net)	12	**—**	63.09
Total current liabilities		**2,908.12**	3,222.56
Total liabilities		**3,127.74**	3,434.26
Total equity and liabilities		**16,193.63**	16,372.02
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S R B C & Co L L P
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors of Caprihans India Limited

per Amyn Jassani
Partner
Membership No: 046447
Place : Pune
Date : May 16, 2019

ROBIN BANERJEE
Managing Director
DIN: 00008893
Place : Pune
Date : May 16, 2019

SIDDHARTH S. SHETYE
Director
DIN: 06943119
Place : Pune
Date : May 16, 2019

K. R. VISWANATHAN
CFO & Company Secretary
ACS Membership No: 5931
Place : Pune
Date : May 16, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Notes	Year ended 31 March 2019 INR lacs	Year ended 31 March 2018 INR lacs
Income			
Revenue from operations			
Revenue from contracts with customers	20	**26,658.48**	25,282.77
Other operating income	20	**235.34**	190.56
Revenue from operations		**26,893.82**	25,473.33
Other income	21	**351.88**	325.90
Total income (I)		**27,245.70**	25,799.23
Expenses			
Cost of raw materials and components consumed	22	**19,118.74**	17,032.98
Excise duty on sale of goods		—	591.81
(Increase)/decrease in inventories of finished goods and work-in-progress	23	**(212.04)**	484.10
Employee benefits expense	24	**2,396.00**	2,317.56
Finance costs	25	**68.84**	50.21
Depreciation and amortisation expense	26	**335.25**	338.01
Other expenses	27	**5,077.47**	4,400.18
Total expenses (II)		**26,784.26**	25,214.85
Profit before tax		**461.44**	584.38
Tax expense			
Current tax	29	**127.27**	200.78
Adjustment of tax relating to earlier years	29	**(25.00)**	(19.00)
Deferred tax charge/(credit)	29	**(7.00)**	(11.45)
Total tax expense		**95.27**	170.33
Profit for the year		**366.17**	414.05
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans	28	**(0.81)**	15.78
Income tax effect	29	**0.27**	(5.22)
		(0.54)	10.56
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(0.54)**	10.56
Total other comprehensive income for the year, net of tax		**(0.54)**	10.56
Total comprehensive income for the year, net of tax		**365.63**	424.61
Profit for the year		**366.17**	414.05
Total comprehensive income for the year		**365.63**	424.61
Earning per share [nominal value per share 31 March 2019 : INR 10/- (31 March 2018: INR 10/-)]			
Basic and diluted	30	**2.79**	3.15
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S R B C & Co L L P
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors of Caprihans India Limited

per Amyn Jassani
Partner
Membership No: 046447

Place : Pune
Date : May 16, 2019

ROBIN BANERJEE
Managing Director
DIN: 00008893
Place : Pune
Date : May 16, 2019

SIDDHARTH S. SHETYE
Director
DIN: 06943119
Place : Pune
Date : May 16, 2019

K. R. VISWANATHAN
CFO & Company Secretary
ACS Membership No: 5931
Place : Pune
Date : May 16, 2019

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**461.44**	584.38
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	**335.25**	338.01
(Profit) / Loss on disposal of fixed assets	**(3.46)**	2.90
Bad debts and irrecoverable balances written off	**13.39**	4.99
Foreign exchange differences	**(0.12)**	(7.86)
Finance costs	**68.84**	50.21
Finance income	**(164.61)**	(229.27)
Working capital adjustments		
Increase in trade receivables	**(986.80)**	(1,108.14)
Decrease/(Increase) in inventories	**234.76**	(343.51)
(Increase)/Decrease in loans and other financial assets	**(3.83)**	3.45
Increase in other non-current assets	**(0.92)**	(2.49)
Decrease in other current assets	**179.63**	304.79
(Decrease)/ Increase in trade and other payables	**(186.27)**	720.25
Decrease in financial liabilities	**(42.28)**	(35.57)
(Decrease) in other current liabilities	**(29.93)**	(0.63)
Increase in provision	**25.77**	46.36
Net cash (used in)/ generated from operations	**(99.14)**	327.87
Income taxes paid	**(171.83)**	(206.15)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**(270.97)**	121.72
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	**5.61**	—
Interest received	**200.95**	291.50
Purchase of property, plant and equipment and intangible assets	**(578.60)**	(542.29)
Maturity of/(Investment in) bank deposits - net	**1,239.16**	(489.86)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**867.12**	(740.65)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	**(68.84)**	(50.20)
Final dividend paid	**(197.01)**	(197.01)
Tax on final dividend paid	**(40.49)**	(40.11)
NET CASH USED IN FINANCING ACTIVITIES	**(306.34)**	(287.32)
Net (decrease)/increase in cash and cash equivalents	**289.81**	(906.25)
Cash and cash equivalents at the beginning of the year	**351.69**	1,257.94
Cash and cash equivalents at the end of the year	**641.50**	351.69
Components of cash and cash equivalents		
Cash on hand	**2.23**	1.73
Balance with banks		
Current accounts	**252.16**	224.37
Deposits with original maturity of less than three months	**375.50**	50.00
Remittances in transit	**11.61**	75.59
Total cash and cash equivalents (refer note 11)	**641.50**	351.69

As per our report of even date
For S R B C & Co L L P
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors of Caprihans India Limited

per Amyn Jassani
Partner
Membership No: 046447
Place : Pune
Date : May 16, 2019

ROBIN BANERJEE
Managing Director
DIN: 00008893
Place : Pune
Date : May 16, 2019

SIDDHARTH S. SHETYE
Director
DIN: 06943119
Place : Pune
Date : May 16, 2019

K. R. VISWANATHAN
CFO & Company Secretary
ACS Membership No: 5931
Place : Pune
Date : May 16, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

A. Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of Shares (in lacs)	INR lacs
At 31 March 2018	131.34	1,313.40
At 31 March 2019	**131.34**	**1,313.40**

B. Other equity

Attributable to the equity holders of the Company

Particulars	Reserves and surplus			INR lacs
	Securities premium	General reserve	Retained earnings	
	Note 15	Note 15	Note 15	Total
As at 01 April 2017	**6,497.27**	**480.00**	**4,459.60**	**11,436.87**
Profit for the year	-	-	414.05	414.05
Other comprehensive income for the year	-	-	10.56	10.56
Total comprehensive income for the year	-	-	424.61	424.61
Final dividend for the year ended 31 March 2017	-	-	(197.01)	(197.01)
Tax on final dividend for the year ended 31 March 2017	-	-	(40.11)	(40.11)
Transfer from retained earnings	-	50.00	-	50.00
Transfer to general reserve			(50.00)	(50.00)
As at 31 March 2018	**6,497.27**	**530.00**	**4,597.09**	**11,624.36**
As at 01 April 2018	**6,497.27**	**530.00**	**4,597.09**	**11,624.36**
Profit for the year	-	-	366.17	366.17
Other comprehensive income for the year	-	-	(0.54)	(0.54)
Total comprehensive income for the year	**-**	**-**	**365.63**	**365.63**
Final dividend for the year ended 31 March 2018	-	-	(197.01)	(197.01)
Tax on final dividend for the year ended 31 March 2018	-	-	(40.49)	(40.49)
Transfer from retained earnings	-	30.00	-	30.00
Transfer to general reserve	-	-	(30.00)	(30.00)
As at 31 March 2019	**6,497.27**	**560.00**	**4,695.22**	**11,752.49**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S R B C & Co L L P
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors of Caprihans India Limited

per Amyn Jassani
Partner
Membership No: 046447
Place : Pune
Date : May 16, 2019

ROBIN BANERJEE
Managing Director
DIN: 00008893
Place : Pune
Date : May 16, 2019

SIDDHARTH S. SHETYE
Director
DIN: 06943119
Place : Pune
Date : May 16, 2019

K. R. VISWANATHAN
CFO & Company Secretary
ACS Membership No: 5931
Place : Pune
Date : May 16, 2019

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

1. CORPORATE INFORMATION

Caprihans India Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange in India. The registered office of the Company is located at Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018. The Company is engaged in the business of manufacturing of rigid and flexible PVC films, PVdC coated films and plastic extruded products.

The financial statements of the Company were authorised for issue in accordance with a resolution of the Board of Directors at their meeting held on May 16, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015. (as amended from time to time)

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in INR and all values are rounded off to the nearest lacs (INR 00,000) except when otherwise indicated.

