



# Kkalpana Industries (India) Limited

Date: 02.09.2019.

To,  
The Manager,  
Listing Department,  
Bombay Stock Exchange Limited (Designated Stock Exchange),  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

**Sub: Submission of Annual Report-2018-19 pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir,

Please find enclosed herewith the Annual Report 2018-19 being submitted to you pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further in terms of BSE Circular no. LIST/COMP/40/2018-19 dated 8th February, 2019 and subsequent clarification vide circular no. LIST/COMP/13/2019-20 dated 16th May, 2019 with regards to filing of Annual Report in XBRL mode under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same will be filed in XBRL format in due course.

Kindly take the same on record and oblige.

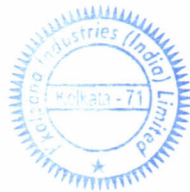
Thanking You,

Yours faithfully,

For Kkalpana Industries (India) Limited

*Tanvi Panday*

Tanvi Panday (ACS 31176)  
Company Secretary



CC:

1. The Calcutta Stock Exchange Limited, 7 Lyons Range, Kolkata – 700 001.

Regd. Office : 2B, Pretoria Street, Kolkata - 700 071

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Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in

www.kkalpanagroup.com

CIN : L19202WB1985PLC039431



**KKALPANA INDUSTRIES (INDIA) LIMITED**

Leading Manufacturer of Compounds

**ANNUAL REPORT  
2018-19**



# PRODUCT RANGE

## PE Compounds

Silane Grafted XLPE Compound upto 1. 1KV.  
(LT / LT ABC / FR / AMBIENT CURE)  
Silane Grafted XLPE Compound for MV upto 36KV.  
XLPE Compound for CCV Line upto 66KV.  
PE Sheathing and Insulation  
Semi-Conductive Compounds  
HFFR Compounds

## PVC Compounds

Insulation Sheathing Speciality Grades : FRLS Anti Termite Anti Rodent Oil Resistant Grades Auto Harness Cable Grades Data and Communication Cable Grades ROHS & REACH Compliant Grades

## Filled Compounds

Calcium Carbonate and Talc filled in PE, PP and HDPE

## Master Batches

Colour Master Batches - 1000 shades to choose from  
Speciality Master Batches - UV Antioxidant Processing Aid Optical Brightner etc.

## Footwear Compounds

PVC TPR NBR

## Pipe Compounds

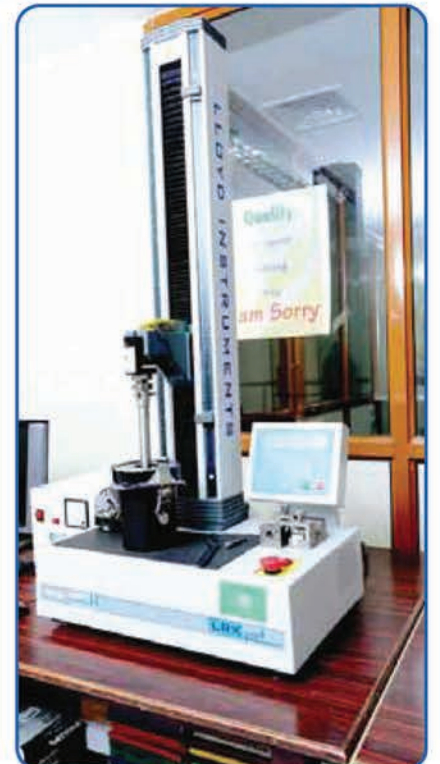
PE PEX

## Engineering Plastics

Nylon - Glass & Mineral Filled PP - Glass & Mineral Filled  
ABS Compound PC Compound

## Upcycling

LDPE LLDPE/ PP/ granules and Agglomerates



We service customer in  
**Algeria, Argentina, Brazil, Bangladesh, Croatia, Egypt, Saudi Arabia, South Africa, Srilanka ,India, Nepal, Oman, Portugal, UAE**



# Corporate Information

## Board of Directors (As on 28<sup>th</sup> May, 2019)

*Chairman and Managing Director*  
**Mr. Narrindra Suranna**

*Whole-Time-Directors*  
**Mr. Rajesh Kothari**  
**Dr. P.R.Mukherjee**  
**Mr. Dev Krishna Surana**

*Non- Executive Independent Directors*  
**Mr. Ramakant Mishra**  
**Mrs. Mamta Binani**  
**Mr. Samir Kumar Dutta**  
**Mrs. Ramya Hariharan**

