INDEPENDENT AUDITOR'S REPORT
To the Members of CG-PPI Adhesive Products Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **CG-PPI Adhesive Products Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its profit, cash flows and changes in equity for the year ended on that date.

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 Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and;

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;

   (g) 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, in our opinion and to the best of our information and according to the explanations given to us:

      (1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 29 to the Financial Statements);

      (2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      (3) there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Place : Mumbai
Date : 08th May 2018

A U D I T O R S R E P O R T

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 of our report of even date)

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

(b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies notice on such verification, which were not material, have been properly dealt with in the books of accounts. However, the system of recording the receipt, issue and consumption of inventories; and the system for valuation of inventories needs to be improved.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies covered in the register maintained under Section 189 of the Act. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made investment or provided any security / guarantee as covered by provisions of Sections 185 and 186 of the Act. Accordingly, Paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, maintenance of cost records under Section 148(1) of the Act is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records examined by us, the particulars of sales tax, income tax, excise duty, entry tax and value added tax as at 31st March, 2018 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount Rs lakhs*	Period to which the amount relates	Forum where disputes are pending
The Central Sales Tax Act, 1956	Sales tax dues (including interest and penalty) on non collection of "C" forms	232.10	2005-06 To 2012-13	Additional Commissioner of Commercial Tax, Panaji
	Sales tax dues (including interest and penalty) on non collection of "C" forms	35.24	2014-15	Additional Commissioner of Commercial Tax, Panaji
The Income Tax Act, 1961	Income tax dues (including interest)	1.21	2005-06	Assistant Commissioner of Income Tax
	Fringe benefit tax dues (including interest)	0.13	2005-06	Assistant Commissioner of Income Tax
	Income tax deducted at source (including interest)	5.85	2005-06 to 2008-09	Income Tax officer (TDS)
Central Excise Act, 1944	Service tax credit availed considered inadmissible	0.37	2009-10	Deputy Commissioner, Central Excise
Goa Tax on Entry of Goods Act, 2000	Entry tax rates considered incorrectly (including penalty)	0.50	2008-09	Additional Commissioner of Commercial Tax, Panaji
	Entry tax rates considered incorrectly (including penalty)	4.46	2009-10	Additional Commissioner of Commercial Tax, Panaji
Goa Value Added Tax Act, 2005	Disallowance of ITC on export sales (including Interest & Penalty)	13.39	2010-11	Additional Commissioner of Commercial Tax, Panaji
	Total	**293.25**		

(*net of pre-deposit paid in getting the stay / appeal admitted)

(viii) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government. The Company has not issued any debentures. Accordingly, the Paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). Accordingly, the Paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.

(xi) According to the information and explanations given to us, no managerial remuneration has been paid or provided under the provisions of Section 197 read with Schedule V to the Act. Accordingly, the Paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Place : Mumbai
Date : 8th May 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **CG-PPI Adhesive Products Limited** (the 'Company') as of 31st March, 2018 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). 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 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 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 were 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 issued by the ICAI.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Edwin P. Augustine
Partner
Membership No. 043385

Place : Mumbai
Date : 08th May 2018

Balance Sheet as at 31st March 2018

Particulars	Note No.	As at 31st March 2018		As at 31st March 2017	
		₹	₹	₹	₹
ASSETS					
(1) Non-current Assets:					
(a) Property, Plant and Equipment	1		**42,427,987**		26,674,586
(b) Capital work-in-progress	1		**948,040**		18,504,401
(c) Other Intangible assets	2		**46,098**		71,428
(d) Financial Assets					
(i) Investment		**-**		-	
(ii) Loans and Advances	3	**25,286**		26,750	
			25,286		26,750
(e) Deferred tax asset	4		**-**		6,198,511
(f) Other non-current assets	5		**961,616**		-
(2) Current Assets:					
(a) Inventories	6		**22,671,942**		29,368,864
(b) Financial Assets					
(i) Investment		**-**		-	
(ii) Trade receivables	7	**75,266,097**		62,307,666	
(iii) Cash and cash equivalents	8	**61,791,344**		62,724,302	
(iv) Bank balances other than above	9	**3,273,801**		2,997,054	
(v) Loans	10	**350,923**		367,305	
			140,682,165		128,396,327
(c) Current Tax Assets (Net)	21		**3,749,471**		2,022,468
(d) Other Current assets	11		**1,592,889**		1,045,585
Total Assets			**213,105,494**		**212,308,920**
EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital	12	**39,000,000**		39,000,000	
(b) Other Equity	13	**135,667,274**		122,627,590	
			174,667,274		161,627,590
LIABILITIES					
(2) Non-current Liabilities:					
(a) Financial Liabilities					
(i) Borrowings		**-**		-	
(ii) Other financial liabilities	14	**900,001**		410,001	
			900,001		410,001
(b) Provisions	15		**1,069,309**		1,126,043
(c) Deferred tax liabilities	4		**385,713**		-
(3) Current Liabilities:					
(a) Financial Liabilities					
(i) Borrowings	16	**7,771**		4,435,278	
(ii) Trade Payables	17	**19,361,158**		24,661,264	
(iii) Other financial liabilities	18	**9,364,692**		9,795,012	
			28,733,621		38,891,554
(b) Other current liabilities	19		**6,952,230**		9,311,710
(c) Provisions	20		**397,346**		942,022
(d) Current tax Liabilities (Net)	21		**-**		-
Total Equity and Liabilities			**213,105,494**		**212,308,920**
CONTINGENT LIABILITIES AND COMMITMENTS	29				
SIGNIFICANT ACCOUNTING POLICIES	A				

The accompanying notes form an integral part of financial statements

As per our report attached
For **SHARP & TANNAN**
CHARTERED ACCOUNTANTS
Firm Registration No.: 109982W

Edwin P. Augustine
PARTNER
Membership No.: 043385
Mumbai, 8th May 2018

For and on behalf of the Board

K N Neelkant
Director
DIN: 05122610

K K Nohria
Director
DIN: 00060015

Mumbai, 8th May 2018

Statement of profit and loss for the year ended 31st March 2018

	Particulars	Note No.	For the year ended 31st March 2018		For the year ended 31st March 2017	
			₹	₹	₹	₹
					-	
(1)	Revenue from operations	22	**205,937,256**		221,320,076	
(2)	Other income	23	**25,760,111**		5,874,787	
(3)	**Total Income**			**231,697,367**		227,194,863
(4)	**Expenses:**					
	Cost of materials consumed	24	**106,934,545**		119,441,334	
	Purchases of stock-in-trade		**-**		-	
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	**5,197,932**		(8,207,514)	
	Excise Duty		**5,118,645**		24,932,067	
	Employee benefits expenses	26	**25,714,842**		23,408,942	
	Finance costs	27	**1,287,844**		1,292,365	
	Depreciation and amortisation		**4,622,525**		3,250,988	
	Other expenses	28	**55,650,509**		43,219,854	
	Total Expenses			**204,526,842**		207,338,036
(5)	**Profit/ (loss) before exceptional item and tax**			**27,170,525**		19,856,827
(6)	Exceptional items			**-**		-
(7)	**Profit/ (loss) before tax**			**27,170,525**		19,856,827
(8)	**Tax expense:**					
	Current tax		**2,568,000**		7,701,000	
	Deferred tax		**6,403,999**		(486,250)	
				8,971,999		7,214,750
(9)	**Profit / (loss) for the year**			**18,198,526**		12,642,077
(10)	**Other comprehensive Income**					
	A (i) Items that will not be reclassified to profit or loss		**654,116**		(140,089)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(180,225)**		46,318	
	B (i) Items that will be reclassified to profit or loss		**-**		-	
	(ii) Income tax relating to items that will be reclassified to profit or loss		-		-	
	Other comprehensive Income for the year			**473,891**		(93,771)
(11)	**Total Comprehensive income for the year**			**18,672,417**		12,548,306
(12)	**Earning per equity share**					
	(i) Basic			**4.79**		3.22
	(ii) Diluted			**4.79**		3.22
	SIGNIFICANT ACCOUNTING POLICIES	A				