2.2. Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

i. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating cycle

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

ii. Foreign currencies

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

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

iii. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– In the principal market for the asset or liability

Or

– In the absence of a principal market, in the most advantageous market for the asset and liability.

The principal or the most advantageous market, referred above, must be accessible by the Company.

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

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

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

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

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

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

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

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

The Company's finance team determines the policies and procedures for recurring fair value measurement for items, such as derivative instruments.

External valuers are involved for valuation of significant assets such as investment properties. Involvement of external valuation experts is decided upon annually by the finance team after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The finance team decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

The Finance team, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the finance team and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

a) Dislcosures for valuation methods, significant estimates and assumptions (note 2.3 and 38)

b) Investment properties (note 4)

c) Financial instruments (including those carried at amortised cost) (note 6, 7, 10, 11, 16, 17, 36, 38)

iv. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Depreciation is calculated on assets over the estimated useful life of assets and methods used as mentioned below:

Asset Category	Depreciation method	Useful lives estimated by the management (years)	Useful lives as per Schedule II (years)
Land leasehold	Straight line	95-99	N.A.
Buildings	Written down value	30-60	30-60
Plant & equipment (Production)	Written down value	15	15
Plant & equipment (other than production)	Written down value	10-15	10-15
Furniture & fixture	Written down value	10	10
Vehicles	Written down value	8	8
Office equipment	Written down value	3-6	3-6

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

v. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing parts. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation

Depreciation on investment property is calculated on a written down value basis over the estimated useful life of assets as follows:

Asset Category	Useful lives estimated by the management (years)	Useful lives as per Schedule II (years)
Buildings	60	60

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

An investment property is derecognised on disposal or on permanent withdrawal from use and no future economic benefits are expected from its disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

vi. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation

Amortisation of intangible assets with finite useful life is calculated on a straight-line basis as follows:

Asset category	Life in years
Computer Software	5

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

— The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

— Its intention to complete and its ability and intention to use or sell the asset

— How the asset will generate future economic benefits

— The availability of resources to complete the asset

The ability to measure reliably the expenditure during development following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

vii. Non-current assets held for sale

The Company has disclosed non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

– The appropriate level of management is committed to a plan to sell the asset,

– An active programme to locate a buyer and complete the plan has been initiated (if applicable),

– The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

– The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

– Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

viii. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Leases in which there is substantially no transfer of all the risks and rewards incidental to ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an operating expense in the statement of profit and loss on an actual basis as and when incurred as the lease escalation rates in the respective lease arrangements reflects the inflationary effect.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on an actual basis as and when incurred as the lease escalation rates in the respective lease agreements reflects the inflationary effect. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, if material and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the statement of profit and loss, in the period in which they are earned.

ix. Inventories

a) Raw materials, components, including in transit, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

b) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

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

x. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

Whenever an impairment indicator exists or an annual impairment testing is required, the Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

xi. Revenue from contract with customer

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

However, GST is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally in accordance with the delivery terms agreed with the customer. The normal credit term is 0 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration and consideration payable to the customer.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of the product provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Rights of return - Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

Volume rebates - The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (xii) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on an actual basis and is included under the head "other income" in the statement of profit and loss.

xii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

"Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (xi) Revenue from contracts with customers.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The financial assets are subsequently measured at amortised cost.

(ii) De-recognition of financial assets

A financial asset is derecognised when:

– the rights to receive cash flows from the asset have expired, or

– the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

When the Company has transferred its rights to receive cash flows from an asset it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL 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 EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument

  Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and revenue receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

- Loan commitments: ECL is presented as a provision in the balance sheet, i.e. as a liability.

  For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

  The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase / origination.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables.

(ii) Subsequent measurement of financial liabilities

For purposes of subsequent measurement, financial liabilities are classified and measured as follows:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as fair value through profit or loss('FVTPL'), fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has designated derivative instruments as financial liability as at fair value through profit and loss.

(iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

xiii. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

xiv. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Export incentives

Export incentives under various schemes notified by government are accounted for in the year of exports as grant related to income and is recognized as other operating income in the profit or loss if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

xv. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the statement of profit or loss. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the profit or loss is recognised outside the profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/value added tax / GST

Expenses and assets are recognised net of the amount of sales / value added taxes / GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xvi. Retirement and other employee benefits

Retirement benefits in the form of provident fund, superannuation scheme and employee state insurance scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the schemes. The Company recognizes contribution payable to the schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the schemes are recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

The employee's gratuity fund scheme is Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the projected unit credit method as at the date of the balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the projected unit credit method as at the date of the balance sheet.

In regard to other long term employment benefits, the Company recognises the net total of service costs; net interest on the net defined benefit liability; and re-measurements of the net defined benefit liability in the profit or loss.

xvii. Earnings per share ('EPS')

Basic EPS is calculated by dividing the Company's earnings for the year attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

xviii. Cash dividend

The Company recognises a liability to make cash distributions to the equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the provisions of Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xix. Provisions

General

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

Contingent liability

Contingent liability is disclosed in the case of :

– a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

– a present obligation arising from past events, where no reliable estimate is possible; and

– a possible obligation arising from past events, unless the probability of outflow of resources is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit plans and other employment benefits and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 31.

2.4. Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

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

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

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

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (INR lacs)

	Land Leasehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
At Cost							
As at 01 April 2017	**2.28**	**267.81**	**1,619.55**	**36.29**	**17.58**	**103.26**	**2,046.77**
Additions	—	57.54	384.75	10.55	—	42.55	495.39
Disposals	—	—	3.10	0.01	—	0.19	3.30
As at 31 March 2018	**2.28**	**325.35**	**2,001.20**	**46.83**	**17.58**	**145.62**	**2,538.86**
Additions	—	18.36	528.24	14.66	—	12.89	574.15
Disposals	—	—	13.16	—	12.06	0.74	25.96
As at 31 March 2019	**2.28**	**343.71**	**2,516.28**	**61.49**	**5.52**	**157.77**	**3,087.05**
Depreciation							
As at 01 April 2017	**0.09**	**53.27**	**434.10**	**13.07**	**9.33**	**63.53**	**573.39**
Depreciation for the year	0.04	16.58	243.76	6.06	2.39	26.63	295.46
Disposals	—	—	0.39	—	—	0.01	0.40
As at 31 March 2018	**0.13**	**69.85**	**677.47**	**19.13**	**11.72**	**90.15**	**868.45**
Depreciation for the year	0.04	22.51	225.66	7.92	1.34	31.30	288.77
Disposals	—	—	12.51	—	10.58	0.73	23.82
As at 31 March 2019	**0.17**	**92.36**	**890.62**	**27.05**	**2.48**	**120.72**	**1,133.40**
Net book value							
As at 31 March 2019	2.11	251.35	1,625.66	34.44	3.04	37.05	1,953.65
As at 31 March 2018	2.15	255.50	1,323.73	27.70	5.86	55.47	1,670.41

Notes:

(i) Capital work in progress:

Capital work-in-progress comprises cost of assets that are not yet installed and ready for their intended use at the balance sheet date. Total amount of CWIP as at 31 March 2019 is INR 12.52 lacs (31 March 2018: INR 16.43 lacs).

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

NOTE 4 : INVESTMENT PROPERTY (INR lacs)

	Building
Cost	
As at 01 April 2017	**96.50**
Additions	—
Disposals	—
As at 31 March 2018	**96.50**
Additions	—
Disposals	—
As at 31 March 2019	**96.50**
Depreciation	
As at 01 April 2017	**8.78**
Depreciation for the year	4.09
Disposals	—
As at 31 March 2018	**12.87**
Depreciation for the year	3.90
Disposals	—
As at 31 March 2019	**16.77**
Net Book value	
As at 31 March 2019	79.73
As at 31 March 2018	83.63

Notes:

(i) **Information regarding income and expenditure of investment property**

	31 March 2019 INR lacs	31 March 2018 INR lacs
Rental income derived from investment properties	**13.04**	20.02
Direct operating expenses (including repairs and maintenance) generating rental income	**3.48**	2.81
Direct operating expenses (including repairs and maintenance) that did not generate rental income	—	—
Profit arising from investment properties before depreciation and indirect expenses	**9.56**	17.21
Less : Depreciation	**3.90**	4.09
Profit arising from investment properties before indirect expenses	**5.66**	13.12

(ii) The Company's investment property consist of 1 residential flat at Mumbai which was leased out upto November 2018 and one residential flat which was leased out throughout the year.