*Senior President*  
**Mr. Jitendra Tiwari**

*Chief Financial officer*  
**Mr. I. C. Dakalia**

*Company Secretary*  
**Ms. Tanvi Panday**

*Plant Location*  
Bhasa, Diamond Harbour Road (W.B.)  
Falta SEZ, (W.B.)  
Daman (Daman & Diu, Union Territory)  
Dadra I & II (Dadra & Nagar Haveli, Union Territory)  
Surangi, (Dadra & Nagar Haveli, Union Territory)

*Registered Office*  
2B, Pretoria Street,  
Kolkata – 700 071  
Tel: 91 – 33- 2282 3744 / 3745  
Fax: 91 – 33 – 2282 3739  
E mail : kolkata@kikalpana.co.in  
www.kikalpanagroup.com

*Auditors*  
*Statutory Auditor*  
**M/s B.Mukherjee & Co.**  
Chartered Accountants

*Internal Auditor*  
**M/s D K D & Associates**  
Chartered Accountants

*Cost Auditor*  
**M/s. D. Sabyasachi & Co**  
Practicing Cost Accountant

*Secretarial Auditor*  
**Mr. Ashok Kumar Daga**  
Practicing Company Secretary

*Bankers*  
State Bank of India  
HDFC Bank  
Axis Bank  
Federal Bank  
IDFC First Bank  
IndusInd Bank  
The RBL Bank  
Corporation Bank

*Registrar & Share Transfer Agent*  
M/s. C B Management Services (P) Ltd.  
(Unit Kkalpana Industries(India) Ltd),  
P-22, Bondel Road,  
Kolkata – 700 019  
Tel: 91 – 33 – 2280 6692 / 93/94/2486  
/4011 6700 Fax : 033 2287 0263  
E Mail : rta@cbmsl.com

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# BOARD OF DIRECTORS

## **Narrindra Suranna**

Mr. Narrindra Suranna, aged 57 years, is a B.Com (Hons.), and L.L.B from Calcutta University. Currently, he is holding the position of Chairman & Managing Director of the Company. He has been associated with the Company since inception. He has got wide experience in Plastic Industry. Due to his effective leadership, the Company has been able to achieve stupendous growth.

## **Rajesh Kothari**

Mr. Kothari, aged 55 years, a Graduate (B.Com) from Rajasthan University, Ajmer, has more than 27 years of experience in the areas of marketing, after sale service and market research. He started his career in the year 1985 with Kanoria Chemicals & Industries Limited. He has been associated with Kkalpana since 1997.

## **Pranab Ranjan Mukherjee**

Dr. Pranab Ranjan Mukherjee aged 73 Years, is a Gold Medalist in M.sc and has done his Ph.D from I.I.T, Kharagpur. He has five years of Academic Research Experience in the fields of Synthetic and Mechanistic Organic Chemistry. He started his career in the year 1975 at INCAB Industries Limited as General Manager (Works). He also served as Director (Operations) at Polylink Polymers India Limited and Siechem Industries, Puduchery . He received various awards in his long career. He has been associated with Kkalpana since 2009 and currently holding the position of Whole Time Director. He has over 40 years of Experience in plastic and polymers Industries.

## **Dev Krishna Surana**

Mr. Dev Krishna Surana, aged 26 years, is B.Com (Hons). He has also done MSC-Management for Business Excellence – from UK and MBA(CAM) from USA. His key skills are project management, Human Resource, Administration and Information Technology. He has been associated with KKalpana in various projects and was taken on the Board of Directors w.e.f. 11.02.2019.

## **Ramakant Mishra**

Mr. Mishra , aged about 62 years, F.C.S, F.C.M.A and MBA, has more than 37 years of experience in corporate ,Secretarial and Financial matters of various Companies. He Joined on the Board of Kkalpana in September, 2014 as an Independent Director.

## **Mamta Binani**

Mrs. Binani, aged about 46 years, a Fellow Member of the Institute of Company Secretaries of India (ICSI), has 18 years of experience in corporate consultation & advisory, covering Due Diligence, Secretarial & Legal functions. She has been the first lady Chairperson (eastern region) of (ICSI) and has held the post of President of ICSI. She also serves Independent Directorship in various Companies. She Joined the Board of Kkalpana in September, 2014 as an Independent Director.

## **Samir Kumar Dutta**

Mr. Dutta, aged about 75 years, is a Graduate in science from Calcutta University and a Fellow Member of the Institute of Cost Accountants of India (ICAI). He has over 30 years of experience in finance and additionally 10 years of experience in corporate consultation & advisory, covering Cost Audit and Tax matters. He Joined the Board of Kkalpana as an Independent Director in June, 2017.