The accompanying notes form an integral part of financial statements

As per our report attached
For **SHARP & TANNAN**
CHARTERED ACCOUNTANTS
Firms Registration No.: 109982W

For and on behalf of the Board

Edwin P. Augustine
PARTNER
Membership No.: 043385
Mumbai, 8th May 2018

K N Neelkant
Director
DIN: 05122610

K K Nohria
Director
DIN: 00060015

Mumbai, 8th May 2018

Statement of Cash Flows for the year ended 31st March 2018

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
	₹	₹
Cash flows from operating activities		
Profit before Tax from continuing operation	27,170,525	19,856,827
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization	4,622,525	3,250,988
Allowance for doubtful debts and advances/(Allowance written back)	(17,223,995)	2,406,512
Finance costs	1,287,844	1,292,365
Finance income	(4,728,664)	(5,091,446)
Unrealised exchange (gain) / loss (net)	9,879	(105,536)
Provision for warranty made/(withdrawn)	7,791	(158,486)
(Profit) / loss on sale of fixed assets (net)	(122,674)	23,133
Operating cash flow before changes in assets and liabilities	**11,023,231**	**21,474,357**
Decrease/(increase) in trade and other receivables	3,485,295	(3,102,741)
(Increase) / Decrease in inventories	6,696,922	(6,009,073)
Increase / (Decrease) in trade and other payables	(6,657,887)	(3,165,032)
Increase / (Decrease) in provisions	28,515	192,004
Cash generated from operations	**3,552,845**	**(12,084,842)**
Direct taxes paid (net of refund)	(4,807,500)	(8,725,169)
Net cash inflow from operating activities (A)	**9,768,576**	**664,346**
Cash flows from investing activities		
Inflow from investing activities		
Sale of fixed assets	122,674	3,000
Inter corporate deposits redeemed	57,500,000	65,000,000
Interest received	4,728,664	5,092,404
Outflow from investing activities		
Payments towards fixed assets	(5,077,752)	(16,650,695)
Inter corporate deposits made	(57,500,000)	(65,000,000)
Net cash flow from investing activities (B)	**(226,414)**	**(11,555,291)**
Cash flows from financing activities		
Inflows from financing activities		
Outflows from financing activities		
Dividend paid	(4,680,000)	(4,680,000)
Tax on dividend	(952,848)	(317,579)
Proceeds / (repayment) of short term borrowings	(4,427,507)	(4,623,148)
Interest paid	(414,765)	(406,305)
Net cash flow from financing activities (C)	**(10,475,120)**	**(10,027,032)**
Net (decrease)/increase in cash and cash equivalents during the year	**(932,958)**	**(20,917,977)**
Cash and cash equivalents at beginning of the financial year	62,724,302	83,642,279
Cash and cash equivalents at end of the financial year	61,791,344	62,724,302

Notes :

A. Additions to fixed assets include movements of capital work-in-progress during the year.

B. Figures for the previous year have been re-grouped / re-classified wherever necessary.

As per our report attached
Firm's Registration No.: 109982W
For **SHARP & TANNAN**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Edwin P. Augustine
PARTNER
Membership No.: 043385
Mumbai, 8th May 2018

K N Neelkant
Director
DIN: 05122610

K K Nohria
Director
DIN: 00060015

Mumbai, 8th May 2018

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

A Corporate information and significant accounting policies

1 Corporate information

CG-PPI Adhesive Products Limited (the Company) is a public limited company incorporated and domiciled in India. The registered office is located at 215, GIDC Industrial Estate, Kundaim, Goa 403 115, India.

The company manufactures and deals in speciality adhesive tapes and speciality adhesive labels.

The financial statements of the Company for the year ended 31 March 2018 were authorised in accordance with a resolution of the directors on 08 May 2018.

2 Basis of preparation

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 in India. As per the said roadmap, the holding Company, CG Power and Industrial Solutions Limited (formerly known as Crompton Greaves Limited) is required to apply Ind AS starting from financial year beginning on or after 01 April 2016. However, the holding Company has adopted Ind AS from the financial year beginning 01 April 2015. Therefore in line with the decision of the holding company, the Company has decided to adopt Ind AS from the financial year beginning 01 April 2015. Accordingly, the financial statements of the company have been prepared in accordance with the Ind AS.

For all periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). The financial statements for the year ended 31 March 2016 were the first the Company has prepared in accordance with Ind-AS.

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

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest Rupee, except when otherwise indicated.

3 Summary of significant accounting policies

3.1 Property, plant and equipment:

a) Property, plant and equipment are stated at cost net of tax/duty credit availed, if any, including directly attributable costs such as freight, insurance, specific installation charges, etc. for bringing the assets to working condition for use.

b) Expenditure relating to existing Property, plant and equipment is added to the cost of the assets, where it increases the performance / life of the asset as assessed earlier.

c) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

d) Preoperative expenses, including interest on borrowings for a project is capitalised till the project is ready for commercial production.

e) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

f) Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

g) The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Depreciation on the property, plant and equipment is provided over the useful life of assets in the manner specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the date of addition / deletion.

i) Leasehold land is amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

3.2 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets are amortised on a straight line method basis over the best estimate of useful life.

Intangible assets are amortised as follows:
(1) Specialised software : Over a period of five years;

3.3 Impairment of assets

At each Balance Sheet date, the carrying amounts of assets arising on acquisition are tested for impairment so as to determine:

a) The provision for impairment loss, if any; and
b) The reversal of impairment loss recognised in previous period, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

a) In case of an individual asset, at higher of the net selling price and the value in use; and
b) In the case of a cash generating unit (group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

3.4 Research and development cost:

a) Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

b) Development expenditure on a new product is capitalised as intangible asset, if it fulfils the criteria for capitalisation specified in Ind AS 38 on 'Intangible assets'. All other development costs are expensed in the period in which they incur.

3.5 Inventories:

Inventories are carried in the balance sheet as follows

a) Raw materials, packing materials, fuel, stores and consumables - At lower of cost, on FIFO basis, and net realisable value.
b) Work-in-progress - At lower of cost of materials, plus appropriate production overheads and net realisable value.

c) Finished Goods - At lower of cost of materials plus appropriate production overheads on such goods and net realisable value.

d) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow, non moving and defective inventories are duly provided for and valued at net realisable value.

3.6 Cash and cash equivalents:

a) Cash comprises cash on hand and demand deposits with bank.
b) Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.7 Foreign currency transactions:

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

b) Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate at the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement / reinstatement of monetary items are recognized as income or expense in the period in which they arise. Non monetary items which are carried at historical costs denominated in foreign currency are reported using exchange rate at the date of the transaction.

3.8 Revenue recognition

a) Revenue from the sale of manufactured products is recognised when all significant risks and rewards are transferred to the buyer. Further, revenue is recognised only if the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the costs incurred or to be incurred in respect of the transaction can be measured reliably which generally coincides with despatch of goods.

b) Sales include excise duty and cess recoverable thereon from customers and are net of discounts, value added tax / sales tax.

c) Interest income on deposits is recognised at agreed rate on time proportionate basis.

3.9 Employee benefits

Short Term Employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders the related service.

Post Employment Benefits

a) **Defined Contribution Plans:** Company's contribution paid/ payable to superannuation scheme, provident fund, employee pension scheme, employee state insurance scheme and labour welfare fund are defined contribution plans. The contribution is recognised in the statement of Profit and Loss during the period in which the employee renders the related service.

b) **Defined Benefit Plans:** The employee's gratuity fund and leave encashment are the defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, with actuarial valuation carried out at each Balance Sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation is based on the market yields of Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligation.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Remeasurements, comprising of acturial gains and losses, the effect of the asset ceiling and the return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset) are recognised immediately in the balance sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

c) **Long-term employee benefits :** Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee rendered the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

d) **Termination benefits :** Termination benefits are recognised as an expense in the period in which they are incurred.

3.10 Borrowing costs:

a) Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over 12 months of time to get ready for its intended use or sale.

b) All other borrowing cost are recognized as expenses in the period in which they are incurred.

