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AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH,2018

NANOFIL TECHNOLOGIES PVT LTD

A INDUSTRIAL UNIT FOR MANUFACTURE OF HI TECH PRINTING INK & POLYMER COMPOUNDS

SITE LOCATION:	NOTIFIED BALAJI INDUSTRIAL ESTATE ,VILL. MAHUAKHERAGANJ,ALIGANJ ROAD, KASHIPUR, DISTT. U.S. NAGAR (UTTARAKHAND)-244713
REGD. OFFICE:	# 2ND FLOOR OF MAIN BUILDING, 19 R.N.MUKHERJEE ROAD, KOLKATTA (WEST BENGAL)
CONTACT NO(s):	9760000997
DIRECTORS	1. MR V.P. SINGH 2. MR. ARUN MUKHIA
AUDITORS	KUMAR KHANNA CHARTERED ACCOUNTANTS BAZPUR ROAD, KASHIPUR (UTTARAKHAND)
BANKERS	PUNJAB NATIONAL BANK, KASHIPUR

Kumar Khanna
Chartered Accountants

Independent Auditor's Report

To ,
The Members of
Nanofil Technologies Pvt Ltd,

Report on the Financial Statements

We have audited the accompanying financial statements of M/S Nanofil Technologies Pvt Ltd , ("the Company") which comprise the Balance Sheet as at March 31,,2018 and the Statement of Profit and Loss and Cash Flow Statement 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 and presentation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules,2014 . 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 mis statement, 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 issued by the Institute of Chartered Accountants of India and 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.

KUMAR KHANNA CHARTERED ACCOUNTANTS KASHIPUR FRN 1328 (C)

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An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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 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 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:
a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2018;
b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and;
c) in the case of the Cash Flow Statement, of the cash flows 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 (CARO,2016/ "the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act,2013 vide Order No. S.O. 1228 (E) dated 29th March,2016. We give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Companies Act,2013 we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

c) The Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement, of the cash flows for the year ended on that date. dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement 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 written representations received from the directors as on March 31, 2018 on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013. As per information given to us by the management, As per information provided to us by the management, Mr Arun Mukhia has been nominated as new director of company in place of Mr Hanif Mohammad who has tendered his resignation from the office of director of company .

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, the same appears to be satisfactory.

KUMAR KHANNA KASHIPUR FRN 1528 (C) CHARTERED ACCOUNTANTS

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:

i) The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note "10" and "13" to the financial statements.

ii) the Company has no long term contracts or derivative contracts , therefore provision, as required under applicable law or accounting standards, for material foreseeable losses , if any, is not applicable.

iii) The company has no amounts to be transferred , to the Investor Education and Protection Fund

FOR KUMAR KHANNA
CHARTERED ACCOUNTANTS

KUMAR KHANNA CHARTERED ACCOUNTANTS KASHIPUR FRN 1528(C)

CA B.N.KHANNA FCA
PARTNER MNO.70664
Firm Registration No 01528C

PLACE:KASHIPUR
Dated:25.05.2018

Annexure to the Auditor's Report

ANNEXURE REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF M/S NANOFIL TECHNOLOGY PVT LTD ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31st March 2018

1. FIXED ASSETS [Clause-3(i)] :

a) **Proper Records:** As defined in AS- 10, the company has fixed assets on Lease as well as its own purchase. Own assets comprises Plant & Machinery, Electric Installation, Office Equipments & Staff Bus etc., in respect of which proper records showing full particulars including quantitative details & situation of the fixed assets, have been maintained.

b) **Physical Verification** :As explained to us, the company has a regular programme of physical verification of its fixed assets in a phased manner over a period of time. In accordance with this programme , certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of Company and the nature of its assets.

c) **Title Deed :** According to the information and explanations given to us and on the basis of our examination of records of the Company, the Lease deed of immoveable property and moveable Equipments are held in the name of the Company.

2. INVENTORY [Clause- 3 (ii)]

a) **Physical Verification :** As explained to us, inventories, have been physically verified by the management during the year and the frequency of the physical verification as informed to us appears to be reasonable.

b) As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. LOANS GRANTED BY THE COMPANY [Clause-3(iii)]

The company has not granted any Loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained U/s 189 of the Companies Act, 2013. Therefore,

a) The matter of terms & Conditions of grant of such loan is not applicable.
b) The matter of recovery of principal and interest of grant of such loan is not applicable
c) The matter of steps of recovery of Principal & interest of grant of such loan is not applicable.

4. LOANS TO DIRECTORS AND INVESTMENT BY COMPANY [Clause-3 (iv)]

In our opinion and according to the information and explanations given to us , the requirement of compliance of section 185 and 186 of the Companies Act,2013 is not applicable ,as the company has not made/ given any loans, Guarantees and investments during the financial year31st March,2018.

5. ACCEPTANCE OF DEPOSITS [Clause 3(v)]

In our opinion and according to the information & explanations given to us, directives issued by the Reserve Bank of India and provisions of section 73 to 76 of the Companies Act 2013 and the rules framed there under, to the extent applicable, the company has not accepted any deposits from the public within the meaning of above mentioned provision of the companies Act ,2013

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6. COST RECORDS [Clause 3 (vi)]

As informed to us by the management, that so far ,the maintenance of cost records has not been prescribed by the Central Government under section 148 (I) of the Companies Act,2013 for the Company.