## **Ramya Hariharan**

Mrs. Ramya Hariharan, aged 40 years, is a qualified Company Secretary and LLB. She has more than 16 years of experience in dealing with general corporate matters, mergers and acquisitions, projects, banking and finance and insolvency matters. She is the partner in charge of the eastern region of a reputed national law firm. She Joined the Board of Kkalpana in February, 2019 as an Additional Director.

# Chairman's Statement



*Dear Shareholders,*

*Dear Shareholders,*

I take the opportunity of welcoming you to the 34<sup>th</sup> Annual General Meeting of your company. The Annual Report and the Board's Report for the year ended 31<sup>st</sup> March, 2019 are with you. I hope you must have glanced through them.

Global economic growth remained subdued at 3.6% in 2018 as against 3.8% in 2019. The year 2018 was impacted by weaker performance in the European Union and China. As a consequence thereof, global trade also weakened towards the middle of 2018, partly due to impact of tariff war between United States of America and China and higher energy prices.

Indian economy remained the fastest growing major economy in the world in 2018-2019. The Gross Domestic Product was 6.8%, driven by strong private consumption growth at 8.1%.

However, due to economic weakness in Europe and China, India cannot remain immune. The Indian economy has too, started slowing down. This will have pernicious adverse impact on a number of sectors, particularly auto, steel, realty and mining.

In light of the foregoing, your company has started taking effective steps to safeguard the topline and bottomline of the company. In this regard, you should be happy to note that your company recognizes that continuous innovation across products, processes and systems will be the springboard to catapult your company to higher profits and growth. Your directors are confident that these steps will protect your company from the adverse impact of slowdown in Indian economy.

The company's net revenue for the year ended 31<sup>st</sup> March, 2019 stood at Rs. 2020.83 Crores as against Rs. 1735.77 Crores for the Financial Year 2017-18. Profit after tax, for the year under review, stands at Rs. 25.62 Crores, as against Rs. 21.97 Crores in the previous financial year. The Company's EPS is Rs. 2.72 as against Rs. 2.34 in the previous financial year.

I am proud to inform the shareholders that your company has a dominant place in plastic industry in India. The products of your company are well received by the consumers. Your company has also made inroads in foreign markets.

Your directors recommended a dividend of 12% per equity share of Rs. 2/- each for the Financial Year ended 31<sup>st</sup> March, 2019. The payout is expected to be Rs. 2,71,73,752.28 (inclusive of dividend distribution tax of Rs.45,96,249.08).

Let us all hope that the directors of your company will leave no stones unturned for upward journey of operation and revenue.

To conclude, I extend my appreciation and gratitude to all stakeholders of the company alongwith the valued customers, committed employees and directors for their persistence support and unstinted trust. Your directors are also grateful to financial institutions for their continued co-operation and guidance.

Thankyou.