3.11 Segment accounting:

The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products / services.

a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

c) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

d) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

e) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Inter-Segment transfer pricing:

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis

3.12 Earnings per share

Basic earning per share is calculated by dividing net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

3.13 Taxes on income

a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments / appeals.

b) Deferred tax is recognized on timing differences between the accounting income and taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

c) Deferred tax assets (other than on account of brought forward business losses and unabsorbed depreciation) are recognized and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets relating to brought forward business losses and unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

3.14 Provisions, Contingent liabilities, Contingent assets and Commitments:

a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
i. the Company has a present obligation as a result of past event
ii. a probable outflow of resources is expected to settle the obligation
iii. the amount of obligation can be reliably estimated.

b) Contingent liability is disclosed in the case of :
i. a present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
ii. a possible obligation, unless the probability of outflow of resources is remote.

c) Contingent Assets are neither recognized nor disclosed.

d) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

e) Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

f) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

3.15 Current versus non-current classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation into cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

3.16 Financial instruments — initial recognition and subsequent measurement

i) Financial assets

a) **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

b) **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:
• Financial assets at fair value
• Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss under the fair value option.

• **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit and loss under the fair value option

• **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit and loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit or loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

c) **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) 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 under a 'pass-through' arrangement; 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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, 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.

(d) **Impairment of financial assets**

The Company assesses impairment based on expected credit losses model to the following:

• Financial assets measured at amortised cost;

• Financial assets measured at FVTOCI;

Expected credit losses are measured through a loss allowance at an amount equal to:

• The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

• Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime expected credit losses is made for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with Ind AS 115.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

ii) Financial liabilities

a) **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

b) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

c) **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective Interest rate (EIR) method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

d) **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

3.17 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at that date of the financial statements. Actual results could differ from those estimates. Any revisions in the accounting estimates are recognized prospectively in the current and future periods.

3.18 Contingencies and events occurring after the Balance Sheet date

Where material; events occurring after the date of the Balance Sheet are considered up to the date of approval of accounts by the Board of Directors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1
PROPERTY, PLANT AND EQUIPMENT

Figures in Rs.

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Capital work in progress	Total
Cost:								
As at 1 April 2017	1,417,455	23,174,849	56,584,677	2,891,029	4,288,071	1,326,557	18,504,401	108,187,039
Additions	-	5,327,084	13,034,247	391,094	180,107	1,418,064	-	20,350,596
Disposals / Transfers	-	-		-	-	(1,073,196)	(17,556,361)	(18,629,557)
As at 31st March 2018	**1,417,455**	**28,501,933**	**69,618,924**	**3,282,123**	**4,468,178**	**1,671,425**	**948,040**	**109,908,078**
Accumulated Depreciation:								
As at 1 April 2017	1,289,107	11,897,073	42,617,494	2,546,769	3,331,053	1,326,556	-	63,008,052
Depreciation charge for the year	47,283	934,208	2,945,438	89,063	521,955	59,248	-	4,597,195
Disposals / Transfers	-	-		-	-	(1,073,196)	-	(1,073,196)
As at 31st March 2018	**1,336,390**	**12,831,281**	**45,562,932**	**2,635,832**	**3,853,008**	**312,608**	**-**	**66,532,051**
Net book value								
At 1st April 2017	128,348	11,277,776	13,967,183	344,260	957,018	1	18,504,401	45,178,987
At 31st March 2018	**81,065**	**15,670,652**	**24,055,992**	**646,291**	**615,170**	**1,358,817**	**948,040**	**43,376,027**

Note 2
Intangible assets

Particulars	Computer software	Technical know-how	Commercial rights	Research and development	Concession right	Intangible assets under development	Total
Cost:							
As at 1 April 2017	125,056	-	-	-	-	-	125,056
Additions	-	-	-	-	-	-	-
Disposals / Transfers	-	-	-	-	-	-	-
As at 31st March 2018	**125,056**	**-**	**-**	**-**	**-**	**-**	**125,056**
Accumulated amortisation:							
As at 1 April 2017	53,628	-	-	-	-	-	53,628
Amortisation charge for the year	25,330	-	-	-	-	-	25,330
Disposals / Transfers	-	-	-	-	-	-	-
As at 31st March 2018	**78,958**	**-**	**-**	**-**	**-**	**-**	**78,958**
Net book value							
At 1st April 2017	71,428	-	-	-	-	-	71,428
At 31st March 2018	**46,098**	**-**	**-**	**-**	**-**	**-**	**46,098**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3	As at 31 March 2018	As at 31 March 2017
LONG TERM LOANS AND ADVANCES	₹	₹
Financial assets at Amortised Cost		
Long-term loans and advances		
Security deposits (Unsecured) - Considered good	25,286	26,750
Total	**25,286**	**26,750**

Note 4
TAXATION

4.1 Income tax related to items charged or credited directly to profit or loss during the year:

Particulars	As at 31 March 2018	As at 31 March 2017
	₹	₹
Current income tax	2,568,000	7,701,000
Adjustments in respect of current income tax of previous year	-	
Deferred tax expense \ (benefit)	6,403,999	(486,250)
Income tax expense reported in the income statement	**8,971,999**	**7,214,750**

4.2 Income Tax expense

Reconciliation	As at 31 March 2018	As at 31 March 2017
	₹	₹
Profit /(loss) before tax from continuing operation	27,170,525	19,856,827
Profit/(loss) before tax from a discontinued operation	-	
Accounting profit /(loss) before income tax	27,170,525	19,856,827
Applicable tax rate	27.55%	33.06%
Computed tax expense	7,487,000	6,566,000
Expenses allowable for tax purposes when paid / on payment of TDS	318,000	1,039,000
Other items giving rise to temporary differences	-	
Expenses not deductible for tax purpose	(4,524,000)	255,000
Accelerated depreciation for tax purposes	(893,000)	(112,000)
Chapter VI A deduction	-	
Other items	-	
Income tax expense charged to the statement of profit and loss	**2,388,000**	**7,748,000**
Income tax attributable to continued operation	2,388,000	7,748,000
Income tax attributable to a discontinued operation	-	
	2,388,000	**7,748,000**

4.3 Deferred tax relates to the following

Particulars	Balance sheet		Recognised in statement of profit or loss	
	As at 31 March 2018	As at 31 March 2017	For the year ended 31 March 18	For the year ended 31 March 17
	₹	₹	₹	₹
Expenses allowable for tax purposes when paid / on payment of TDS	1,574,233	542,543	(73,416)	(278,970)
Unused tax losses / depreciation			-	
Other items giving rise to temporary differences	1,132,861	8,156,732	(5,738,540)	958,197
Accelerated depreciation for tax purposes	(3,092,807)	(2,500,764)	(592,043)	(192,977)
Effect of transition adjustments:				
Profit / Loss on sale of Fixed assets	-			
Other items giving rise to temporary differences	-			
Deferred tax asset / (liability)	**(385,713)**	**6,198,511**		
Net deferred tax (liability debited)/ asset credited to the Statement of Profit and Loss			**(6,403,999)**	**486,250**

4.4 Reconciliation of deferred tax asset/(liabilities) net

Reconciliation of deferred tax asset/(liabilities) net	As at 31 March 2018	As at 31 March 2017
Opening balance as of 1 April	6,198,511	5,665,943
Tax income/(expense) during the period recognised in profit or loss	(6,403,999)	486,250
Tax income/(expense) during the period recognised in other comprehensive income	(180,225)	46,318
Tax income/(expense) during the period recognised in profit or loss from Discontinued operation	-	
Deferred taxes acquired in business combinations		
Deferred taxes recognised directly in equity		
Closing balance as at 31 March	**(385,713)**	**6,198,511**

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 5	As at 31 March 2018	As at 31 March 2017
OTHER NON-CURRENT ASSETS	₹	₹
Capital Advances	961,616	-
Margin money deposits:		
Margin money deposits maturing after 12 months from reporting date	-	-
	961,616	**-**