7. STATUTORY DUES [Clause 3 (vii)]

a) According to the information and explanation given to us, and on the basis of our examination of records of the Company, amounts deducted/accrued in books of account in respect of undisputed statutory dues including including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax and any other statutory dues have been regularly deposited during the year ,by the company with appropriate authorities.

b) According to the information and explanation given to us, there are no undisputed amounts pending before any forum/ authorities in respect of payment of statutory dues of Income Tax, Wealth Tax, Customs duty and 'Excise duty', Service Tax , Value Added Tax etc

c) **DISPUTE FOR TAX AND DUTY :**
According to the information and explanation given to us , the following amount of sales tax have been deposited by the company on account of disputes:

Nature of Statue	Nature of Dues	Total Amount involved (in Rs.)	Total Amount deposited (in Rs.)	Period to which the amount relates	Forum where dispute is pending
CST	Rejection of Forms C submitted by company	11831879.00	680000.00	FY 2011-12	Dy Commissioner, sales tax (Appeals), Haldwani, however stay has been obtained for 65% disputed demand.
CST	Rejection of Forms C submitted by company	2593001.00	821000.00	FY 2012-13	Dy Commissioner, sales tax (Appeals), Haldwani, however stay has been obtained for 70% disputed demand.

8. REPAYMENT OF LOANS: [Clause -3 (viii)]

According to the information & explanations given to us and overall examination of Balance Sheet and Cash Flow Statement of the Company, the company does not have any loans or borrowings from any financial institution or debenture holders , except Two continuing long term vehicle (City Rise) loan, one Tractor Loan and One loan against Pick up Van from Punjab National Bank, Kashipur. In our opinion and according to information and explanations given to us no default in the repayment of principal and interest of above three long term loans has occurred during the year under reference.

9. UTILIZATION OF IPO AND FURTHER PUBLIC OFFER : [Clause-3 (ix)

In our opinion and according to information and explanations given to us , the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. REPORTING OF FRAUD UNDER SECTION 143(12) to (15) OF COMPANIES ACT,2013 [Clause 3- (x)]

In our opinion and according to information and explanations given to us , no material fraud on or by the company by its officers or employees has been noticed or reported during the course of our audit .

11. APPROVAL OF MANAGERIAL REMUNERATION: [Clause-3 (xi)]

According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid the sitting fee only to the directors of the company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. NIDHI COMPANY [Clause-3 (xii)]

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly ,paragraph 3 (xii) of the order is not applicable.

13. RELATED PARTY TRANSACTIONS [Clause-3 (xiii)]

According to information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. PRIVATE PLACEMENT OR PREFRENTIAL ISSUES [Clause- 3 (xiv)]

According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.

15. NON- CASH TRANSACTIONS [Clause-3(xv)]

According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non – cash transactions with directors or persons connected with him. Accordingly ,paragraph 3 (xv) of the order is not applicable.

16. REGISTER UNDER RBI ACT,1934 [Clause-3(xvi)]

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

Dated: 25.05.2018
Place: Kashipur

KUMAR KHANNA KASHIPUR FRN 1528 (C) CHARTERED ACCOUNTANTS

CA B. N. KHANNA, FCA.
PARTNER. M.No.70664
FOR & ON BEHALF OF
KUMAR KHANNA
CHARTERED ACCOUNTANT
FRN: 01528 C

Kumar Khanna
Chartered Accountants

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVENDATE ON THE STANDLONE FINANCIAL STATEMENTS OF M/S NANOFIL TECHNOLOGY PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of Nanofil Technology Private Limited (" The Company") as of 31 March 2018 in conjunction with our audit of standlone 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 state in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and Standard on the Auditing , issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act,2013, 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 Institute of Chartered Accountants of India ("ICAI"). Those Standards and 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of the 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 judgment , 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.

KUMAR KHANNA * CHARTERED ACCOUNTANTS * FRN 1528 (C) KASHIPUR

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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 authorization of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the standalone financial statements of (the Company), which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 25.05.2018 expressed [include nature of opinion].

Dated: 25.05.2018
Place: Kashipur

KUMAR KHANNA
KASHIPUR
FRN 1528 (C)
CHARTERED ACCOUNTANTS

CA B. N. KHANNA, FCA.
PARTNER. M.No.70664
FOR & ON BEHALF OF
KUMAR KHANNA
CHARTERED ACCOUNTANT
FRN: 01528 C

Nanofil Technologies Private Limited
Balance Sheet as at 31 March 2018
(All amounts in Rs. millions, unless otherwise stated)

	Notes	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5	13.83	13.00
Intangible Asset	6	5.48	10.33
Financial Assets			
Other assets	7	5.26	2.63
Total non-current assets		**24.57**	**25.96**
Current assets			
Inventories	8	65.19	116.70
Financial assets			
Trade receivables	9	84.88	64.69
Cash and cash equivalents	10	6.47	3.02
Loans	11	0.26	0.15
Other assets	12	2.30	0.23
Current tax assets (net)	13	0.26	0.75
Other current assets	14	49.55	41.38
Total current assets		**208.91**	**226.93**
Total assets		**233.48**	**252.89**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	0.10	0.10
Other equity	16	17.32	16.19
Total equity		17.42	16.29
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	2.91	3.33
Deferred Tax Liabilities	31	1.35	0.83
Total non-current liabilities		4.26	4.16
Current liabilities			
Financial liabilities			
Borrowings	18	-	34.93
Trade payables	19	200.96	186.56
Other financial liabilities	20	8.40	8.43
Other current liabilities	21	1.97	2.01
Current tax liabilities (net)	22	0.47	0.51
Total current liabilities		211.81	232.45
Total liabilities		216.06	236.60
Total equity and liabilities		**233.48**	**252.89**
Summary of significant accounting policies	2		