As at 31 March 2019 and 31 March 2018, the fair values of the properties are based on valuations performed by an accredited independent valuer, who is a specialist in valuing these types of investment properties.

(iii) The Company has no restrictions on the realisability of its investment properties. Further, the Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) **Fair value of the investment properties are as under**

Fair value	Building INR lacs
Balance as at 31 March 2017	972.48
Fair value movement for the year	79.92
Sales at fair value	—
Balance as at 31 March 2018	**1,052.40**
Fair value movement for the year	67.22
Sales at fair value	—
Balance as at 31 March 2019	**1,119.62**

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

NOTE 4 : INVESTMENT PROPERTY (Contd.)

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation techniques	Fair value hierarchy	Fair Value 31 March 2019	Fair Value 31 March 2018
			INR lacs	**INR lacs**
Flat at Bandra (West), Mumbai	Fair market value	Level 2	**802.82**	764.40
Flats at Sion (East), Mumbai	Fair market value	Level 2	**316.80**	288.00

Fair value note as per valuation report of accreditated valuer

The strengths and weakness of the said property, the environmental conditions, prevailing market conditions in the nearby locality and other relevant factors have been taken into account in carrying out the exercise of valuation.

NOTE 5 : INTANGIBLE ASSETS

(INR lacs)

	Computer Software	Total
Cost		
As at 01 April 2017	**235.39**	**235.39**
Additions	49.58	49.58
Write Off	—	—
As at 31 March 2018	**284.97**	**284.97**
Additions	15.15	15.15
Write Off	—	—
As at 31 March 2019	**300.12**	**300.12**
Amortisation		
As at 01 April 2017	107.44	107.44
Amortisation for the year	38.46	38.46
Deductions	—	—
As at 31 March 2018	**145.90**	**145.90**
Amortisation for the year	42.58	42.58
Deductions	—	—
As at 31 March 2019	**188.48**	**188.48**
Net Block		
As at 31 March 2019	111.64	111.64
As at 31 March 2018	139.07	139.07

NOTE 6 : LOANS

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Non-current		
Loans (unsecured)		
— To employees (considered good)	**4.75**	4.41
— To related party (credit impaired) (refer note 33)	–	–
	4.75	4.41
Less: Provision for credit impaired loans	–	–
Total loans	**4.75**	4.41
Current		
Loans (unsecured)		
— To employees (considered good)	**9.31**	7.33
— To related party (credit impaired) (refer note 33)	**225.00**	275.00
	234.31	282.33
Less: Provision for credit impaired loans	**(225.00)**	(275.00)
Total loans	**9.31**	7.33
Total Loans	**14.06**	11.74

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

NOTE 6 : LOANS (Contd.)

Loans are non-derivative financial assets carried at amortised cost which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

There are no loans given to directors or firms / private companies where directors are interested for the periods presented.

NOTE 7 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Non-current (unsecured considered good unless otherwise specified)		
Security deposits	**167.59**	166.83
Interest accrued on deposits	**2.21**	5.69
Receivable in respect of non-core activities (net) (refer note 33)	**245.74**	245.74
Bank deposits with remaining maturity of more than 12 months	**48.93**	192.77
Interest accrued on intercorporate deposits (credit impaired) (refer note 33)	**187.97**	–
	652.44	611.03
Less: Provision for credit impaired assets	**(187.97)**	–
Total non current financial assets	**464.47**	611.03
Current (unsecured considered good unless otherwise specified)		
Interest accrued on deposits	**52.07**	84.93
Interest accrued on intercorporate deposits (refer note 33)	**2.50**	140.13
	54.57	225.06
Less: Provision for credit impaired assets	**(2.50)**	(140.13)
Total current financial assets	**52.07**	84.93
Total other financial assets	**516.54**	695.96

Note - Receivable in respect of non-core activities

In terms of the agreement with Kalpataru Ltd (KL) for disposal of assets of the activities identified as non-core (referred to as non-core assets) the Company is yet to realise an amount of INR 245.74 lacs, which is outstanding since 2005. The delay in the realisation is on account of appeal filed by the Company before the Hon'ble High Court of Bombay challenging the arbitration award passed in the earlier year. As the realisation of this amount is underwritten by KL and the performance of KL has been guaranteed by Mr. Mofatraj P. Munot, Director of the Company, Kalpataru Group Companies and others, the management is confident of full recovery of non-core dues in due course. Further the Company has received interest income for the year ended 31 March 2019 of INR 14.70 lacs (31 March 2018 of INR 14.70 lacs) from KL on account of delay in realisation.

NOTE 8 : OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Capital advances (unsecured considered good)	**26.34**	33.12
Prepaid expenses (unsecured considered good)	**4.59**	3.68
Total	**30.93**	36.80

There are no advances given to directors or firms / private companies where directors are interested for all the periods presented.

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

NOTE 9 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Raw materials		
Raw materials and components	**1,550.39**	1,254.52
Raw materials in transit	**924.87**	1,669.09
Work-in-progress	**82.06**	74.40
Finished goods	**938.24**	737.46
Stores and spares	**111.64**	99.01
Packing materials and fuel	**51.47**	62.55
Scrap	**34.75**	31.15
Total	**3,693.42**	3,928.18

In terms of Ind AS-2, inventories are valued at lower of cost and net realisable value and the resultant impact is recognised as an expense /(income) in the statement of profit and loss for the year ended 31 March 2019 which amounts to INR 13.88 lacs (31 March 2018, INR (43.02 lacs)).

NOTE 10 : TRADE RECEIVABLES

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Unsecured		
Trade receivables- others (considered good)	**7,335.33**	6,373.33
Trade receivables- others (credit impaired)	**343.33**	339.02
Trade receivables- related parties (credit impaired) (refer note 33)	**288.50**	338.50
Total trade receivables	**7,967.16**	7,050.85
Less: Provisions for credit impaired		
Trade receivables- others	**(343.33)**	(339.02)
Trade receivables- related parties	**(288.50)**	(338.50)
Total provision for credit impaired	**(631.83)**	(677.52)
Total Trade receivables (current)	**7,335.33**	6,373.33

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0-90 days.

For terms and conditions relating to related party receivables, refer note 33.

See Note 38 on credit risk of trade receivables, which explains how the company manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTE 11 : CASH AND BANK BALANCES

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Cash and cash equivalents		
Balance with banks		
Current accounts	**252.16**	224.37
Unpaid dividend accounts	**15.16**	14.42
Deposits with original maturity of less than three months	**375.50**	50.00
Remittances in transit	**11.61**	75.59
Cash on hand	**2.23**	1.73
Total cash and cash equivalents	**656.66**	366.11
Other bank balances		
Deposits with remaining maturity of less than 12 months	**969.03**	2,078.70
Margin money deposits	**252.90**	238.55
	1,221.93	2,317.25
Total	**1,878.59**	2,683.36

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

NOTE 11 : CASH AND BANK BALANCES (Contd.)

Deposits are made for varying periods generally between one day and twelve months; and occasionally for periods beyond 12 months; depending on the immediate cash requirement of the Company and earn interest at the respective short term deposit rate.

The Company has earmarked two fixed deposits of INR 25 lacs each towards creation of sinking fund for operational purpose.

Financial assets carried at amortised cost

Particulars	**As at 31 March 2019 INR lacs**	As at 31 March 2018 INR lacs
Loans (Note 6)	**14.06**	11.74
Other financial assets (Note 7)	**516.54**	695.96
Trade receivables (Note 10)	**7,335.33**	6,373.33
Cash and bank balances (Note 11)	**1,878.59**	2,683.36
Total	**9,744.52**	9,764.39

NOTE 12 : CURRENT TAX LIABILITIES/INCOME TAX ASSETS (NET)

Particulars	**As at 31 March 2019 INR lacs**	As at 31 March 2018 INR lacs
Provision for taxation	**128.96**	154.63
Income tax receivables (net of provision)	**135.70**	91.54
Total Current tax liabilities (net)	**—**	63.09
Total Current tax assset (net)	**6.74**	—
Non-current tax assets/(liabilities)	**—**	—
Income tax assets	**6.74**	—
Current tax liabilities	**—**	(63.09)
Total	**6.74**	(63.09)

NOTE 13 : OTHER CURRENT ASSETS

Particulars	**As at 31 March 2019 INR lacs**	As at 31 March 2018 INR lacs
Unsecured considered good		
Advances recoverable	**110.85**	117.89
Balances with GST authorities	**94.89**	276.38
Prepaid expenses	**28.98**	20.08
Total	**234.72**	414.35