Note 6	As at 31 March 2018	As at 31 March 2017
INVENTORIES	₹	₹
Raw Materials	7,205,708	8,704,698
Work in Progress	14,981,772	14,891,041
Finished goods – Manufacturing	484,462	5,773,125
	22,671,942	**29,368,864**

Note 7	As at 31 March 2018	As at 31 March 2017
TRADE RECEIVABLES	₹	₹
Trade Receivables - at amortised cost		
Unsecured		
Debts overdue for six months		
Considered good		
Related Parties *	73,432	34,989
Others	3,080,994	5,896,166
Considered doubtful	3,839,759	21,063,754
Less: Allowance for doubtful debts	(3,839,759)	(21,063,754)
	3,154,426	**5,931,155**
Other debts		
Considered good		
Related Parties *	20,415,014	9,537,276
Others	51,688,175	46,830,753
Considered doubtful	-	
	72,103,189	56,368,029
Less: Allowance for doubtful debts	-	-
	72,103,189	**56,368,029**
	75,257,615	**62,299,184**
Other Receivables - at amortised cost		
Other financial receivables	8,482	8,482
	75,266,097	**62,307,666**

** receivable from CG Power and Industrial Solutions Limited - Holding Company (Formerly known as Crompton Greaves Limited)*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 8	As at 31 March 2018	As at 31 March 2017
CASH AND CASH EQUIVALENTS	₹	₹
Cash at Banks		
Balances with Banks		
- On current accounts	59,667,680	60,693,586
- On deposit Accounts	2,123,664	2,003,593
Cash in hand	-	27,123
	61,791,344	**62,724,302**

Note 9	As at 31 March 2018	As at 31 March 2017
BANK AND BANK BALANCE	₹	₹
Other balances		
Earmarked balances with banks:		
Unpaid dividends	185,840	159,904
Margin money deposits	3,077,961	2,827,150
Postal bank deposit account	10,000	10,000
(the above deposit has been pledged with sales tax authorities)		
	3,273,801	**2,997,054**

Note 10	As at 31 March 2018	As at 31 March 2017
FINANCIAL ASSETS – SHORT TERM LOANS AND ADVANCES	₹	₹
Unsecured, considered good, unless otherwise stated		
Financial assets at Amortised Cost		
(a) Loans and advances to related parties (giving details thereof);		
Subsidiaries	-	-
Other related party	-	-
	-	-
(b) Advances recoverable in cash or in kind or for value to be received		
Considered good	220,796	210,215
Considered doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
	220,796	210,215
(c) Security deposits:		
Considered good	130,127	157,090
Considered doubtful		
Less: Allowance for bad and doubtful advances		
	130,127	157,090
	350,923	**367,305**

Note 11	As at 31 March 2018	As at 31 March 2017
OTHER CURRENT ASSETS	₹	₹
Advances recoverable in cash or in kind or for value to be received		
Advance to Suppliers (Considered good)	647,802	743,280
Prepaid expense	371,675	302,305
Balances with customs, excise, service tax and commercial tax authorities	573,412	-
	1,592,889	**1,045,585**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12	As at 31 March 2018	As at 31 March 2017
EQUITY SHARE CAPITAL	₹	₹
Authorised:		
4,000,000 Equity Shares of Rs. 10/- each (Previous year 4,000,000 equity shares of Rs.10/- each)	**40,000,000**	40,000,000
Issued:		
3,900,000 Equity Shares of Rs. 10/- each (Previous year 3,900,000 equity shares of Rs.10/- each)	**39,000,000**	39,000,000
Subscribed and paid-up:		
3,900,000 Equity Shares of Rs. 10/- each (Previous year 3,900,000 equity shares of Rs.10/- each)	**39,000,000**	39,000,000
	39,000,000	39,000,000

Particulars	Issued		Subscribed & Paid Up	
	No. of Shares	₹	No. of Shares	₹
At 1st April, 2017	3,900,000	39,000,000	3,900,000	39,000,000
Add: Shares issued during the year	-	-	-	-
Add: Bonus Shares issued during the year	-	-	-	-
Rights shares issued during the year				
Others				
At 31st March, 2018	3,900,000	39,000,000	3,900,000	39,000,000

Particulars	Issued		Subscribed & Paid Up	
	No. of Shares	₹	No. of Shares	₹
At 1st April, 2016	3,900,000	39,000,000	3,900,000	39,000,000
Add: Shares issued during the year	-	-	-	-
Add: Bonus Shares issued during the year	-	-	-	-
Rights shares issued during the year				
Others				
At 31st March 17	3,900,000	39,000,000	3,900,000	39,000,000

Shares in the company held by following related parties

Name of Related Party	Relationship 31st March, 2018	₹ 31st March, 2018
CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	Holding Company	31,755,300

Name of Related Party	31st March, 2017	31st March, 2017
CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	Holding Company	31,755,300

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

Name of shareholder	% of aggregate shares held	No of shares as at 31.03.2018	% of aggregate shares held	No of shares as at 31.03.2017
Killone AG	10.26%	400,000	10.26%	400,000
CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	81.42%	3,175,520	81.42%	3,175,520
Total	**91.68%**	**3,575,520**	**91.68%**	**3,575,520**

Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs. 10 per share.

Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13
OTHER EQUITY

For the year ended 31st March 2018

Particulars	Balance as at 1 April 2017	Total Comprehensive Income for the year	Other comprehensive income	Dividends	Others	Balance as at 31st March 2018
Reserves						
Retained earnings	96,967,130	18,198,526	473,891	(5,632,733)		110,006,814
General Reserve	25,660,460	-	-	-		25,660,460
Other Reserves						
(i) Capital Reserves	-	-	-	-	-	-
(ii) Capital Redemption Reserve	-	-	-	-	-	-
(iii) Securities Premium Reserve	-	-	-	-	-	-
Total reserves	**122,627,590**	**18,198,526**	**473,891**	**(5,632,733)**	**-**	**135,667,274**

For the year ended 31st March 2017

Particulars	Balance as at 1 April 2016	Total Comprehensive Income for the year	Other comprehensive income	Dividends	Others	Balance as at 31st March 2017
Reserves						
Retained earnings	86,296,403	12,642,077	(93,771)	(1,877,579)		96,967,130
General Reserve	25,660,460	-	-			25,660,460
Other Reserves						
(i) Capital Reserves	-	-	-	-	-	-
(ii) Capital Redemption Reserve	-	-	-	-	-	-
(iii) Securities Premium Reserve	-	-	-	-	-	-
Total reserves	**111,956,863**	**12,642,077**	**(93,771)**	**(1,877,579)**	**-**	**122,627,590**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 14	As at 31 March 2018	As at 31 March 2017
OTHER NON-CURRENT FINANCIAL LIABILITIES	₹	₹
Security deposits	900,001	410,001
	900,001	**410,001**

Note 15	As at 31 March 2018	As at 31 March 2017
LONG TERM PROVISIONS	₹	₹
Employee Benefits:		
Provision for leave encashment	1,069,309	1,126,043
	1,069,309	**1,126,043**

Note 16	As at 31 March 2018	As at 31 March 2017
FINANCIAL LIABILITIES – SHORT TERM BORROWINGS	₹	₹
Secured		
From Banks :		
a) Cash credit	7,771	4,435,278
	7,771	**4,435,278**

Cash Credit facility from bank is secured by hypothecation of stocks and book debts and is further secured by mortgage by deposit of title deeds in respect of Company's immovable properties, both present and future consisting of land, factory building structures, erections, godowns and furniture and fixtures.

Note 17	As at 31 March 2018	As at 31 March 2017
FINANCIAL LIABILITIES – TRADE PAYABLES	₹	₹
Financial Liabilities at amortised cost		
Due to micro and small enterprises	3,163,932	3,971,900
Due to other than micro and small enterprises	16,197,226	20,689,364
Due to subsidiaries	-	-
Due to associates	-	-
	19,361,158	**24,661,264**

The Company has certain dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2018. The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
	₹	₹
(a) Principal amount due to suppliers under MSMED Act, 2006	3,163,932	3,971,900
(b) Interest accrued and due to suppliers under the MSMED Act, 2006 on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	14,641,598	11,839,675
(d) Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act, 2006 for payments already made	2,173,212	1,830,060
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act, 2006	2,501,867	2,141,285

Note: *The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 18	As at 31 March 2018	As at 31 March 2017
FINANCIAL LIABILITIES – OTHER FINANCIAL LIABILITIES	₹	₹
Unpaid dividends (Refer foot note)	185,840	159,904
Other payables:		
Employee benefits payable		
Salary payable	1,249,377	1,185,149
Bonus payable	2,760,107	1,538,455
Others	5,169,368	6,911,504
	9,364,692	**9,795,012**

Foot note : There are no amounts due and outstanding to be credited to Investor Education and Protection fund as at 31-Mar-18.