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

As per our report of even date
For KUMAR KHANNA
Chartered Accountants
Firm Registration No. 01528C

CA BAIJ NATH KHANNA FCA
PARTNER ICAI MEMB. NO 70664

Place: KASHIPUR
Date: 25.05.2018

KUMAR KHANNA CHARTERED ACCOUNTANTS CA KASHIPUR FRN 1528 (C)

For and on behalf of the Board of Directors of
Nanofil Technologies Private Limited

Director	Director	Company Secretary
DIN:	DIN:	Membership No:
Place:	Place:	Place:
Date:	Date:	Date:

Nanofil Technologies Private Limited
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts in Rs. millions, unless otherwise stated)

	Notes	31st March 2018	31st March 2017
Income			
Revenue from operations	23	532.85	496.20
Other income	24	2.32	2.22
Total income		535.17	498.42
Expenses			
Cost of material consumed	25	413.98	380.99
Purchase of Stock-in-trade			
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	23.68	-18.22
Excise duty		10.59	46.23
Employee benefits expense	27	23.21	29.75
Finance costs	28	0.76	1.11
Depreciation and amortization expense	29	5.60	5.95
Other expenses	30	55.24	50.79
Total expenses		**533.05**	**496.60**
Profit /(Loss) before tax		2.12	1.82
Income tax expense			
Current tax	31	0.47	0.51
Deferred tax	31	0.52	0.15
Total income tax expense		**0.99**	**0.66**
Profit for the year		1.13	1.16
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		-	-
Income tax effect		-	-
Other comprehensive income for the year		-	-
Total other comprehensive income for the year		**1.13**	**1.16**
Earnings / (Loss) per share			
Basic and diluted earnings per share (INR)	32	11.27	11.58

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For KUMAR KHANNA
Chartered Accountants
Firm Registration No. 01528C

CA BAIJ NATH KHANNA FCA
PARTNER ICAI MEMB. NO. 70664

Place: KASHIPUR
Date: 25.05.2018

KUMAR KHANNA * CHARTERED ACCOUNTANTS * KASHIPUR FRN 1528 (C)

For and on behalf of the Board of Directors of
Nanofil Technologies Private Limited

Director	Director
DIN:	DIN:
Place:	Place:
Date:	Date:

Nanofil Technologies Private Limited
Statement of cash flows for the year ended 31 March 2018
(All amounts in Rs. millions, unless otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Cash flow from operating activities		
Profit before tax	2.12	1.82
Adjustments for:		
Depreciation and amortization expenses	5.60	5.95
Interest expense	0.33	0.71
Operating loss before working capital changes	**8.05**	**8.48**
Changes in working capital		
(Increase) / Decrease in trade payables / provisions		
(Increase) / Decrease in financial and other liabilities	-20.60	51.52
(Decrease)/ increase in inventories	51.52	-48.03
(Decrease)/ increase in trade receivables	-20.19	-19.10
(Decrease)/ increase in financial and other assets	-12.48	9.24
Cash generated used in operations	6.29	2.11
Income tax paid	-0.51	-1.39
Net cash flows used in operating activities (A)	**5.78**	**0.71**
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	-1.58	-2.58
Interest received		
Net cash flow from investing activities (B)	**-1.58**	**-2.58**
Cash flow from Financing activities		
Proceeds from / (Repayment of) long-term borrowings		
Net increase / (Decrease) from short-term borrowings	-0.42	1.21
Interest paid	-0.33	-0.71
Dividend paid on preference shares		
Net cash flow from financing activities (C)	**-0.75**	**0.50**
Net increase in cash and cash equivalents (A+B+C)	3.45	-1.37
Cash and cash equivalents at the beginning of the year	3.02	4.39
Cash and cash equivalents at the end of the year	6.47	3.02
Cash and cash equivalents comprise (Refer note 10)		
Balances with banks		
On current accounts	6.38	2.79
Cash on hand	0.10	0.23
Total cash and bank balances at end of the year	6.47	3.02

The amendments to Ind AS 7 Cash flow statements required entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of reconciliation between opening and closing balances of Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1 April 2017 and the required disclosure is made below. There is no other impact on financial statement due to this amendment.

	As at 31 March 2017	Cash Flow	Non cash adjustment / Forex movements	As at 31 March 2018
Long term borrowings (including current maturities of long term Debt)	4.00	(0.33)	-	3.67
Short term borrowings	34.93	(34.93)	-	-
Summary of significant accounting policies	0			-0.00

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

As per our report of even date
For KUMAR KHANNA
Chartered Accountants
Firm Registration No.01528C

CA BAIJ NATH KHANNA FCA
Partner, ICAI MEMB NO [illegible]

KUMAR KHANNA CHARTERED ACCOUNTANTS KASHIPUR FRN 1528 (C)

Place: KASHIPUR
Date: 25.05.2018

For and on behalf of the Board of Directors of
Nanofil Technologies Private Limited

Director DIN:

Director DIN:

Company Secretary Membership No:

Place:
Date:

Nanofil Technologies Private Limited
Statement of changes in equity for the year ended 31 March 2018
(All amounts in Rs. millions, unless otherwise stated)

	31st March 2018		31st March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening	0.10	0.10	0.10	0.10
Add: issue during the year	-		-	-
Closing	**0.10**	**0.10**	**0.10**	**0.10**