Date: 28<sup>th</sup> May, 2019  
Kolkata

*With Best Regards,*



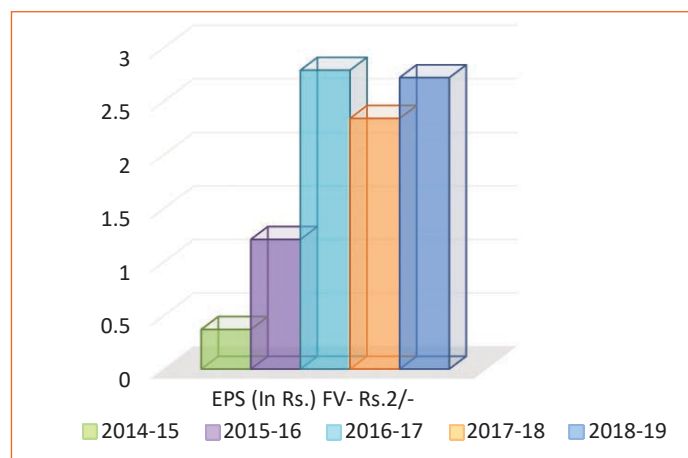
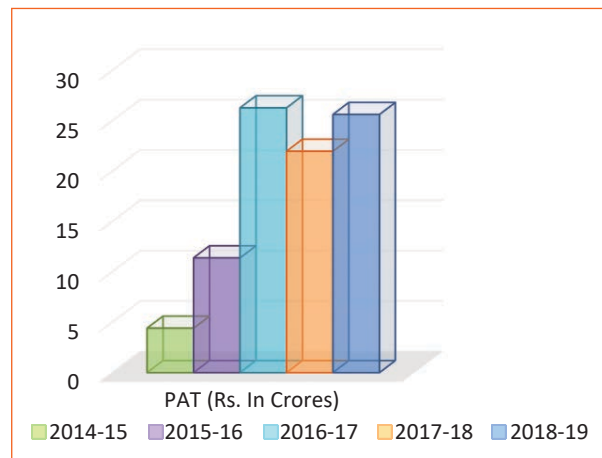
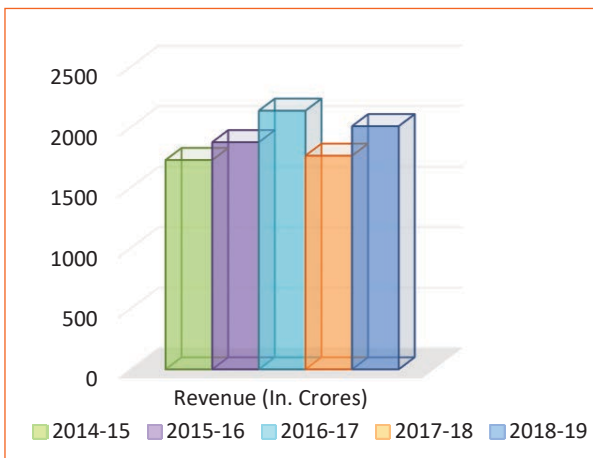
Narrindra Suranna  
DIN:00060127  
Chairman & Managing Director

# Vision

Vision without action is just a dream;  
 Action without vision merely passes the time;  
 Vision with action can change the world.

Five Years at a Glance Rs. In Crores

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Net Revenue	1729.26	1876.58	2137.08	1765.33	2009.03
PAT	04.41	11.39	26.28	21.97	25.62
EPS (Rs.)	0.37	1.21	2.79	2.34	2.72
Net Worth	230.31	241.75	274.01	295.80	318.53
Dividend (%)	0	0	0	12	12



## NOTICE OF ANNUAL GENERAL MEETING.

NOTICE IS HEREBY GIVEN that the 34<sup>th</sup> (Thirty-fourth) Annual General Meeting of the Members of KKALPANA INDUSTRIES (INDIA) LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071 on Friday, the 27<sup>th</sup> day of September, 2019, at 10.00 A.M. to transact the following Businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated Audited Balance Sheets as at 31<sup>st</sup> March, 2019, the Statement of Profit & Loss Accounts and Cash Flow Statements for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend of Rs. 0.24p per Equity Share of Rs. 2/- each ( i.e @ 12%)
3. To appoint a Director in place of Dr. Pranab Ranjan Mukherjee (DIN 00240758), who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS:

#### 4. Approval of the Remuneration payable to the Cost Auditors of the Company for the Financial Year ended 31<sup>st</sup> March, 2020

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby approves the remuneration of Rs.25000/- plus taxes, as applicable, and out-of-pocket expenses payable to M/s. D.Sabyasachi & Co., Practicing Cost Accountant, who are appointed as Cost Auditors of the Company, as recommended by the Audit Committee of the Board and also the Board of Directors of the Company, at their respective meetings held on 28<sup>th</sup> May, 2019, to conduct Audit of the cost accounting records pertaining to plastic compounds and other related manufacturing items of the Company for the year ending 31<sup>st</sup> March, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts ,things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this resolution.”

#### 5. Appointment of Mrs. Ramya Hariharan (DIN 06928511) as Director and also as Independent Director of the Company

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** Mrs. Ramya Hariharan (DIN 06928511), who was appointed by the Board of Directors, pursuant to the recommendation of Nomination and Remuneration Committee, at their respective meetings held on 11<sup>th</sup> February, 2019, as an Additional Director of the Company, with effect from 11<sup>th</sup> February, 2019, under provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Article 122 of the Articles of Association of the Company, who holds office upto the date of this Annual General Meeting but who is eligible for appointment as Director and in respect of whom the Company has received a notice, in writing, from a Member under Section 160(1) of the Act and Article 142(1) of the Articles of Association of the Company, signifying his intention to propose the candidature of Mrs. Ramya Hariharan (DIN 06928511) for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 150 and 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act (including



any statutory modification(s) or reenactment(s) thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Regulation 17 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“SEBI Listing Regulations”) and Article 123 and Article 124 of the Articles of Association of the Company and as per other relevant Articles of the Articles of Association, Mrs. Ramya Hariharan (DIN 06928511), who has submitted a declaration pursuant to Section 149 (7) of the Act and Regulation 25(8) of SEBI Listing Regulations that she meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) consecutive years up to the fifth consecutive AGM of the of the Company to be held in the year 2024, whose period of office shall not be liable to determination by retirement of directors by rotation.”