Note 19	As at 31 March 2018	As at 31 March 2017
OTHER CURRENT LIABILITIES	₹	₹
Advances from customers	247,982	19,797
Other payables:		
Statutory dues Payable		
VAT / Sales tax / Excise duty/ Service Tax/ GST payable	73,727	424,421
Withholding Tax / TDS payable	-	-
Provident fund payable	175,088	148,007
ESIC payable	50,790	60,322
LWF payable	7,280	8,920
Other Liability		
Creditors For Expenses (Refer foot note)	2,700,371	4,238,882
Creditors For Capital Goods	329,561	1,651,463
Others	3,367,431	2,759,898
	6,952,230	**9,311,710**

Foot note : Includes payable to CG Power and Industrial Solutions Limited - holding company (formerly known as Crompton Greaves Limited) of Rs. Nil (Previous year Rs. Nil)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 20	As at 31 March 2018	As at 31 March 2017
SHORT TERM PROVISIONS	₹	₹
Employee Benefits		
Provision for gratuity	6,478	644,194
Provision for leave encashment	118,983	33,734
Other Provisions		
Warranties #	271,885	264,094
	397,346	**942,022**

Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets

 # Movement in provisions:

Provision for Product Warranty	As at 31 March 2018	As at 31 March 2017
	₹	₹
Carrying amount at the beginning of the year	264,094	422,580
Provision made during the year	271,885	264,094
Amounts used during the year	-	-
Unused amounts reversed during the year	264,094	422,580
Translation adjustment	-	-
Carrying amount at the end of the year	271,885	264,094

Note 21	As at 31 March 2018	As at 31 March 2017
CURRENT TAX ASSETS (NET)	₹	₹
Provision for taxes	(88,617,471)	(86,049,471)
Taxes paid	92,366,942	88,071,939
	3,749,471	**2,022,468**

Note 22	For the year ended 31 March 2018	For the year ended 31 March 2017
REVENUE FROM OPERATIONS	₹	₹
Sale of products (including Excise Duty)	205,937,256	221,320,076
Sale of services	-	-
Gross Sales	**205,937,256**	**221,320,076**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 23	For the year ended 31 March 2018	For the year ended 31 March 2017
OTHER INCOME	₹	₹
Finance Income		
- Interest income on Inter Corporate deposits (with holding Company)	4,193,434	4,808,733
- Interest income on Fixed Deposits	133,413	105,892
- Interest income on Margin Money Deposits	204,506	140,125
- Interest income – Others	197,311	36,696
Other non-operating income		
- Liabilities written back to the extent no longer required	472,443	343,195
- Provision for doubtful debts no longer required written back (net)	16,580,744	-
- Recovery from doubtful debts provided	643,251	-
- Excess provision for warranty no longer required written back	-	158,486
- Gain on sale of fixed assets (net)	122,674	-
- Exchange gain (net)	236,420	258,478
- Provision for commission no longer payable written back	1,924,797	-
- Reversal of excise duty on opening stock of finished goods	1,051,118	-
- Provision for expenses written back to the extent no longer required	-	23,182
	25,760,111	**5,874,787**

Note 24	For the year ended 31 March 2018	For the year ended 31 March 2017
COST OF MATERIALS CONSUMED	₹	₹
Opening stock	8,704,698	10,903,139
Add: Purchases	105,910,636	117,513,001
Less: Closing stock	(7,205,708)	(8,704,698)
	107,409,626	119,711,442
Less: Scrap sales	475,081	270,108
	106,934,545	**119,441,334**

Note 25	For the year ended 31 March 2018	For the year ended 31 March 2017
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN PROGRESS	₹	₹
Closing stock		
Finished goods	484,462	5,773,125
Work-in-progress	14,981,772	14,891,041
Stock-in-trade	-	-
	15,466,234	**20,664,166**
Opening stock		
Finished goods	5,773,125	7,639,272
Work-in-progress	14,891,041	4,817,380
Stock-in-trade	-	-
	20,664,166	**12,456,652**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**5,197,932**	**(8,207,514)**

Note 26	For the year ended 31 March 2018	For the year ended 31 March 2017
EMPLOYEE BENEFIT EXPENSES	₹	₹
Salaries, wages and bonus	22,387,221	20,487,920
Contribution to Provident fund and other funds *(Refer note 36)*	1,901,809	1,501,085
Contribution to Gratuity *(Refer note 36)*	277,466	231,463
Workmen and staff welfare	1,148,346	1,188,474
	25,714,842	**23,408,942**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 27	For the year ended 31 March 2018	For the year ended 31 March 2017
FINANCE COST	₹	₹
Interest expenses paid / accrued to suppliers registered under the MSMED Act, 2006	360,583	637,060
Bank charges / Interest cost	927,261	406,305
Interest on delayed payment of VAT/ CST	-	-
Interest on account of shortfall of taxes	-	249,000
	1,287,844	**1,292,365**

Note 28	For the year ended 31 March 2018	For the year ended 31 March 2017
OTHER EXPENSES	₹	₹
Consumption of stores and spares	682,763	2,790,544
Power and fuel	9,277,817	10,753,182
Rent	101,500	154,000
Repairs to buildings	377,147	558,006
Repairs to machineries	1,101,601	639,490
Conservancy charges	7,659,548	7,602,788
Insurance	294,830	209,145
Rates and taxes	408,100	824,937
Excise duty paid	-	-
Freight and forwarding	2,510,704	2,559,400
Sales promotion	619,197	37,500
Commission on sales	1,866,423	2,458,982
Provision for warranty (net)	7,791	-
Miscellaneous expenses	30,743,088	14,631,880
	55,650,509	**43,219,854**

Miscellaneous expenses includes:

Payments to Auditors	For the year ended 31 March 2018	For the year ended 31 March 2017
	₹	₹
Auditors' remuneration (excluding applicable taxes)		
Audit Fees	272,500	272,500
Tax Audit Fees	70,000	70,000
Certification	15,000	20,000
Other Services and Expenses Reimbursed	11,164	15,000
	368,664	**377,500**

Other Expenses	For the year ended 31 March 2018	For the year ended 31 March 2017
	₹	₹
Technical and testing fees	468,423	567,297
Repairs - others	775,577	924,941
Travelling	5,136,444	4,365,569
Vehicle expenses	230,686	278,285
Printing and stationery	374,817	491,098
Communication expenses	620,910	785,172
Legal and professional charges	1,507,684	1,217,243
Bad debts written off	18,458,307	96,522
Provision for doubtful debts (net of recovery)	-	2,406,512
Security charges	1,761,624	1,815,357
Loss on sale of fixed assets (net)	-	23,133
VAT refund receivable written off	138,713	-
Advances written off	46,165	-
Directors' sitting fees	44,000	44,000
Miscellaneous expenses	811,074	1,239,251
	30,374,424	**14,254,380**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 29	As at 31-03-2018	As at 31-03-2017
I) CONTINGENT LIABILITIES (to the extent not provided for)	₹	₹
(a) Claims against the Company not acknowledged as debts	-	-
(b) Sales tax notice issued by sales tax authorities for non collection of "C" forms (including interest and penalty)	**27,499,850**	23,210,446
(c) Goa Tax on Entry of Goods demand on account of incorrect rates applied disputed by the Company	**496,429**	496,429
(d) Goa Value Added Tax, Act demand on account disallowance of Input Tax credit on export sales (including interest and penalty) disputed by the Company	**1,339,031**	1,268,358
(e) Excise duty / service tax liability that may arise in respect of matters in appeal	**36,993**	36,993
(f) Income tax demands (including interest) which have been disputed by the Company	**718,344**	3,072,604
(g) Guarantees given on behalf of subsidiary companies	-	-
(h) Bills discounted	-	-