(B) Other equity

Particulars	Retained earnings	Others	Total other equity
Balance as at 1 April 2016	15.03	-	15.03
Profit for the year	1.16		1.16
Other comprehensive income	-		-
Total other comprehensive income for the year	**1.16**	-	**1.16**
Balance as at 31 March 2017	**16.19**		**16.19**
Balance as at 1 April 2017	16.19	-	16.19
Profit for the year	1.13		1.13
Other comprehensive income	-		-
Total other comprehensive income for the year	**1.13**	-	**1.13**
Balance as at 31 March 2018	**17.32**		**17.32**

Summary of significant accounting policies 2

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

As per our report of even date
For KUMAR KHANNA
Chartered Accountants
Firm Registration No. 01528C

CA BAIJ NATH KHANNA FCA
Partner ICAI MEMB NO 70664

KUMAR KHANNA CHARTERED ACCOUNTANTS CA KASHIPUR FRN 1528 (C)

Place: KASHIPUR
Date: 25-05-2018

For and on behalf of the Board of Directors of
Nanofil Technologies Private Limited

Director
DIN:

Director
DIN:

Company Secretary
Membership No:

0

Place:
Date:

Place:
Date:

Nanofil Technologies Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2018
(All amounts in Rs. millions, unless otherwise stated)

1 General Information

Nanofil Technologies Private Limited is a private limited company formed on 15 December, 2009 incorporated under the provisions of the Companies Act, 1956. The Company's main activity is manufacturing of Printing Ink and polymer compound . The company's registered office is situated at Flat no 19 , IInd Floor, Main Building , R.N.Mukherjee Road, Kolkata, West Bengal, India.

These financial statements were authorised for issue by the Board of Directors on 30.05.2018.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2018 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Company has adopted Ind AS.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following:
i) certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
ii) defined benefit plans -plan assets measured at fair value

(c) Current / non current classification

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

(e) Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millon as per the requirement of Schedule III, unless otherwise stated.

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2.2 Property, plant and equipment

Lease hold land does not carry any cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life (in years)
Plant and machinery	15
Electrical installations	10
Office equipment	5
Computers	3
Vehicles	8

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Transition to Ind AS

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

2.3 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.
Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortized intangible assets over their estimated useful lives using the straight line method.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Transition to Ind AS

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

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2.4 Research and development expenditure

Research Costs are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.

Development costs that are directly attributable to the design and testing of identifiable and unique assets controlled by the Company are recognised as intangible assets when the following criteria are met:
- it is technically feasible to complete the asset so that it will be available for use
- management intends to complete the asset to use it or sell it
- there is an ability to use or sell the asset
- it can be demonstrated how the asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available and
- the expenditure attributable to the asset during its development can be reliably measured

Directly attributable costs that are capitalised as part of the asset include employee cost and appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for future use.

Development expenditure that do not meet the above criteria are recognised as expense as incurred. Development costs previously recognised as expense are not recognised as an asset in the subsequent period.

2.5 Impairment of non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.6 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. All exchange differences arising on reporting on foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

2.7 Fair value measurement

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

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

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
► Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
► Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
► Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.8 Revenue recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current Liabilities" as "Advance from customer".

Revenue from sale of goods

Revenue from sale of goods is recognized when all the following conditions have been satisfied:
a) The company has transferred to the buyer the significant risks and rewards of the ownership of the goods;
b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
c) The amount of revenue can be measured reliably;
d) It is probable that the economic benefits associated with the transaction will flow to the company; and
e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of services

Income from services are recognized as and when the services are rendered. The Company collects goods and service tax/ service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.10 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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(b) Deferred tax

Deferred income tax is provided, using the balance sheet approach, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.9 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.10 Inventories

Raw materials, stores, consumables, work in progress, traded goods and finished goods are valued at the lower of cost and net realisable value.

Cost of raw materials, stores, consumables and traded goods includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

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

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

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The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.13 Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

2.14 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

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Equity instruments:

Investments in subsidiaries are recognised at cost as per Ind AS 27 less impairment, if any, except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

All other equity investments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value (currently no such choice is made). The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Investment in Limited Liability Partnership (LLP):

Investments in capital of Limited liability partnership (LLP), where the Company has control over these LLP's, are recognised at cost as per Ind AS 27 less impairment, if any.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses(ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The impairment methodology for each class of financial assets stated above is as follows:

Trade receivables from customers: The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which requires the use of the lifetime expected loss provision for all trade receivables.

Debt investments measured at amortised cost and FVOCI: Debt investments at amortised cost and those at FVOCI where there has been a significant increase in credit risk, lifetime expected credit loss provision method is used and in all other cases, the impairment provision is determined as 12 months expected credit losses.

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

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(ii) 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 or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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 recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Compound financial instruments

Compound financial instruments issued by the company which can be converted into fixed number of equity shares for fixed price at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(iv) Derecognition

A financial liability is derecognized 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

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

2.15 Derivative financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks. Such derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the statement of profit and loss, under financial income or financial cost, in the period when they arise.

2.16 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Compensated absences can be encashed only on discontinuation of service by employee.

(c) Post employment obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

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Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

2.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of manufacturing of technical textile. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

2.19 Contributed equity

Equity Shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.21 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest millions as per requirement of Schedule III of the Act, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions

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

3.1 Estimates and assumptions

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

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

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(a) **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is currently evaluating the requirements of amendments. The Company believes that the adoption of this amendment will not have a material effect on its financial statements.

(b) **Ind AS 115- Revenue from Contract with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

(ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

(c) **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any significant impact on the Company.