**6. Reappointment of Dr. Pranab Ranjan Mukherjee (DIN: 00240758) as Whole Time Director of the Company**

**To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** in accordance with the recommendation of Nomination and Remuneration Committee of the Board of Directors and provisions of Section 196,197 and 198 and other applicable provisions if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or reenactment thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration, issued by the Ministry of Corporate Affairs, from time to time, and subject to such other approvals, as may be necessary, and as per Articles 126(1), 126(3) and 145 of the Articles of Association of the Company and as per other relevant Articles of the Articles of Association, consent of the members of the Company be and is hereby accorded to the reappointment of Dr. Pranab Ranjan Mukherjee (DIN – 00240758) as Whole-Time-Director of the Company, for a period of 1 (One) year with effect from 01<sup>st</sup> October, 2019, upon the terms and conditions as are set out in the Statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person authorized by the Board in this behalf) shall, in accordance with the statutory limits/ approvals, as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the reappointment and remuneration, from time to time, as may be agreed to by the Board and Dr. Pranab Ranjan Mukherjee (DIN: 00240758), subject to the approval of Nomination and Remuneration Committee of the Board of Directors of the Company, provided, however, that the remuneration payable to Dr.Pranab Ranjan Mukherjee (DIN: 00240758) shall be within the limits set out in section 197 of the Companies Act, 2013 read with Schedule V to the said Act, or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and /or any rules or regulations framed there under.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this special resolution.”

**7. Appointment of Mr. Dev Krishna Surana (DIN: 08357094) as Director and also as Whole Time Director of the Company**

**To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** Mr. Dev Krishna Surana (DIN 08357094) , who was appointed by the Board of

Directors as an Additional Director of the Company with effect from 11<sup>th</sup> February, 2019, pursuant to the recommendation of Nomination and Remuneration Committee, at its meeting held on 11<sup>th</sup> February, 2019 and under provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 122 of the Articles of Association of the Company, who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act and Article 142(1) of the Articles of Association of the Company, signifying his intention to propose the candidature of Mr. Dev Krishna Surana for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** in accordance with the recommendation of Nomination and Remuneration Committee of the Board of Directors, vide Resolution by Circulation dated 20<sup>th</sup> May, 2019, duly passed on 22<sup>nd</sup> May, 2019, and provisions of Section 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or reenactment thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration, issued by the Ministry of Corporate Affairs, from time to time, and subject to such other approvals, as may be necessary, and as per Articles 126(1), 126(3) and 145 of Articles of Association of the Company and other relevant Articles of the Articles of Association, consent of the members of the Company be and is hereby accorded to the appointment of Mr. Dev Krishna Surana (DIN - 08357094) as Whole-Time-Director of the Company, for a period of 5 (Five) year with effect from 28<sup>th</sup> May, 2019, upon the terms and conditions as are set out in the Statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person authorized by the Board in this behalf) shall, in accordance with the statutory limits/ approvals, as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the reappointment and remuneration, from time to time, as may be agreed to by the Board and Mr. Dev Krishna Surana (DIN: 08357094), subject to the approval of Nomination and Remuneration Committee of the Board of Directors of the Company, provided, however, that the remuneration payable to Mr. Dev Krishna Surana (DIN: 08357094) shall be within the limits set out in section 197 of the Companies Act, 2013 read with Schedule V to the said Act, or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and /or any rules or regulations framed there under.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this special resolution.”

Registered Office:  
2B, Pretoria Street,  
Kolkata-700071

By Order of the Board of Directors  
For Kkalpana Industries (India) Limited

Date: 28<sup>th</sup> Day of May, 2019  
Place: Kolkata

Tanvi Panday (ACS- 31176)  
Company Secretary

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING” OR “AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. MEMBERS ARE REQUESTED TO NOTE THAT PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE, A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. IF A PROXY IS APPOINTED FOR MORE THAN 50 MEMBERS, THE PROXY SHALL CHOOSE ANY FIFTY MEMBERS AND CONFIRM THE SAME TO COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. IN CASE, THE PROXY FAILS TO DO SO, THE FIRST 50 PROXIES RECEIVED BY THE COMPANY SHALL BE CONSIDERED AS VALID.  
  