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

NOTE 14 : SHARE CAPITAL

Authorised share capital

Equity shares of INR 10 each

Particulars	No. of shares	INR lacs
At 01 April 2017	20,000,000	2,000.00
Increase/(decrease) during the year	—	—
At 31 March 2018	20,000,000	2,000.00
Increase/(decrease) during the year	—	—
At 31 March 2019	**20,000,000**	**2,000.00**

Terms/rights attached to the equity shares

The Company has only one class of equity shares having a par value of INR 10/- each. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

The Board of Directors has recommended a dividend @ 7.50 % (31 March 2018 : 15%) on the equity share capital (INR 0.75 per share of the value of INR 10 each) (31 March 2018 INR 1.50 per per share of the value of INR 10 each) subject to approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued, subscribed & fully paid up share capital

Equity shares of INR 10 each

Particulars	No. of shares	INR lacs
At 01 April 2017	13,133,971	1,313.40
Changes during the year	—	—
At 31 March 2018	13,133,971	1,313.40
Changes during the year	—	—
At 31 March 2019	13,133,971	1,313.40

14.1. SHARES HELD BY HOLDING COMPANY

Out of equity shares issued by the Company, shares held by its holding Company are as follows:

Particulars	**As at 31 March 2019**		As at 31 March 2018	
	No. of shares	**INR lacs**	No. of shares	INR lacs
Bilcare Research GmbH				
Equity shares of INR 10 each	**6,698,325**	**669.83**	6,698,325	669.83
Equity share holding (%)		**51.00%**		51.00%

14.2. NUMBER OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES IN THE COMPANY

Name of the shareholder/Relationship	**As at 31 March 2019**		As at 31 March 2018	
	No. of shares	**% of shareholding**	No. of shares	% of shareholding
Bilcare Research GmbH- (Holding Company)	**6,698,325**	**51.00%**	6,698,325	51.00%
K. C. Holdings Private Limited- (Enterprise in which Key management personnel is Director)	**1,242,609**	**9.46%**	1,242,609	9.46%
Mofatraj P. Munot- (Key management personnel)	**664,371**	**5.06%**	664,371	5.06%

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

NOTE 15 : OTHER EQUITY

NOTE 15.1 OTHER RESERVES

INR lacs

Particulars	Securities premium	General reserve	Retained earnings	Total
As at 01 April 2017	6,497.27	480.00	4,459.60	**11,436.87**
Add: Profit for the year	—	—	414.05	**414.05**
Add: Other comprehensive income for the year	—	—	10.56	**10.56**
Balance available for appropriation	6,497.27	480.00	4,884.21	**11,861.48**
Less : Appropriations				
Transferred to general reserve	—	—	50.00	**50.00**
Add : Transfer from retained earnings		50.00		**50.00**
Final dividend for the year ended 31 March 2017	—	—	197.01	**197.01**
Tax on dividend	—	—	40.11	**40.11**
As at 31 March 2018	6,497.27	530.00	4,597.09	**11,624.36**
Add: Profit for the year	—	—	366.17	366.17
Add: Other comprehensive income for the year	—	—	(0.54)	(0.54)
Balance available for appropriation	6,497.27	530.00	4,962.72	11,989.99
Less : Appropriations				
Transferred to general reserve	—	—	30.00	30.00
Add: Transfer from retained earnings	—	30.00	—	30.00
Final dividend for the year ended 31 March 2018	—	—	197.01	197.01
Tax on dividend	—	—	40.49	40.49
As at 31 March 2019	**6,497.27**	**560.00**	**4,695.22**	**11,752.49**

Other reserves

Particulars	**As at 31 March 2019 INR lacs**	As at 31 March 2018 INR lacs
Securities premium	**6,497.27**	6,497.27
General reserve	**560.00**	530.00
Retained earnings	**4,695.22**	4,597.09
Total other reserves	**11,752.49**	11,624.36

NOTE 15.2 DISTRIBUTIONS MADE AND PROPOSED

Particulars	**As at 31 March 2019 INR lacs**	As at 31 March 2018 INR lacs
Cash dividends on equity shares declared and paid		
Final dividend for the year ended 31 March 2018: INR 1.50 per share (31 March 2017: INR 1.50 per share)	**197.01**	197.01
Dividend distribution tax on final dividend	**40.49**	40.11
	237.50	237.12
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended 31 March 2019: INR 0.75 per share (31 March 2018: INR 1.50 per share)	**98.50**	197.01
Dividend distribution tax on proposed dividend	**20.25**	40.49
	118.75	237.50

Proposed dividend on equity shares are subject to approval of the shareholders of the Company at the annual general meeting and are not recognised as a liability (including taxes thereon) as at 31 March.

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

NOTE 16 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Current		
Financial liabilities at amortised cost		
Deposits from customers and others	**10.00**	53.02
Unclaimed dividends	**15.16**	14.42
Total financial liabilities at amortised cost	**25.16**	67.44
Total current other financial liabilities	**25.16**	67.44
Total other financial liabilities	**25.16**	67.44

For explanations on the Company's interest risk, foreign currency risk and liquidity risk management processes, refer to note 38.

Financial liabilities at amortised cost

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Trade payables (Note 17)	**2,660.01**	2,857.82
Other financial liabilities (Note 16)	**25.16**	67.44
Total financial liabilities carried at amortised cost	**2,685.17**	2,925.26

NOTE 17 : TRADE AND OTHER PAYABLES

Particulars	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Trade payables - current		
Outstanding dues of micro and small enterprises (refer note 35)	**161.61**	66.58
Outstanding dues other than micro and small enterprises	**2,498.40**	2,791.24
Total current trade payables	**2,660.01**	2,857.82

Trade payables are non-interest bearing and are normally settled on 0 - 90 days terms.

For explanations on the Company's foreign currency risk and liquidity risk management processes, refer to note 38.

NOTE 18 : PROVISIONS

Particulars		As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Non-current			
Employee benefit obligations:			
Compensated absences		**219.62**	211.70
Total non-current employee benefit obligations	(a)	**219.62**	211.70
Current			
Employee benefit obligations:			
Compensated absences		**75.45**	76.86
Gratuity		**37.25**	17.17
Total current employee benefit obligations	(b)	**112.70**	94.03
Total Provisions	(a + b)	**332.32**	305.73

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

NOTE 18 : PROVISIONS (Contd.)

Employee benefits obligations

a) Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity is payable on retirement or termination whichever is earlier. The level of benefits provided depends on the member's length of service and salary. The gratuity plan is funded plan. The gratuity obligation is calculated by the Company without keeping any upper limit..

b) Compensated absences

The leave obligation cover the Company's liability for earned leaves.

Also refer note 31 for detailed disclosure.

NOTE 19 : OTHER CURRENT LIABILITIES

Particulars	**As at 31 March 2019 INR lacs**	As at 31 March 2018 INR lacs
Advance from customers	**27.09**	51.30
Other payables		
Statutory dues including provident fund and tax	**17.92**	17.65
Tax deducted at source	**28.38**	30.48
Sales tax	**21.40**	26.28
Others	**15.46**	14.47
Total other liabilities	**110.25**	140.18
Total	**110.25**	140.18

NOTE 20 : REVENUE FROM OPERATIONS

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Revenue from contracts with customer		
Sale of products	**26,658.48**	25,282.77
Total sale of products	**26,658.48**	25,282.77
Other operating income		
Sale of scrap	**119.29**	147.64
Sale of raw material	**61.01**	3.52
Income from exports scheme	**55.04**	39.40
	235.34	190.56
Total	**26,893.82**	25,473.33

Revenue from operations includes excise duty collected from customers of INR Nil lacs (upto 30 June 2017: INR 591.81 lacs). From July 01, 2017 onwards the excise duty and most indirect taxes in India have been replaced by the Goods and Service Tax (GST). The Company collects GST on behalf of the government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended 31 March 2019 is not comparable with 31 March 2018.

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Revenue as per contracted price	**26,850.80**	25,553.43
Adjustments		
Discounts	**(50.71)**	(74.62)
Sales return	**(141.61)**	(196.04)
Revenue from contract with customers	**26,658.48**	25,282.77

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

NOTE 20 : REVENUE FROM OPERATIONS (Contd.)

Performance obligation

The performance obligation is satisfied at the point in time when control of the goods are transferred to the customer, generally in accordance with the delivery terms agreed with the customer and payment is generally due within 0 to 90 days from the date of delivery. Some contracts provide customers with volume rebates which give rise to variable consideration.