5 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative year data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

The Group has opted para D7 AA and accordingly considered the carrying value of property, plant and equipments and Intangible assets as deemed cost as at transition date.

5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 and 31 March, 2017 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- Impairment of financial assets based on expected credit loss model.

(b) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occuring on or after 1 April, 2016 (the transition date).

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

5.3 Transition to Ind AS - Reconciliations

There is no major impact on the Company's Equity and total comprehensive income on account of the transition from previous GAAP to Ind AS.

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(All amounts in Rs. millions, unless otherwise stated)

5 Property, plant and equipment

	Gross block				Depreciation				Net block	
	As at 31 March 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2018	As at 31 March 2017	For the year	Deductions/ Adjustments	As at31 March 2018	As at31 March 2018	As at 31 March 2017
Owned assets										
Plant And Machinery	8.13	0.35	-	8.48	0.65	0.65	-	1.31	7.17	7.48
Electric Installation	0.07	0.26	-	0.33	0.01	0.01	-	0.01	0.31	0.06
Office Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment	0.03	-	-	0.03	0.01	0.01	-	0.02	0.01	0.02
Vehicles	5.87	0.97	-	6.85	0.43	0.08	-	0.51	6.33	5.44
Total	14.10	1.58	-	15.68	1.10	0.75	-	1.85	13.83	13.00

	Gross block				Depreciation				Net block	
	As at 1 April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Deductions/ Adjustments	As at31 March 2017	As at31 March 2017	As at 1 April 2016
Owned assets										
Plant And Machinery	8.13	-	-	8.13	-	0.65	-	0.65	7.48	8.13
Electric Installation	0.07	-	-	0.07	-	0.01	-	0.01	0.06	0.07
Office Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment	0.03	-	-	0.03	-	0.01	-	0.01	0.02	0.03
Vehicles	3.29	2.58	-	5.87	-	0.43	-	0.43	5.44	3.29
Total	11.52	2.58	-	14.10	-	1.10	-	1.10	13.00	11.52

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6 Intangible assets

	Gross block				Depreciation				Net block	
	As at 31 March 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2018	As at31 March 2017	For the year	Deductions/ Adjustments	As at31 March 2018	As at31 March 2018	As at 31 March 2017
Research & development expenditure	15.18	-	-	15.18	4.85	4.85	-	9.70	5.48	10.33
Total	15.18	-	-	15.18	4.85	4.85	-	9.70	5.48	10.33

	Gross block				Depreciation				Net block	
	As at 1 April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Deductions/ Adjustments	As at31 March 2017	As at31 March 2017	As at 1 April 2016
R& D Exenditure	15.18	-	-	15.18	-	4.85	-	4.85	10.33	15.18
Total	15.18	-	-	15.18	-	4.85	-	4.85	10.33	15.18

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Nanofil Technologies Private Limited

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2018

(All amounts in Rs. millions, unless otherwise stated)

	31st March 2018	31st March 2017	31st March 2016
7 Non-Current Financial assets - Other assets			
Unsecured, considered good			
Security Deposits	1.56	0.01	0.01
Fixed Deposits with bank	3.16	2.62	2.62
Tender & Earnest Money Deposit	0.54	-	
Total	**5.26**	**2.63**	**2.63**

	31st March 2018	31st March 2017	1st April 2016
Other non-current assets			
8 Inventories			
(Taken as valued & Certified by the Management)			
Raw materials (At Cost)	36.94	60.30	33.39
Stores & Spare parts (At Cost)	1.23	3.65	2.81
Material In Transit	-	2.05	-
a) Finished Goods (At Realisable Value)	20.03	11.15	8.92
b) Semi Finished Goods (At Realisable Value)	6.98	39.55	23.55
	65.19	**116.70**	**68.67**

9 Trade receivable	31st March 2018	31st March 2017	1st April 2016
Unsecured			
-Considered good	84.88	64.69	45.59
	84.88	**64.69**	**45.59**

10 Cash and bank balances	31st March 2018	31st March 2017	1st April 2016
Cash and cash equivalents			
Balances with banks			
On current accounts	6.38	2.79	4.20
Cash on hand	0.10	0.23	0.18
Total cash and cash equivalents	**6.47**	**3.02**	**4.39**

11 Current Financial assets - Loans and advances			
Unsecured, considered good			
Loans and advances to related parties	-	-	20.24
Loans and advances to employees	0.26	0.15	0.07
	0.26	**0.15**	**20.31**
12 Current Financial assets - Others			
Interest accrued but not due	2.30	0.23	0.09
	2.30	**0.23**	**0.09**
13 Current tax assets			-
Advance income tax	0.26	0.75	0.33
	0.26	**0.75**	**0.33**
14 Other current assets			
Balance with government authorities	1.86	3.43	2.87
Prepaid Expenses	0.17	0.21	0.29
Advance to vendors	47.52	37.74	27.86
Total	**49.55**	**41.38**	**31.03**

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Notes forming part of the Standalone Financial Statements for the year ended 31 March 2018
(All amounts in Rs. millions, unless otherwise stated)

15 Equity share capital
The Company has only one class of equity share capital having a par value of INR 10 per share, referred to herein as equity shares.

	31st March 2018	31st March 2017	1st April 2016
Authorized			
Equity			
50,000 (2017: 50,000, 2016: 50,000) Equity Share of INR 10/-each fully paid up	0.50	0.50	0.50
	0.50	0.50	0.50
Issued Equity Capital			
10,000 (2017: 10,000, 2016: 10,000) Equity shares of ` 10/- each with voting rights	0.10	0.10	0.10
Total	0.10	0.10	0.10

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Outstanding at the beginning of the year	0.10	0.10	0.10
Add: Issued during the year	-	-	-
Outstanding at the end of the year	0.10	0.10	0.10

(b) Rights, preferences and restrictions attached to shares
The company has only one class of shares referred to as Equity Shares having at per value of Rs.10/-each holder of Equity shares is entitiled to one vote per shares.