II) Commitments:	As at 31-03-2018	As at 31-03-2017
	₹	₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	**1,680,473**	206,153
(b) Other commitments	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	2017-18	2016-17
30 Value of imports (on C.I.F. basis)		
(a) Raw materials	**30,161,698**	45,121,668
(b) Trading goods	**-**	-
(c) Spare parts	**-**	-
(d) Capital goods	**-**	-
31 Expenditure in foreign currency		
(a) Technical know-how fees	**-**	-
(b) Professional charges	**-**	-
(c) Interest	**-**	-
(d) Commission, travelling and others	**-**	-
32 Remittance in foreign currency on account of dividend:		
3rd Interim dividend for previous year		
(a) Number of non-resident shareholders	**-**	-
(b) Number of shares held	**-**	-
(c) Amount of dividend	**-**	-
1st Interim dividend for current year		
(a) Number of non-resident shareholders	**1**	1
(b) Number of shares held	**400,000**	400,000
(c) Amount of dividend	**480,000**	160,000
2nd Interim dividend for current year		
(a) Number of non-resident shareholders	**-**	-
(b) Number of shares held	**-**	-
(c) Amount of dividend	**-**	-
33 Earnings in foreign exchange		
(a) Export of goods (on F.O.B basis)	**5,295,246**	2,325,065
(b) Service Income	**-**	-
(c) Professional, consulting fees	**-**	-
(d) Income from royalty, knowhow	**-**	-
(e) Interest Income	**-**	-
(f) Dividend Income	**-**	-
34 Expenditure on research and development (as certified by management)		
Capital expenditure		
Building	**-**	306,729
Plant & equipments	**-**	383,014
Furniture & fixtures	**-**	-
Vehicles	**-**	-
Intangible assets	**-**	-
Capital work-in-progress	**-**	-
Intangible assets under development	**-**	-
Sub-total (a)		
Revenue expenditure		
Raw materials consumed	**-**	3,250,561
Employee benefits	**-**	80,529
Depreciation and amortisation	**-**	21,736
Other expenses		
Consumption of stores and spares	**-**	1,013,621
Power and fuel	**-**	75,375
Rent	**-**	-
Repairs to buildings	**-**	-
Repairs to machinery	**-**	-
Insurance	**-**	-
Rates and taxes	**-**	-
Miscellaneous expenses	**-**	282,750

35 Consumption of Raw Materials and Spare Parts:	**2017-18**		2016-17	
	Percentage of total Consumption	**Amount in ₹**	Percentage of total Consumption	Amount in ₹
Raw materials:				
Imported	**33%**	35,273,601	33%	39,377,589
Indigenous	**67%**	71,660,944	67%	80,063,745
	100%	**106,934,545**	100%	119,441,334
Spare parts:				
Imported	**-**	-	**-**	-
Indigenous	**100%**	682,763	100%	2,790,544
	100%	**682,763**	100%	2,790,544

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36 Disclosure as required by Indian Accounting Standard (IAS) 19 Employee Benefits:

A) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as an expense and included in "Employee Benefit Expenses" – Note 26 in the Statement of Profit and Loss are as under :

Particulars	2017-18 ₹	2016-17 ₹
i) Employers contribution to Provident Fund	**312,681**	263,563
ii) Employers contribution to Family Pension scheme	**709,472**	568,797
iii) Employers contribution to Employees State Insurance scheme	**475,211**	284,599
iv) Employers contribution to Superannuation Scheme	**110,519**	135,227
v) Employers contribution to Labour Welfare Fund	**22,230**	25,440

B) Defined Benefit Plans

		Gratuity 2017-18 (Funded)	Gratuity 2016-17 (Funded)
I	**Change in obligation during the year**		
1	Liability at the beginning of the year	**3,533,743**	3,131,816
2	Interest cost	**282,700**	250,540
3	Current service cost	**227,547**	199,981
4	Benefits paid	**(280,338)**	(101,250)
5	Actuarial (gains) / losses on obligations	**(701,145)**	52,656
6	Liability at the end of the year	**3,062,507**	**3,533,743**
II	**Change in assets during the year**		
1	Plan assets at the beginning of the year	**2,889,549**	2,509,160
2	Expected return of plan assets	**232,781**	219,058
3	Contributions	**214,037**	262,581
4	Benefits paid	**(280,338)**	(101,250)
5	Actuarial gain / (loss) on plan assets	**-**	-
6	Plan assets at the end of the year	**3,056,029**	2,889,549
7	Total actuarial gain/(loss) to be recognised	**701,145**	(52,656)
III	**Actual return on plan assets**		
1	Expected return on plan assets	**232,781**	219,058
2	Actuarial gain / (loss)	**-**	-
3	Actual return on plan assets	*(Refer note 2 below)*	*(Refer note 2 below)*
IV	**The major categories of plan assets as a percentage of total plan assets**	**As per LIC scheme**	As per LIC scheme
V	**Net asset / (liability) recognised in the balance sheet**		
1	Liability at the end of the year	**(3,062,507)**	(3,533,743)
2	Plan assets at the end of the year	**3,056,029**	2,889,549
3	Liability / (Asset) recognised in the balance sheet	**6,478**	644,194
VI	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	**227,547**	199,981
2	Interest cost	**282,700**	250,540
3	Expected return on plan assets	**(232,781)**	(219,058)

			Gratuity	
			2017-18 (Funded)	2016-17 (Funded)
4	Actuarial (gains) / losses		**(701,145)**	52,656
5	Credit for income not recognised in previous year		**-**	-
6	Total (income) / expenses recognised in Statement of Profit and Loss		**(423,679)**	284,119
VII	**Amount to be recognised in the Balance Sheet**			
1	Present Value of Defined Benefit Obligation		**3,062,507**	3,533,743
2	Less: Fair Value of Plan Assets		**3,056,029**	2,889,549
3	Net Liability / (Asset)		**6,478**	644,194
VIII	**Actuarial assumptions**			
1	Discount rate		**8.00%**	8.00%
2	Rate of return on plan assets		*(Refer note 2 below)*	*(Refer note 2 below)*
3	Salary escalation		**5.00%**	5.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Disclosure as required by Indian Accounting Standard (IAS) 19 Employee Benefits (contd.)

		Leave encashment (unfunded) ₹ 2017-2018	Leave encashment (unfunded) ₹ 2016-2017
I	**Change in obligation during the year**		
1	Liability at the beginning of the year	1,159,777	967,773
2	Interest cost	83,504	77,035
3	Current service cost	134,992	109,962
4	Past service cost	-	-
5	Benefits paid	(237,010)	(82,426)
6	Actuarial (gain) / losses	47,029	87,433
7	Liability at the end of the year	1,188,292	1,159,777
II	**Change in assets during the year**		
1	Plan assets at the beginning of the year	-	-
2	Expected return of plan assets	-	-
3	Contributions	-	-
4	Benefits paid	-	-
5	Actuarial gain / (loss)	-	-
6	Plan assets at the end of the year	-	-
7	Total actuarial gain/(loss) to be recognised	(47,029)	(87,433)
III	**Actual return on plan assets**		
1	Expected return on plan assets	-	-
2	Actuarial gain / (loss)	-	-
3	Actual return on plan assets	-	-
IV	**Net asset / (liability) recognised in the balance sheet**		
1	Liability at the end of the year	(1,188,292)	(1,159,777)
2	Plan assets at the end of the year	-	-
3	Amount recognised in the balance sheet	(1,188,292)	(1,159,777)
V	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	134,992	109,962
2	Interest cost	83,504	77,035
3	Expected return on plan assets	-	-
4	Actuarial (gain) / losses	47,029	87,433
5	Past service cost	-	-
6	Total expenses as per actuarial valuation	265,525	274,430
7	Optional payment	-	-
8	Total expenses	265,525	274,430
VI	**Balance sheet reconciliation**		
1	Opening net liability	1,159,777	967,773
2	Expenses as above	265,525	274,430
3	Benefits Paid	(237,010)	(82,426)
4	Amount recognised in the balance sheet *	1,188,292	1,159,777
VII	**The major categories of plan assets as a percentage of total :**	Not Applicable	Not Applicable
VIII	**Actuarial assumptions:**		
1	Discount rate	7.78%	7.20%
2	Rate of return on plan assets	Not Applicable	Not Applicable
3	Rate of mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
4	Salary Escalation	5.00%	5.00%

* The closing net liability is disclosed as follows:		
Disclosed in Note 15 - Long Term Provisions	1,069,309	1,126,043
Disclosed in Note 20 - Short Term Provisions	118,983	33,734

General description of the defined benefit plans :

1) The Company makes contributions to the Employees Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to employees on retirement, death while in employment or termination of employment of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service.