NOTE 21 : OTHER INCOME

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Interest		
On bank deposits	**125.89**	191.29
On others	**38.71**	37.98
Rent received	**13.88**	22.64
Exchange differences (net)	**30.15**	29.54
Provision no longer required	**100.00**	25.00
Miscellaneous income	**39.79**	19.45
Profit on Sale of property, plant and equipment	**3.46**	—
Total	**351.88**	325.90

NOTE 22 : COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Inventory at the beginning of the year (including goods in transit)	**2,923.61**	2,128.88
Add : Purchases	**18,670.39**	17,827.71
	21,594.00	19,956.59
Less : Inventory at the end of the year (including goods in transit)	**(2,475.26)**	(2,923.61)
Total	**19,118.74**	17,032.98

NOTE 23 : (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Opening inventory		
Work-in-process	**74.40**	186.27
Finished goods	**737.46**	1,103.28
Scrap	**31.15**	37.56
Closing inventory		
Work-in-process	**82.06**	74.40
Finished goods	**938.24**	737.46
Scrap	**34.75**	31.15
(Increase)/Decrease in inventory	**(212.04)**	484.10

NOTE 24 : EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Salaries, wages and bonus	**2,106.87**	2,043.01
Gratuity expense (refer note 31)	**36.43**	32.95
Contribution to provident and other funds	**108.98**	110.07
Staff welfare expenses	**143.72**	131.53
Total	**2,396.00**	2,317.56

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

NOTE 25 : FINANCE COSTS

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Interest costs	—	1.76
Bank charges	68.84	48.45
Total	**68.84**	50.21

NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSE

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Depreciation and amortisation expense		
Depreciation on tangible assets (refer note 3)	288.77	295.46
Depreciation on investment properties (refer note 4)	3.90	4.09
Amortisation on intangible assets (refer note 5)	42.58	38.46
Total	**335.25**	338.01

NOTE 27 : OTHER EXPENSES

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Consumption of stores	216.61	185.46
Consumption of packing material	701.86	661.24
Sub-contracting expenses	59.82	46.33
Excise duty on increase/(decrease) in inventory	-	(109.78)
Power and fuel	1,990.37	1,688.90
Freight and forwarding charges	1,141.87	1,013.65
Rent	31.31	36.74
Rates and taxes	6.61	5.84
Insurance	18.14	16.21
Repairs and maintenance		
Plant and machinery	80.89	73.92
Building	61.43	30.54
Others	12.67	14.98
CSR expenditure (refer details below)	11.11	39.74
Sales commission	114.95	105.31
Travelling and conveyance	139.24	140.15
Communication costs	31.96	34.25
Printing and stationery	18.91	14.11
Advertising and sales promotion	8.74	8.19
Legal and professional fees	115.92	99.28
Directors sitting fees	21.75	17.50
Payment to auditor (refer details below)	27.70	26.34
Bad debts and advances written off	13.39	4.99
Loss on sales of property, plant and equipment	-	2.90
Miscellaneous expenses	252.22	243.39
Total	**5,077.47**	4,400.18

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

NOTE 27 : OTHER EXPENSES (Contd.)

Payment to auditors (net of service tax/GST)

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
As Auditor		
Audit fees	**15.00**	15.00
Limited review fees	**9.00**	9.00
Reimbursement of expenses	**3.70**	2.34
Total	**27.70**	26.34

Details of CSR expenditure:

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Gross amount required to be spent by the Company during the year	**20.81**	24.16

Amount spent during the year ending on March 31, 2019

	In cash	Yet to be paid in cash	Total
i) Construction of asset	**—**	**8.50**	**8.50**
ii) On purposes other than (i) above	**1.45**	**1.16**	**2.61**

Amount spent during the year ending on March 31, 2018

	In cash	Yet to be paid in cash	Total
i) Construction of asset	—	14.38	14.38
ii) On purposes other than (i) above	24.28	1.08	25.36

NOTE 28 : COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Retained earnings INR lacs	Total INR lacs
During the year ended 31 March 2019		
Re-measurement gains on defined benefit plans	**(0.81)**	(0.81)
	(0.81)	(0.81)
During the year ended 31 March 2018		
Re-measurement gains on defined benefit plans	**15.78**	15.78
	15.78	15.78

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

NOTE 29 : INCOME TAX

The note below details the major components of income tax expenses for the year ended 31 March 2019 and 31 March 2018. The note further describes the significant estimates made in relation to Company's income tax position and also explains how the income tax expense is impacted by non-assessable and non-deductible items.

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Statement of profit and loss		
Current income tax		
Current income tax charge	**127.27**	200.78
Adjustment in respect of current income tax relating to earlier years	**(25.00)**	(19.00)
Deferred tax		
Relating to origination and reversal of temporary differences	**(7.00)**	(11.45)
Income tax expense reported in the statement of profit and loss	**95.27**	170.33

Other Comprehensive Income (OCI)

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Tax related to items recognised in OCI during the year	**(0.27)**	5.22
Income tax charged to OCI	**(0.27)**	5.22

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate as notified under Income Tax Act, 1961 enacted in India for the years ended 31 March 2019 and 31 March 2018.

A) Current tax

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Accounting profit before income tax expense	**461.44**	584.38
Other comprehensive income before tax	**(0.81)**	15.78
Total comprehensive income before tax	**460.63**	600.16
Tax @ 33.38% (31 March 2018: 33.06%)	**153.76**	198.41
Tax effect of adjustments in calculating taxable income:		
Items not allowed for tax purpose	**2.55**	14.10
Income tax adjustments (earlier years)	**(25.00)**	(19.00)
Other tax allowances	**(14.70)**	(21.98)
Other disallowances	**(18.50)**	4.02
Change in deferred tax due to change in tax rates	**(3.11)**	—
At the effective income tax rate of 31 March 2019: 20.63% (31 March 2018 : 29.24%)	**95.00**	175.55
Income tax effect on OCI	**(0.27)**	5.22
Income tax expenses reported in the statement of profit and loss	**95.27**	170.33
Income tax total	**95.00**	175.55

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

NOTE 29 : INCOME TAX (Contd.)

B) Deferred tax

Particulars	Balance sheet 31 March 2019 INR lacs	Balance sheet 31 March 2018 INR lacs	Statement of profit and loss 31 March 2019 INR lacs	Statement of profit and loss 31 March 2018 INR lacs
Depreciation	**(88.76)**	(85.54)	**(3.22)**	(5.69)
Disallowances u/s 43B of Income Tax Act	**139.91**	134.01	**5.90**	10.55
Provision for doubtful debts & advances	**274.61**	270.29	**4.32**	6.59
Deferred tax income			**7.00**	11.45
Net deferred tax assets	**325.76**	318.76		
Reflected in the balance sheet as follows:				
Deferred tax liabilities	**(88.76)**	(85.54)		
Deferred tax assets	**414.52**	404.30		
Deferred tax assets (net)	**325.76**	318.76		

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Reconciliation of deferred tax assets net		
Opening balance	**318.76**	307.31
Tax income / (expense) during the year recognised in profit or loss	**7.00**	11.45
Closing balance	**325.76**	318.76

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31 March 2019 and 31 March 2018, the Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence dividend distribution tax paid is charged to equity.

The applicable tax rate for 31 March 2019 : 33.384% (31 March 2018: 33.063%)

NOTE 30 : EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year. The earnings considered in ascertaining the Company's earnings per share ('EPS') comprise the net profit after tax attributable to equity shareholders.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2019	31 March 2018
Earning per share (Basic and diluted)		
Profit attributable to owners of the Company (INR in lacs)	**366.17**	414.05
Weighted average number of equity shares for the purpose of computing earnings per share (basic and diluted)*	**13,133,971**	13,133,971
Basic and diluted earnings per share	**2.79**	3.15

* The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

NOTE 31 : GRATUITY AND OTHER EMPLOYMENT BENEFITS

A. Defined contribution plans:

Amount for the period ended 31 March 2019 of INR 96.35 lacs (31 March 2018: INR 95.32 lacs) is recognised as expenses and included in note 24 "Employee benefit expense"

B. Defined benefit plans:

The Company has a defined benefit gratuity plan. The fund is administered by ICICI Prudential Life Insurance. The following table summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for gratuity.