The company has not issued any shares other than cash since its inception.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company
Name of the shareholder

Class of shares/Name of shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Equity shares with voting rights	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Flexituff International Limited	10,000*	100.00%	10,000*	100.00%	10,000*	100.00%

* Note : Ten fully paid up equity shares of the company are held in the name of nominee of company.

16		31st March 2018	31st March 2017	1st April 2016
	Other equity			
	Retained Earnings	17.32	16.19	15.03
	Total reserves and surplus	17.32	16.19	15.03

(A) Surplus/(deficit) in the Statement of Profit and Loss

	31st March 2018	31st March 2017
Opening balance	16.19	15.03
Add: Net profit for the current year	1.13	1.16
Closing balance	17.32	16.19

	31st March 2018	31st March 2017	1st April 2016
17 Non-current borrowings			
Secured Term Loans			
Loan against hypothecation of Vehicles	3.67	4.00	2.53
Less: Amount disclosed under "other financial liabilities"	0.75	0.67	0.41
	2.91	3.33	2.12

a. Terms of secured borrowing are as under

Details of loan and nature of security	Rate of interest	Loan outstanding as at 31st March, 2018	Loan outstanding as at 31st March, 2017	Loan outstanding as at 1 April, 2016	Repayment schedule
Loan secured by secured by Hypothecation of Tata city ride Bus.	12.35% (31 March, 2017: 12.50%)	1.70	2.11	2.53	Repayable in total repayment period of 84 months, reducing balance
Term Loan from bank secured by Hypothecation of Tata city ride Bus.	11.40% (31 March, 2017: 11.60%)	1.13	1.45	-	Repayable in total repayment period of 60 months, reducing balance
Term Loan from bank secured by Hypothecation of Mahindra Tractor	9.55% (31 March, 2017: 11.70%)	0.36	0.44	-	Repayable in total repayment period of 60 months, reducing balance
Term Loan from bank secured by Hypothecation of Vehicle	9.40%	0.48	-	-	
Total		3.67	4.00	2.53	
Less: Classified under current liabilities		(0.75)	(0.67)	(0.41)	
		2.91	3.33	2.12	

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18 Short -term borrowings	31st March 2018	31st March 2017	1st April 2016
Unsecured, Loans from related parties	-	34.93	-
Total short-term borrowings	**-**	**34.93**	**-**

19 Trade payables	31st March 2018	31st March 2017	1st April 2016
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	200.96	186.56	171.78
Total trade payables	**200.96**	**186.56**	**171.78**

20 Other financial liabilities	31st March 2018	31st March 2017	1st April 2016
Current maturities of Long term borrowings	0.75	0.67	0.41
Employee related payable	2.43	2.01	1.88
Creditors for expenses	2.59	3.91	0.50
Cheque Issued But Not Presented	2.63	1.85	3.25
Total other financial liabilities	**8.40**	**8.43**	**6.05**

21 Other current liabilities	31st March 2018	31st March 2017	1st April 2016
Statutory Dues Payable	1.55	0.68	1.03
Advance from customers	0.39	1.30	1.54
Retention Money	0.03	0.03	0.03
Total other current liabilities	**1.97**	**2.01**	**2.59**

22 Current Tax Liabilities (net)			
Provision for Tax	0.47	0.51	1.39
	0.47	**0.51**	**1.39**

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(All amounts in Rs. millions, unless otherwise stated)

23 Revenue from operations	31st March 2018	31st March 2017
Sale of products	532.85	493.73
Other operating revenue	-	2.47
Total revenue from operations	532.85	496.20

23.1 Sale of products comprises:

Manufacturing Sales		
Export Sales	30.05	55.18
Domestic Sales	502.80	438.56
	532.85	493.73

23.2 Other operating revenues comprises:

Job Work Receipts	-	2.47
	-	2.47

24 Other income	31st March 2018	31st March 2017
Interest income		
- on fixed deposits designated as amortized cost	2.09	1.98
Miscellaneous Income	0.23	0.25
Total other income	2.32	2.22

25 Cost of materials consumed

Material consumed comprises:		
Raw Material Consumed	391.61	344.05
Stores Consumed	22.37	36.94
	413.98	380.99

26 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Inventories at the end of the year:		
Finished Goods - Ink & Compound	20.03	11.15
Semi Finished at Shop Floor - Ink	6.98	39.55
	27.01	50.70
Inventories at the beginning of the year:		
Finished Goods - Ink & Compound	11.15	8.92
Semi Finished at Shop Floor - Ink	39.55	23.55
	50.70	32.47
Total Net Decrease	23.68	(18.22)

27 Employee benefits expense	31st March 2018	31st March 2017
Salaries, wages, bonus and other allowances	20.71	27.42
Provident Fund & ESI Contribution	1.74	1.80
Staff welfare expenses	0.76	0.53
Total employee benefits expense	23.21	29.75

28 Finance costs	31st March 2018	31st March 2017
Bank Charges	0.33	0.70
Interest paid on borrowings	0.43	0.40
Interest - others	0.00	0.01
Total finance costs	0.76	1.11