2) Rate of return on plan assets, actual return on plan assets and the corresponding actuarial gains / losses are not ascertained, but are not expected to be material.

3) The Company operates a leave encashment scheme, which is an unfunded scheme. The present value of obligation under this scheme is based on an actuarial valuation, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

37 Disclosure as required by Indian Accounting Standard (IAS) 108 Operating Segment

a) For the financial year ended March 31, 2018

Particulars	Self Adhesive Tapes	Speciality Labels	Unallocable Income / Assets Liabilities	Total
	₹	₹	₹	₹
Revenue				
External sales (net of excise duty)	172,035,772	28,782,838	-	200,818,611
Add : Inter Segment Sales	2,144,000	-	-	2,144,000
Total	**174,179,772**	**28,782,838**	**-**	**202,962,611**
Segment Result	20,904,127	1,488,433	-	22,392,560
Add : Interest income	-	-	-	4,728,664
Less : Interest expense	-	-	-	1,287,844
Add: unallocable income / (expenditure)	-	-	-	1,337,145
Net of unallocable Income	-	-	-	4,777,965
Profit before tax (PBT)	-	-	-	27,170,525
- Current tax (including tax adjustments)				(2,568,000)
- Deferred tax				(6,403,999)
Profit after tax (PAT) and taxation adjustments				18,198,526
Other information :				
Capital employed :				
Segment Assets	182,979,656	27,054,136	3,071,702	213,105,494
Segment Liabilities	33,592,375	4,460,131	385,714	38,438,220
Net Assets	**149,387,281**	**22,594,005**	**2,685,988**	**174,667,274**
Capital Expenditure	20,350,596	-	-	20,350,596
Depreciation / amortization	4,264,811	357,715	-	4,622,526
Non Cash Expenditure (other than depreciation)	-	-	-	-

b) For the financial year ended March 31, 2017

Particulars	Self Adhesive Tapes	Speciality Labels	Unallocable Income / Assets Liabilities	Total
	₹	₹	₹	₹
Revenue				
External sales (net of excise duty)	174,274,840	22,113,169	-	196,388,009
Add : Inter Segment Sales	4,254,456	-	-	4,254,456
Total	**178,529,296**	**22,113,169**	**-**	**200,642,465**
Segment Result	14,598,480	1,092,892	-	15,691,372
Add : Interest income	-	-	-	5,091,446
Less : Interest expense	-	-	-	1,292,365
Add : unallocable income / (expenditure)	-	-	-	366,373
Net of unallocable Income	-	-	-	4,165,454
Profit before tax (PBT)	-	-	-	19,856,826
- Current tax (including tax adjustments)				(7,701,000)
- Deferred tax				486,251
Profit after tax (PAT) and taxation adjustments				12,642,077
Other information :				
Capital employed :				
Segment Assets	168,065,115	35,093,671	9,150,134	212,308,920
Segment Liabilities	47,163,401	3,517,929	-	50,681,330
Net Assets	**120,901,714**	**31,575,742**	**9,150,134**	**161,627,590**
Capital Expenditure	2,275,732	98,904	-	2,374,636
Depreciation / amortization	2,854,077	396,909	-	3,250,986
Non Cash Expenditure (other than depreciation)	-	-	-	-

Segment Identification, Reportable Segment and Definition of each Reportable Segment

a) Segment Revenue and Results :
The income and expenses which are not directly attributable to any business segment are shown as unallocable income / expenditure.

b) Segment Assets and Segment Liabilities
Segment assets include all operating assets used by the business segment and mainly consist of fixed assets, debtors and inventories. Segment liabilities primarily include creditors and other liabilities. Assets and liabilities, which cannot be allocated to any segments, are shown as a part of unallocable assets / liabilities.

c) Primary / Secondary Segment Reporting Format :
i) The risk-return profile of the Company's business is determined predominantly by the nature of its products. Accordingly, the business segment constitutes the primary segment for the disclosure of segment information.

ii) As the Company has very insignificant overseas sales, secondary segment information on the basis of geographical territory has not been disclosed.

d) Segment Identification :
Business Segment has been identified on the basis of nature of products, the organisation structure and the internal reporting system of the Company.

e) Reportable Segments
Reportable segments have been identified as per quantitative criteria specified in Ind AS on "Segment Reporting".

f) Primary Segments
In our opinion of the management, the business segment comprises of the following:
i) Self Adhesive Tapes
ii) Speciality Labels

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38 Disclosure as required by Indian Accounting Standard (IAS) 24 Related Party Disclosure :

(a) Relationships:

List of related parties where control exists:

(i) Holding Company and its subsidiaries
1 CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)

(b) The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Nature of transaction / relationship	2017-18	2016-17
		₹	₹
1	Sale of goods CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	46,318,976	17,925,681
		46,318,976	**17,925,681**
2	Purchase of fixed assets CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	-	10,157
		-	**10,157**
3	Dividend paid CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	3,810,624	1,270,208
		3,810,624	**1,270,208**
4	Interest on Inter Corporate Deposits CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	4,193,434	4,808,733
		4,193,434	**4,808,733**
5	Reimbursement of CEO's salary CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	3,376,340	3,218,794
		3,376,340	**3,218,794**
6	Recovery of expenses incurred CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	22,467	39,130
		22,467	**39,130**
7	Inter Corporate deposits made CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	57,500,000	65,000,000
		57,500,000	**65,000,000**
8	Inter Corporate deposits redeemed CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	57,500,000	65,000,000
		57,500,000	**65,000,000**

(c) Amount due to / from related parties

Sr. No.	Nature of transaction / relationship	As at 31st March 2018	As at 31st March 2017
		₹	₹
1	Account payable CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	-	-
		-	**-**
2	Account receivable CG Power and Industrial Solutions Limited - (formerly known as Crompton Greaves Limited)	20,488,446	9,572,265
		20,488,446	**9,572,265**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39 Disclosure as required by Indian Accounting Standard (IAS) 33 Earnings Per Share

Particulars		2017-18 ₹	2016-17 ₹
Total comprehensive income for the year	Amount in₹	**18,672,417**	12,548,306
Number of equity shares outstanding	Nos.	**3,900,000**	3,900,000
Face value of equity share	Rs./share	**10**	10
Earnings per share (basic and diluted)	₹	**4.79**	3.22

40 Foreign currency transactions, Forward contracts and Derivatives:
The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2018 are as under

Sr. No.	Category of Derivative Instruments	As at 31-03-2018	As at 31-03-2017
1	**For hedging foreign currency risks:**		
		Amount in hedged foreign currency*	Amount in hedged foreign currency
	(a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	**-**	-
	(b) Option contracts	**-**	-
		Amount in hedged foreign currency*	Amount in hedged foreign currency
	(c) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	-	-
		`	`
2	**For hedging commodity price risks**		
	Commodity futures	-	-
3	**Particulars of Unhedged foreign currency exposure as at the balance sheet date:**		
	A) Trade payables	`	`

Foreign currency	Amount in foreign currency 2017-18	Amount in foreign currency 2016-17	Amount in Indian Rupees 2017-18	Amount in Indian Rupees 2016-17
USD	**22,292**	46,997	**1,447,057**	3,111,215

B) Trade receivables

Foreign currency	Amount in foreign currency 2017-18	Amount in foreign currency 2016-17	Amount in Indian Rupees 2017-18	Amount in Indian Rupees 2016-17
USD	**38**	67	**2,443**	4,322

41 No of Employees

Particulars	As on 31-03-2018	As on 31-03-2017
No of permanent employees	**72**	58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42 Accounting classifications and fair values

As at 31 March 2017

Amount in Rs.