31 March 2019 : Changes in defined benefit obligation and plan assets

(INR lacs)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income					
	1 April 2018	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (note 24)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI (note 28)**	**Contributions by employer**	**31 March 2019**
Gratuity											
Defined benefit obligation	(569.30)	(35.15)	(42.67)	**(77.82)**	38.19	—	16.22	(15.41)	0.81	—	(608.12)
Fair value of plan assets	552.13	—	41.39	**41.39**	(38.19)	(1.62)	—	—	(1.62)	17.16	570.87
Benefit liability	**(17.17)**	**(35.15)**	**(1.28)**	**(36.43)**	**—**	**(1.62)**	**16.22**	**(15.41)**	**(0.81)**	**17.16**	**(37.25)**
Total benefit liability	**(17.17)**	**(35.15)**	**(1.28)**	**(36.43)**	**—**	**(1.62)**	**16.22**	**(15.41)**	**(0.81)**	**17.16**	**(37.25)**

31 March 2018 : Changes in defined benefit obligation and plan assets

(INR lacs)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income					
	1 April 2017	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (note 24)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI (note 28)**	**Contributions by employer**	**31 March 2018**
Gratuity											
Defined benefit obligation	(556.84)	(32.07)	(38.39)	(70.46)	43.94	—	21.97	(7.91)	14.06	—	(569.30)
Fair value of plan assets	544.15	—	37.51	37.51	(43.94)	1.72	—	—	1.72	12.69	552.13
Benefit liability	**(12.69)**	**(32.07)**	**(0.88)**	**(32.95)**	**—**	**1.72**	**21.97**	**(7.91)**	**15.78**	**12.69**	**(17.17)**
Total benefit liability	**(12.69)**	**(32.07)**	**(0.88)**	**(32.95)**	**—**	**1.72**	**21.97**	**(7.91)**	**15.78**	**12.69**	**(17.17)**

NOTE 31 : GRATUITY AND OTHER EMPLOYMENT BENEFITS (Contd.)

C. **Other long-term employment benefits**

The Company has compensated absences plan which is covered by other long-term employment benefits

31 March 2019 : Changes in defined benefit obligation of compensated absences

(INR lacs)

		Cost charged to statement of profit and loss					
	1 April 2018	Service cost	Interest cost	Actuarial changes arising from various assumption	**Sub-total included in statement of profit and loss (note 24)**	**Benefit paid**	**31 March 2019**
Compensated absences							
Defined benefit obligation	(288.56)	(27.13)	(21.62)	(2.87)	(51.62)	45.11	(295.07)
Benefit liability	**(288.56)**	**(27.13)**	**(21.62)**	**(2.87)**	**(51.62)**	**45.11**	**(295.07)**

31 March 2018 : Changes in defined benefit obligation of compensated absences

		Cost charged to statement of profit and loss					
	1 April 2017	Service cost	Interest cost	Actuarial changes	**Sub-total included in statement of profit and loss (note 24)**	Benefit paid	31 March 2018
Compensated absences							
Defined benefit obligation	(262.45)	(40.28)	(18.10)	(13.29)	(71.67)	45.56	(288.56)
Benefit liability	**(262.45)**	**(40.28)**	**(18.10)**	**(13.29)**	**(71.67)**	**45.56**	**(288.56)**

The major categories of plan assets as a percentage of the fair value of the total plan assets of gratuity are as follows:

Particulars	**31 March 2019**	31 March 2018
Insured managed funds (INR in lacs)	**570.87**	552.13
(%) of total plan assets	**100%**	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	**31 March 2019**	31 March 2018
Discount rate	**7.45%**	7.50%
Future salary increase	**7.50%**	8.00%
Expected average remaining working lives (in years)		
Gratuity	**17.32 Years**	17.88 Years
Compensated absences	**17.32 Years**	17.88 Years
Withdrawal rate (based on grade and age of employees)		
Gratuity	**5%**	5%
Compensated absences	**5%**	5%

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

NOTE 31 : GRATUITY AND OTHER EMPLOYMENT BENEFITS (Contd.)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

		Increase/decrease in defined benefit obligation (Impact)	
Particulars	**Sensitivity level**	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Discount rate	1% increase	**574.64**	535.73
	1% decrease	**645.50**	606.96
Future salary increase	1% increase	**645.12**	606.41
	1% decrease	**574.36**	535.58
Withdrawal rate	50% increase in withdrawal rate	**607.38**	566.62
	50% decrease in withdrawal rate	**608.97**	572.64
Mortality rate	10% increase in moratlity rate	**608.11**	569.29
	10% decrease in moratlity rate	**608.12**	569.33

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Within the next 12 months (next annual reporting period)		
Gratuity	**150.58**	122.17
Between 2 and 5 years		
Gratuity	**235.26**	208.60
Between 6 and 10 years		
Gratuity	**288.08**	271.06
Beyond 10 years		
Gratuity	**359.45**	409.77
Total expected payments	**1,033.37**	1,011.60

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	**31 March 2019**	31 March 2018
Gratuity	**6 years**	6 years

The followings are the expected contributions to planned assets for the next year:

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Gratuity	**65.83**	45.42

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

NOTE 32 : COMMITMENTS AND CONTINGENCIES

a. Leases

Operating lease commitments - Company as a lessee

The Company has entered into various operating leases for offices and godowns. These leases have an average life between one and five years with renewal option included in the contracts.

The Company has paid for the year ended 31 March 2019 INR 31.31 lacs (31 March 2018: INR 36.74 lacs) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Within one year	—	2.35
After one year but not more than five years	—	—
More than five years	—	—

Operating lease commitments- Company as lessor

The Company has entered into operating leases on its investment property consisting of residential flats and have lease term between one and five years with renewal options.

b. Capital and other commitments

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**16.84**	76.56

c. Contingent Liabilities

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Contingent liabilities not provided for		
a. Demands of Excise authorities which are disputed in appeals by the Company	**62.24**	62.24
b. Other excise notices pending adjudication	**192.09**	190.50
c. Demands of Income tax authorities which are disputed in appeals and not provided for	—	—
d. Claims against the company not acknowledged as debts - estimated	**418.51**	395.99
	672.84	648.73

Note:

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

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

NOTE 33 : RELATED PARTY TRANSACTIONS

Related parties have been identified on the basis of representation made by the Key Management Persons and taken on record by the Board.

Disclosures of transactions with related parties are as under:

A. Description of Related Parties

i) Name of the related party and nature of relationship where control exists

Related party category	Name of the Entity
Holding company	Bilcare Research GmbH
	Bilcare Research AG
Ultimate holding company	Bilcare Limited
Enterprises in which key management personnel is director	K. C. Holdings Pvt Ltd Kalpataru Limited Kalpataru Properties Private Limited
Relatives of key management personnel	Parag Mofatraj Munot Monica Parag Munot

ii) Key management personnel

Name	Name of the office held
Mr. Mofatraj P. Munot	Chairman, Promoter Director
Mr. Robin Banerjee	Managing Director
Mr. Mohan H. Bhandari	Promoter Director (upto 14.12.2018)
Ms. Ankita J. Kariya	Promoter Director (w.e.f. 14.12.2018)
Mr. Bhoumik S. Vaidya	Independent Director
Mr. K V Mani	Independent Director
Ms. Anjali Seth	Independent Director
Mr. Nitin K Joshi	Independent Director
Mr. Siddharth S. Shetye	Independent Director
Mr. Narendra Lodha	Non Independent Director

NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)

B. Transactions with related parties

Related party category	Name of the related party	31 March 2019 INR lacs	31 March 2018 INR lacs	Nature of transaction
Ultimate Holding Company	Bilcare Limited*	**55.93**	65.33	Interest accrued (gross)
Enterprises in which key management personnel is director	Kalpataru Limited	**14.70**	14.70	Interest accrued (gross)
Total		**70.63**	80.03	
Holding Company	Bilcare Research AG	**1.15**	17.50	Reimbursement of expenses
Enterprises in which key management personnel is director	Kalpataru Limited	**3.00**	—	Reimbursement of expenses
Total		**4.15**	17.50	
Ultimate Holding Company	Bilcare Limited*	**50.00**	25.00	Intercorporate Deposits principle received
Ultimate Holding Company	Bilcare Limited*	**50.00**	—	Received against outstanding receivables
Total		**100.00**	25.00	
Ultimate Holding Company	Bilcare Limited*	**50.34**	58.80	Expense recognised during the period in respect for bad or doubtful debts/ advances
Ultimate Holding Company	Bilcare Limited*	**(100.00)**	(25.00)	Reversal of provision as no longer required
Total		**(49.66)**	33.80	
Holding Company	Bilcare Research Gmbh	**100.47**	100.47	Dividend paid
Enterprises in which key management personnel is director	K. C. Holdings Pvt Ltd	**18.64**	18.64	Dividend paid
Key management personnel	Mofatraj P. Munot	**9.97**	9.97	Dividend paid
Enterprises in which key management personnel is director	Kalpataru Properties Pvt Ltd	**4.11**	4.11	Dividend paid
Relatives of key management personnel	Parag Mofatraj Munot	**6.68**	6.68	Dividend paid
	Monica Parag Munot	**0.39**	0.39	Dividend paid
Total		**140.26**	140.26	

NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)

C. Outstanding with / from related party

Nature of balances	Name of the related party	31 March 2019 INR lacs	31 March 2018 INR lacs
Accounts receivable from Ultimate Holding company			
Sale of goods	Bilcare Limited*	**288.50**	338.50
Intercorporate Deposits	Bilcare Limited*	**225.00**	275.00
Interest on Intercorporate deposits	Bilcare Limited*	**190.47**	140.13
Total		**703.97**	753.63
Provision for doubtful receivables			
Ultimate Holding Company	Bilcare Limited*	**703.97**	753.63
Total		**703.97**	753.63
Receivables in respect of non core activities			
Enterprises in which key management personnel is director	Kalpataru Limited	**245.74**	245.74
Total		**245.74**	245.74

* Though the amounts receivable from Bilcare Limited has been fully provided for, the Company is doing regular follow up and monitoring through regular discussions in board meetings. During the year, the Company has received Rs. 50 lacs against trade receivables and Rs. 50 lacs against Intercorporate deposit.

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

NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)

Terms and conditions of transactions with related parties

Outstanding balances are unsecured and settlement occurs in cash. For the year ended 31 March 2019, the Company has recorded an impairment of receivables relating to amounts owed by related parties of INR 50.34 lacs (31 March 2018: INR 58.80 lacs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Guarantee from related parties:

The realisation of amount due on account of disposal of assets of the activities identified as non core is underwritten by Kalpataru Limited (KL) and the performance of KL has been guaranteed by Mr. Mofatraj P. Munot, Director of the Company, Kalpataru Group Companies and others. (refer note 7)

Transactions with key management personnel

Compensation of key management personnel of the Company

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Mr. Robin Banerjee, Managing Director		
Salary & allowances	**111.00**	111.00
Reimbursement of medical & leave travel expenses	**4.75**	4.75
Contribution to Provident & other funds	**8.28**	8.28
Total	**124.03**	124.03

The amount disclosed in the table are the amount recognised as an expense during the reporting period related to key management personnel.

The above figures exclude provision for gratuity and leave encashment which are actuarially determined on and overall basis.

Sitting fees paid to key management personnel of the Company

Particulars	Name of the office held	**31 March 2019 INR lacs**	31 March 2018 INR lacs
Mr. Mofatraj P. Munot	Chairman, Promoter Director	**1.50**	1.00
Mr. Mohan H. Bhandari #	Promoter Director	**1.50**	2.00
Ms. Ankita J. Kariya ##	Promoter Director	**0.50**	0.00
Mr. Bhoumik S. Vaidya	Independent Director	**4.25**	2.25
Mr. K V Mani	Independent Director	**3.25**	3.50
Ms. Anjali Seth	Independent Director	**2.25**	2.25
Mr. Nitin K Joshi	Independent Director	**3.00**	2.50
Mr. Siddharth S. Shetye	Independent Director	**3.50**	3.00
Mr. Narendra Lodha	Non-Independent Director	**2.00**	1.00
Total		**21.75**	17.50

Held office upto 14th December, 2018

With effect from 14th December, 2018

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

NOTE 34 : OPERATING SEGMENT

The Company is engaged mainly in processing of plastic polymers and its products are covered under a one business segment i.e. processing of plastic polymers as primary segment. The geographical information required by Ind AS 108 is as under:

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
a) Revenue from operations		
Sale of products		
Within India	**22,244.55**	21,502.30
Outside India	**4,649.27**	3,971.03
Total	**26,893.82**	25,473.33
b) Non-current assets*		
Within India	**2,188.46**	1,946.34
Outside India	**—**	—
Total	**2,188.46**	1,946.34

***** Note: Non current assets excludes financial assets, deferred tax assets and post employment benefit assets.

NOTE 35 : DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	**31 March 2019 INR lacs**	31 March 2018 INR lacs
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	**161.61**	66.58
– Interest due on above (*)	**0.34**	0.24
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. (*)	**15.27**	7.13
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	—	—
(v) The amount of further 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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 (*)	**15.27**	7.13

(*) As per the terms of the commercial agreements with micro, small and medium enterprises there is no interest amount to be paid / payable by the Company.

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

NOTE 36 : FAIR VALUE DISCLOSURES FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Management believes that the fair values of non-current financial assets (loans and others), current financial assets (e.g., cash and cash equivalents, trade and other receivables and loans), non-current financial liabilities and current financial liabilities (e.g.,trade payables and other payables and others) approximate their carrying amounts and accordingly, seperate disclosure have not been made. Refer note 11 & 16 to the financial statements.

NOTE 37 : EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT (R&D)

The Company received from Ministry of Science & Technology, Government of India recognition for In House R&D Unit at its Nashik Factory and at its Thane Factory. R&D cost that are not eligible for capitalisation have been expensed in the period incurred (during the year ended 31 March 2019 INR 59.09 lacs) (31 March 2018 INR 66.15 lacs) and they are recognised in other expenses.

The details of expenditure incurred on R&D for the financial year ended 31 March 2019 are as under:

Particulars	**31 March 2019 INR in lacs Thane Unit**	**31 March 2019 INR in lacs Nashik Unit**	**31 March 2019 INR in lacs Total**
Capital	**0.97**	**8.41**	**9.38**
Revenue	**28.19**	**30.90**	**59.09**
Total	**29.16**	**39.31**	**68.47**

The details of expenditure incurred on R&D for the financial year ended 31 March 2018 are as under:

Particulars	**31 March 2018 INR in lacs Thane Unit**	**31 March 2018 INR in lacs Nashik Unit**	**31 March 2018 INR in lacs Total**
Capital	**8.56**	**2.73**	**11.29**
Revenue	**27.11**	**39.04**	**66.15**
Total	**35.67**	**41.77**	**77.44**

NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of trade and other payables and other financial liabilities. The Company's principal financial assets includes loans, trade receivables, cash and bank balances, other assets and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees and advises on these risks. The Company's senior finance team advises on financial risks and provides assurance that the Company's financial risk are identified, measured, managed and mitigated in accordance with general risk mitigation policies and objectives. All derivative activities, primarily forward exchange cover are carried out by senior finance team who has the appropriate skills, expertise and experience and is being overseen by the Managing Director from time to time as per business needs. It is the Company's policy that no trading in derivatives for speculative purposes be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, trade and other receivables and trade and other payables.

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 March 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

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

NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long term & short term borrowings.

The impact of +/(-) 25 bps in bank interest rates on deposits is estimated at +/(-) INR 4.12 lacs as on 31 March 2019, +/(-) INR 6.40 lacs as on 31 March 2018, without considering any change in deposit amounts.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Following table demonstrates Company's foreign currency exposure

Nature of exposure	**Currency**	**31 March 2019**		31 March 2018	
		Foreign currencies	**INR lacs**	Foreign currencies	INR lacs
Receivables –					
Export Trade receivables	USD	1,258,928	870.55	1,268,734	826.83
	EUR	63,895	49.63	8,524	6.84
	AED	38,757	7.30	258,904	45.88
Payables –					
Import Trade payables	USD	1,717,303	1,187.86	2,919,710	1,903.07
	EUR	212,459	165.06	191,091	153.41
	AED	4,498	0.85		

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material and have not covered in sensitivity analysis.

Particulars	**Change in USD rate**	**Effect on profit before tax- gain/ (loss) (INR lacs)**
31 March 2019	**+5%**	(15.87)
	-5%	15.87
31 March 2018	**+5%**	(53.81)
	-5%	53.81

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

NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Commodity price risk

The Company is affected by the price volatility of resin, base raw material for manufacturing PVC Films and being sourced from both domestic and international suppliers. The price volatility is due to demand-supply position in international market and exchange impact arising due to delivery lead time. The upward or downward trend in raw material is generally being passed on to the end customer other than exceptional cases as per business needs and therefore neutralising the exchange risks arising therefrom and as such the impact of such volatility, is difficult to be quantified or measured.