29 Depreciation and amortization expense	31st March 2018	31st March 2017
Depreciation & Amortisation expense	5.60	5.95
Total depreciation and amortization expense	5.60	5.95

30 Other expenses	31st March 2018	31st March 2017
Power, Fuel & Electricity	15.21	15.23
Rent	4.30	1.92
Freight and forwarding charges	18.72	16.74
Factory Expenses	0.06	0.02
Job Work Expenses	0.32	2.49
Insurance	0.51	0.44
Rebate & Discount	2.01	2.57
Repairs and maintenance - P&M	2.37	0.37
Travel and conveyance	1.70	1.68
Printing & Stationery	0.01	0.00
Communication	0.27	0.40
Legal and professional charges*	0.67	0.31
Licence and Registration	0.26	0.09
Maintenance Charges	0.77	1.01
Office Expenses	0.16	0.16
Inspection Charges	0.28	0.51
Commission	6.99	5.39
Sales Promotion	0.31	0.43
Recruitment and training	-	0.03
Rates and taxes	0.15	0.71
Director's sitting fees	0.01	0.01
Miscellaneous expenses	0.16	0.28

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Total other expenses	55.24	50.79

Payment to Auditors
*Note : The following is the break-up of Auditors remuneration

	31st March 2018	31st March 2017
As auditor:		
Statutory audit	0.05	0.05
In other capacity:		
Tax audit	0.02	0.02
Other matters	0.04	0.05
Total	0.10	0.12

31 Income Tax

(A) Deferred tax relates to the following:

	31st March 2018	31st March 2017
Deferred tax liabilities		
On property, plant and equipment	1.35	0.83
	1.35	0.83
Deferred tax income	0.52	0.15

(F) **Income tax expense**		
- Current tax taxes	0.47	0.51
- Deferred tax charge / (income)	0.52	0.15
Total	0.99	0.66

(G) **Reconciliation of tax charge**		
Profit before tax	2.12	1.82
Income tax expense at tax rates applicable	30.90%	30.90%
Income tax expense	0.66	0.56
Tax effects of:		
- Item not deductible for tax	-	-
- Permanent disallowances and others	0.34	0.10
Income tax expense	0.99	0.66

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Notes forming part of the Standalone Financial Statements for the year ended 31 March 2018
(All amounts in Rs. millions, unless otherwise stated)

32 Earnings/ Loss per share

	31 March 2018	31 March 2017
Profit for the year (Rupees in millions)	1.13	1.16
Weighted average number of shares	0.10	0.10
Nominal value per share (Rupees)	10.00	10.00
Earning per share - Basic and diluted (Rupees)	11.27	11.58

33 Contingent liabilities and commitments (to the extent not provided for):

Particulars	31 March 2018	31 March 2017
Sales Tax Liablites F.Y. 2011-12	1.83	1.83
Sales Tax Liablites F.Y. 2012-13	2.53	2.53
Total	4.36	4.36

34 Leases

Operating leases where Company is a lessee:

The Company has entered into lease transactions mainly for leasing of office premise for a period between 1 to 6 years. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to Rs. 4.30 (31 March 2017: Rs. 1.92) included in Note 30.

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

	31 March 2018	31 March 2017	1 April 2016
Within one year	1.80	1.80	1.80
After one year but not more than five years	4.05	5.85	7.65
More than five years	-	-	-

35 Segment Reporting

The Company's operations predominantly relate to manufacturing of Polymer Compounds and Printing Ink . The Chief Operating Manager (COM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

The Company does not receive 10% or more of its revenue from transactions with any single external customer.

The amount of its revenue from external customers, broken down by location of its customers is shown in the table below:

	31 March 2018	31 March 2017
Within India	502.80	438.56
Outside India	30.05	55.18
Total Revenue from operations	532.85	493.73

The amount of non-current assets other than financial instruments, broken down by location of the asset is shown in the table below:

Within India	19.31	23.33
Outside India	-	-

36 Related Party Disclosures: 31 March 2018

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding Company

Flexituff International Limited

Entities over which Key Management Personnel and their relatives have significant influence

As reported , Key management Personnel and their relative have no significant influence over any related entities.

Key Management Personnel

1. Mr Virendra Pratap Singh ,Director
2. Mr Arun Mukhia, Director

(B) **Details of transactions with related party in the ordinary course of business for the year ended:**

	31 March 2018	31 March 2017
Flexituff International Limited (Holding Company		
(i) Sales of Goods	195.42	214.87
(ii) Services Rendered (Job Work)	-	2.47
(iii) Purchase of Goods	254.57	172.76
(iv) Recovery of expenses by holding Company(Rent and Power)	10.75	17.03
Flexituff International Ltd, Kashipur		
(i) Rent Paid	1.80	1.80
Managerial remuneration		
Sitting Fees	0.01	0.01

(C) **Amount due to/from related party as on:**

	31 March 2018	31 March 2017	1 April 2016
Short term borrowings			
Flexituff International Limited	0	34.93	

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37 **Fair values of financial assets and financial liabilities**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The amortized cost using effective interest rate (EIR) of non-current financial assets/liabilities are not significantly different from the carrying amount and therefore the impact of fair value is not considered for above disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows

Particulars	Notes	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Financial Assets						
Other non current financial assets	7	5.26				5.26
Trade receivables	9	84.88	-	-	-	84.88
Cash and cash equivalents	10	6.47	-	-	-	6.47
Loans	11	0.26	-	-	-	0.26
Other financial assets	12	7.56	-	-	-	7.56
Total		104.43	-	-	-	104.43
Financial Liabilities						
Borrowings	17	3.67	-	-	-	3.67
Trade payables	19	200.96	-	-	-	200.96
Other financial liabilities	20	8.40	-	-	-	8.40
Total		213.03	-	-	-	213.03