Particulars	Carrying amount	Fair value		
	As at 31 March 2017	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade and other receivables (current)	62,307,666	-	-	-
Loans and other receivables (Non - Current)	26,750	-	-	26,750
Loans and other receivables (Current)	210,215	-	-	-
Cash and Cash equivalents	62,724,302	-	-	-
Bank balances	2,997,054	-	-	-
Short-term deposits	157,090	-	-	-
	128,423,077	**-**	**-**	**26,750**
Financial assets at fair value through profit or loss				
Forward contract receivable	-	-	-	-
Investments	-	-	-	-
	-	**-**	**-**	**-**
Total	**128,423,077**	**-**	**-**	**26,750**
Financial liabilities at amortised cost				
Working capital loan from bank	4,435,278	-	-	-
Trade and other payables	24,661,264	-	-	-
Other financial liabilities (non current)	410,001	-	-	410,001
Other financial liabilities (current)	9,795,012	-	-	-
Total	**39,301,555**	**-**	**-**	**410,001**

As at 31 March 2018

Particulars	Carrying amount	Fair value		
	As at 31 March 2018	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade and other receivables (current)	75,266,097	-	-	-
Loans and other receivables (Non - Current)	25,286	-	-	25,286
Loans and other receivables (Current)	220,796	-	-	-
Cash and Cash equivalents	61,791,344	-	-	-
Bank balances	3,273,801	-	-	-
Short-term deposits	130,127	-	-	-
	140,707,451	**-**	**-**	**25,286**
Financial assets at fair value through profit or loss				
Forward contract receivable	-	-	-	-
Investments	-	-	-	-
Total	**140,707,451**	**-**	**-**	**25,286**
Financial liabilities at amortised cost				
Working capital loan from bank	7,771	-	-	-
Trade and other payables	19,361,158	-	-	-
Other financial liabilities (non current)	900,001	-	-	900,001
Other financial liabilities (current)	9,364,692	-	-	-
Total	**29,633,622**	**-**	**-**	**900,001**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43 Foreign currency exposure as at 31 March 2017

Amount in Rs.

Particulars	USD	Euro	JPY	CHF	Total
Trade receivables	4,322	-	-	-	4,322
Loans and other receivables	-	-	-	-	-
Bank balances in current accounts and term deposit accounts	-	-	-	-	-
Trade payables	(3,111,215)	-	-	-	(3,111,215)
Forward contracts for receivable	-	-	-	-	-
Forward contracts for payable	-	-	-	-	-
Forward contracts for loan	-	-	-	-	-

Foreign currency exposure as at 31 March 2018

Amount in Rs.

Particulars	USD	Euro	JPY	CHF	Total
Trade receivables	2,443	-	-	-	2,443
Loans and other receivables	227,185	-	-	-	227,185
Bank balances in current accounts and term deposit accounts	-	-	-	-	-
Trade payables	(1,674,242)	-	-	-	(1,674,242)
Forward contracts for receivable	-	-	-	-	-
Forward contracts for loan	-	-	-	-	-

Foreign currency sensitivity

Amount in Rs.

Particulars	2017-18		2016-17	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	(14,446)	14,446	(31,069)	31,069
Euro	-	-	-	-
JPY	-	-	-	-
CHF	-	-	-	-
Others	-	-	-	-
Increase \ (Decrease) in profit or loss	**(14,446)**	**14,446**	**(31,069)**	**31,069**

Equity Price Risk

The company does not have any investments.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information such as :

(i) Actual or expected significant adverse changes in business,
(ii) Actual or expected significant changes in the operating results of the counterparty,
(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty’s ability to meet its obligations,
(iv) Significant increases in credit risk on other financial instruments of the same borrower
(v) Significant changes in the value of the collateral supporting the obligationor in the quality of third-party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Exposure to credit risk

Particulars	As at 31-03-2018	As at 31-03-2017
Investments in Government or trust securities	-	-
Investments in Debentures or bonds	-	-
Other non-current investments carried at amortised cost	-	-
Long-term loans and advances	25,286	26,750
Other long term financial assets	-	-
Trade receivables	75,266,097	62,307,666
Cash at bank	65,065,145	65,721,356
Short-term loans and advances	350,923	367,305

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	Amount
31-Mar-18	
Up to 3 months	59,019,549
3 to 6 months	13,083,640
More than 6 months	7,002,667
	79,105,856
31-Mar-17	
Up to 3 months	51,306,764
3 to 6 months	5,061,265
More than 6 months	27,003,391
	83,371,420

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables measured using life-time expected credit model:

Particulars	Amount
As at 01 April 2016	18,657,241
Provided during the year	2,738,406
Amounts written off	-
Reversals of Provision	(331,893)
Unwinding of Discount	-
Transferred on account of Demerger	-
As at 31 March 2017	**21,063,754**
Provided during the year	1,877,564
Amounts written off	(18,458,304)
Reversals of Provision	(643,255)
Transfer to discontinuing operations	-
Unwinding of Discount	-
As at 31 March 2018	**3,839,759**

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management is responsible for liquidity, funding as well as settlement management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 March 2018	Less than one year	1 to 5 years	Total
Loans from Financial Institution	-	-	-
Interest-free sales tax deferral loans from State Government	-	-	-
Obligations under finance leases	-	-	-
Deposits payable	730,001	170,000	900,001
Working capital demand loan from bank	7,771	-	7,771
Trade payables	19,361,158	-	19,361,158
Other financial liabilities	9,364,692	-	9,364,692

As at 31 March 2017	Less than one year	1 to 5 years	Total
Interest-free sales tax deferral loans from State Government	-	-	-
Obligations under finance leases	-	-	-
Deposits payable	410,001	-	410,001
Working capital demand loan from bank	4,435,278	-	4,435,278
Trade payables	24,661,264	-	24,661,264
Other financial liabilities	9,795,012	-	9,795,012

Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The company includes interest bearing loans and borrowings, trade and other payables and cash and short terms deposits excluding discontinued operations within net debt.

Particulars	As at 31.03.2018	As at 31.03.2017
Interest-bearing loans and borrowings	7,771	4,435,278
Net debt	**7,771**	**4,435,278**
Equity	39,000,000	39,000,000
Capital and net debt	**39,007,771**	**43,435,278**
Gearing ratio	**0.02%**	**11.37%**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44 Liquidity risk

Maturity profile of financial liabilities

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

As at 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Term loans from Financial Institution	-	-	-	-	-	-
Interest-free sales tax deferral loans from State Government	-	-	-	-	-	-
Obligations under finance leases	-	-	-	-	-	-
Deposits payable	730,001	-	-	170,000	-	900,001
Working capital demand loan from bank	7,771	-	-	-	-	7,771
Trade payables	-	18,161,568	1,199,590	-	-	19,361,158
Other financial liabilities	5,355,208	1,249,377	2,760,107	-	-	9,364,691
	6,092,980	**19,410,944**	**3,959,697**	**170,000**	**-**	**29,633,621**

As at 31 March 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Term loans from Financial Institution	-	-	-	-	-	**-**
Interest-free sales tax deferral loans from State Government	-	-	-	-	-	**-**
Obligations under finance leases	-	-	-	-	-	**-**
Deposits payable	410,001	-	-	-	-	**410,001**
Working capital demand loan from bank	4,435,278	-	-	-	-	**4,435,278**
Trade payables	-	23,879,763	781,501	-	-	**24,661,264**
Other financial liabilities	7,071,408	1,185,149	1,538,455	-	-	**9,795,012**
	11,916,687	**25,064,912**	**2,319,956**	**-**	**-**	**39,301,555**