The impact of +/(-) 1% in resin cost is estimated at +/(-) INR 126 lacs as on 31 March 2019, +/(-) INR 120 lacs as on 31 March 2018, without considering any change in sales realisation for any given period.

Equity price risk

The Company has not made investments in equity securities, hence are not susceptible to market price risk arising from uncertainties about future values of the investment securities.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. A provision is created for a counter party whose payment is due more than 180 days after its due date.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at 31 March 2019 and 31 March 2018 is the carrying amounts as illustrated in note 10 and note 11. The Company's maximum exposure relating to financial instruments is noted in the liquidity table below.

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

NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(c) Liquidity risk

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

INR in lacs

Particulars	On Demand	less than 3 months	3 months to 1 year	1 year to 5 years	Total
Year ended 31 March 2019					
Trade, other payables and other financial liabilities	150.41	2,138.67	396.09	—	2685.17
	150.41	**2,138.67**	**396.09**	**—**	**2685.17**
Year ended 31 March 2018					
Trade, other payables and other financial liabilities	138.85	2,471.31	315.10	—	2925.26
	138.85	**2,471.31**	**315.10**	**—**	**2925.26**

The disclosed financial derivative instruments in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net.

NOTE 39 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company does not have short term/ long term borrowings and manages its working capital requirements through internal sources.

The position of net current assets and total shareholders equity are as follows -

Particulars	31 March 2019 INR lacs	31 March 2018 INR lacs
Current Assets	**13,210.18**	13,491.48
Less: Current liabilities	**2,908.12**	3,222.56
Net current assets	**10,302.06**	10,268.92
Equity share capital	**1,313.40**	1,313.40
Other equity	**11,752.49**	11,624.36
Total capital	**13,065.89**	12,937.76

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

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

NOTE 40 : STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

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

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of the standard and its effect on its financial statements.

Annual improvement to Ind AS (2018);

These improvements include:

Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

NOTE 41 : WORKING CAPITAL FACILITIES BY BANK

Bank of Maharashtra has sanctioned working capital facilities which are secured by hypothecation of stock and book debts.

NOTE 42 : PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/reclassified, where necessary, to confirm to current year's classification.

As per our report of even date
For S R B C & Co L L P
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per AMYN JASSAIN
Partner
Membership No: 046447

Place : Pune
Date : May 16, 2019

For and on behalf of the Board of Directors of Caprihans India Limited

ROBIN BANERJEE	SIDDHARTH S. SHETYE	K. R. VISWANATHAN
Managing Director	*Director*	*CFO & Company Secretary*
DIN: 00008893	DIN: 06943119	ACS Membership No: 5931
Place : Pune	Place : Pune	Place : Pune
Date : May 16, 2019	Date : May 16, 2019	Date : May 16, 2019

Our Products and their uses

1. **SUNBLIS:**
   PVC Rigid film ideally suited for packaging of pharmaceutical products, food products and other specific products.

2. **SUNDENE:**
   PVdC Coated PVC Film for high barrier requirements. Excellent material for packing hygroscopic pharmaceutical products.

3. **SUNBLIS JEWEL:**
   Metallic blister films for differentiating packaging solutions.

4. **SUNPLEX BILAM/TRILAM:**
   Multi-layer films with or without PVdC coating for pharma and food packaging.

5. **SUNPLEX HI-B:**
   Ultra high bearer packaging films.

6. **SUNPLEX MPAC/LAMPAC:**
   Metallised films, premium packaging solutions for pharma and food packaging markets.

7. **SUNVIC:**
   Rigid PVC films are used for a variety of specialised products like stationery, batteries, cards etc.

8. **SUNFLEX:**
   Flexible PVC Sheeting produced in a wide range of colours, embossing designs and prints.

   Uses: Tablecovers, raincoats, windcheaters, marine jackets, curtains, handbags, diary covers, folders and other stationery items, air balloons, anti static covers, cable and other industrial uses.

9. **SUNPAC:**
   Flute Board.

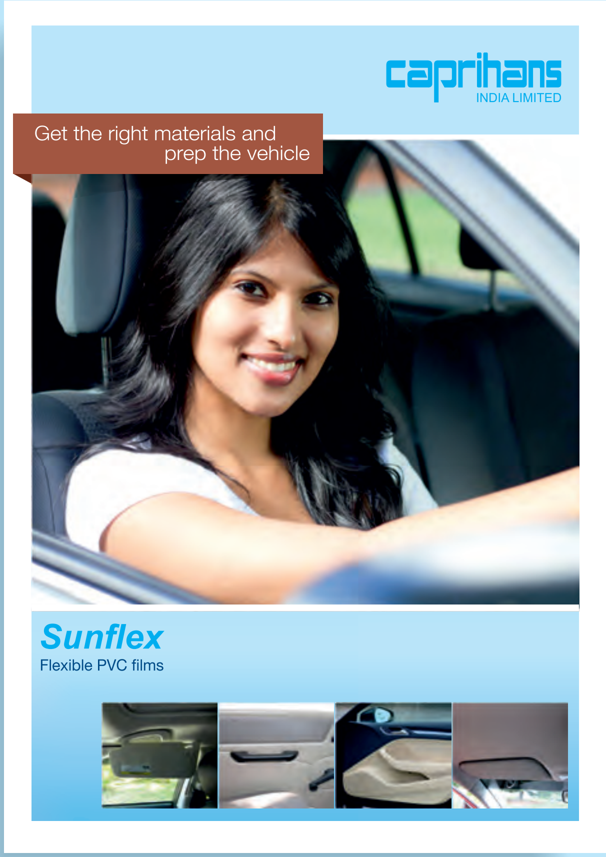
   Uses: For packaging, publicity, temporary shelters, partitions, light diffuser, panelling and advertising purposes.

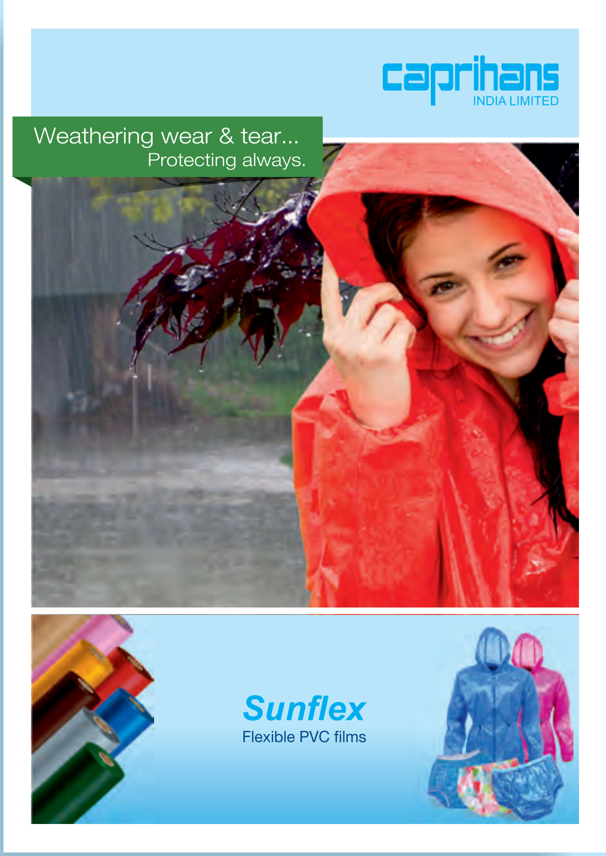
Our Exports

The following are among the countries, we have been exporting to:

ALGERIA	IRAQ	MADAGASCAR	NIGERIA	TANZANIA
BAHRAIN	JORDAN	MAURITIUS	SAUDI ARABIA	TUNISIA
BANGLADESH	KAZAKHSTAN	MYANMAR	SRI LANKA	UAE
EGYPT	KENYA	MOROCCO	SUDAN	UGANDA
GHANA	LEBANON	NEPAL	SYRIA	YEMEN

caprihans
INDIA LIMITED





Our Brands

Sundene
PVdC Coated Films

Sunblis
Rigid PVC Films

Sunplex
BILAM / TRILAM
Multi-layer Films

Sunvic
Rigid PVC
Speciality Films

Sunflex
Flexible PVC Films

Sunblis Jewel
Metallic Blister Films

Sunplex
MPAC / LAMPAC
Metallised Films

Sunlid
Paper + PVdC

Sunpac
Flute Board

caprihans
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