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows

Particulars	Notes	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Financial Assets						
Other non current financial assets	7	2.63	-	-	-	2.63
Trade receivables	9	64.69	-	-	-	64.69
Cash and cash equivalents	10	3.02	-	-	-	3.02
Loans	11	0.15	-	-	-	0.15
Other financial assets	12	0.23	-	-	-	0.23
		70.72	-	-	-	70.72
Financial Liabilities						
Long term borrowings	17	3.33	-	-	-	3.33
Short term borrowings	18	34.93	-		-	34.93
Trade payables	19	186.56	-	-	-	186.56
Other financial liabilities	20	7.76	-	-	-	7.76
Total		232.58	-	-	-	232.58

The carrying value and fair value of financial instruments by categories as at 1 April 2016 were as follows

Particulars	Notes	Amortised Cost	Financial assets/liabilities at fair value through		Total carrying value	Total fair value
			Profit or loss	OCI		
Financial Assets						
Other non current financial assets	7	2.63	-	-	-	2.63
Trade receivables	9	45.59	-	-	-	45.59
Cash and cash equivalents	10	4.39	-	-	-	4.39
Loans	11	20.31	-	-	-	20.31
Other financial assets	12	0.09	-	-	-	0.09
Total		70.38	-	-	-	70.38
Financial Liabilities						
Long term borrowings	17	2.53		-	-	2.53
Trade payables	19	171.78		-	-	171.78
Other financial liabilities	20	5.64		-	-	5.64
Total		179.94	-	-	-	179.94

38 **Fair value hierarchy**

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	31 March 2018	31 March 2017	1 April 2016
Level 3			
Financial assets measured at amortized cost			
Other non current financial assets	5.26	2.63	2.63
Trade receivables	84.88	64.69	45.59
Cash and cash equivalents	6.47	3.02	4.39
Loans	0.26	0.15	20.31
Other financial assets	7.56	0.23	0.09
Total	104.43	70.72	73.01
Financial liabilities measured at amortized cost			
Long term borrowings	3.67	3.33	2.53
Short term borrowings	-	34.93	-
Trade payables	200.96	186.56	171.78
Other financial liabilities	8.40	7.76	5.64
Total	213.03	232.58	179.94

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39 Financial risk management objectives and policies

Risk Management is an integral part of the Company's plans and operations. While the Company has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognizing and managing risks, through an organized framework. The Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits.
The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

(i) Interest rate risk

Interest rate risk is the loss of fair value of future earnigs of financial instruments because of changes in market interest rates.
The Company has no exposure to interest rate risk, as it has all fixed interest rate borrowings

(i) Foreign currency risk

Foreign currency risk is the loss of fair value of future earnigs of a financial instruments because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has no amounts outstanding in foreign currency for year ended March 31, 2018. Accordingly, it has no exposure to foreign currency risk.

(B) Credit risk

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Company manages its credit risk through various internal policies and procedure setforth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The ageing analysis for accounts receivables has been considered from the date of the invoice falls due:

	31 March 2018	31 March 2017
Not due	72.78	50.63
0-3 months	0.56	0.82
3-6 months	0.01	0.09
6 months to 12 months	0.01	0.89
beyond 12 months	11.53	12.25
	84.88	64.69

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(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarizes the maturity profile of the Company's financial liabilities:

	Less than 1 year	1 to 5 years	More than 5 years	Total
31 March 2018				
Long-term borrowings	0.75	2.91	-	3.67
Short term borrowings	-	-	-	-
Trade payables	200.96	-	-	200.96
Other financial liability	7.65	-	-	7.65
	209.36	2.91	-	212.27
31 March 2017				
Long-term borrowings	0.67	3.33	-	4.00
Short term borrowings	34.93	-	-	34.93
Trade payables	186.56	-	-	186.56
Other financial liability	7.76	-	-	7.76
	229.92	3.33	-	233.25

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1 April 2016				
Short term borrowings	-	-	-	-
Long-term borrowings	0.41	2.12	-	2.53
Trade payables	171.78	-	-	171.78
Other financial liability	5.64	-	-	5.64
	177.83	2.12	-	179.94

38 Capital management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2018 and 31st March 2017.

The Company maintains a strong capital base and the primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings.

		31 March 2018	31 March 2017	1 April 2016
Total equity	(i)	17.42	16.29	15.13
Total debt	(ii)	3.67	38.93	2.53
Overall financing	(iii) = (i) + (ii)	21.08	55.21	17.66
Gearing ratio	(ii)/ (iii)	0.17	0.70	0.14

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March 2017 and 1 April 2016.

39 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
FOR KUMAR KHANNA
Chartered Accountants
Firm Registration No.01528C

CA BAIJNATH KHANNA FCA
PARTNER ICAI MEMB. NO. 70564

Place: Kashipur
Date: 25.05.2018

For and on behalf of the Board of Directors of
For and on behalf of the Board of Directors of
For and on behalf of the Board of Directors of

Director	Director	Company Secretary
DIN:	DIN:	Membership No:
Place:	Place:	Place:
Date:	Date:	Date:

37 **First-time adoption of Ind-AS**

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative year data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(c) **Specify others, if any.**

5 **Mandatory Exemption on first-time adoption of Ind AS**

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

KUMAR KHANNA
CHARTERED ACCOUNTANTS
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