THE INSTRUMENT APPOINTING PROXY, DULY COMPLETED, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE ANNUAL GENERAL MEETING (i.e. ON OR BEFORE 25<sup>TH</sup> SEPTEMBER, 2019, 10:00A.M. IST). A PROXY FORM FOR THE AGM IS ENCLOSED.
2. Corporate Members intending to send their authorized representatives to attend the meeting are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, or upload it on the e-voting portal (for e-voting), authorizing their representative to attend and/or vote, on their behalf, at the AGM.
3. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. The members/proxies/authorized representatives are requested to bring duly filled attendance slip (as enclosed herewith) along with their copy of Annual Report at the AGM and hand it over at the counter at the venue.
4. The Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.
5. Register of Directors and Key Managerial Personnel of the Company and their respective shareholding maintained under Section 170 of the Companies Act, 2013 (“the Act”) will be available for inspection by the members at the AGM.
6. The Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members, facility to exercise their right to vote on all resolutions set forth in the Notice convening the 34<sup>th</sup> Annual General Meeting(AGM), electronically, through electronic voting (e-voting) services facilitated by the National Securities Depository Limited (NSDL) and all items of the business may be transacted through remote e- voting (facility to cast vote from a place other than the venue of the AGM) services provided by National Securities Depositories Limited (“NSDL”). Instructions and other information relating to remote e-voting are given in the notice under note no.21.

The Company shall also arrange for the physical voting by use of ballot or polling paper at the AGM for the members who have not cast their vote through remote e-voting. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again. In case votes are cast by such members at the meeting, then votes cast through e-voting will only be considered. The Board of Directors of the Company has appointed Mr. Ashok Kumar Daga, Practicing Company Secretary (Membership No. FCS-2699, C.O.P No 2948) as the Scrutinizer for this purpose.

8. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on Friday, 20<sup>th</sup> September, 2019 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot voting at the AGM.
9. In case of joint holders attending the meeting, only such joint holder who is higher in order of names, will be entitled to vote at the meeting.
10. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21<sup>st</sup> September, 2019 to Friday, 27<sup>th</sup> September, 2019 (both days inclusive).
11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Notice and Annual Report and other communication through electronic mode to those members who have registered their e-mail addresses either with the Company or with Depository Participant(s). Members who have not registered their e-mail addresses may now register the same. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members holding physical shares may register their e-mail address with the Registrar and Share Transfer Agents of the Company. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon sufficient prior written request.
12. Notice of the 34<sup>th</sup> AGM, details and instructions for remote e-voting and the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2019 along with attendance slip and proxy form are uploaded on the Company's website [www.kkalpanagroup.com](http://www.kkalpanagroup.com) and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection between 10:00am (IST) to 1:00pm (IST) on all working days except Saturday upto the date of meeting and also at the venue during the meeting.  
  
Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same, in writing, in advance. For the members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
13. Members, holding shares in physical mode are requested to notify the change in their address / mandate/ bank account to M/s. CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, the Registrar & Share Transfer Agent of the Company (RTA). Members holding shares in demat form, are requested to intimate any change in their address and/or bank mandate to their Depository Participant(s). The Company cannot act on any request received directly from members holding shares in demat form for any change in their particulars.
14. Members are requested to address all correspondences, including those on dividends, to the Registrar and Share Transfer Agents, as mentioned above.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent

Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. CB Management Services Pvt. Limited.

16. Dividend for the financial year ended 31<sup>st</sup> March, 2012, which remains unpaid or unclaimed, will be due for transfer to Investors' Education and Protection Fund of the Central Government ('IEPF') on 03<sup>rd</sup> November, 2019, pursuant to the provisions of Section 125 of the Companies Act, 2013 corresponding to Section 205C of the erstwhile Companies Act, 1956 . In respect of the said dividend, it will not be possible to entertain claims received by the Company after 02<sup>nd</sup> November, 2019.

Members, who are yet to encash their dividend warrants for the financial year 2011-12 or any subsequent financial year(s), are requested to correspond/ lodge their claims with the Company's Registrar & Share Transfer Agents without delay. The details of dividend unclaimed by the members for the past years which have not yet been transferred to the Central Government are readily available for view by the members on the website of the Company ([www.kkalpanagroup.com](http://www.kkalpanagroup.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)). Further, the members are advised to glance through the database and lodge their claim for dividend, which has remained unclaimed, with the Company's Registrar and Share Transfer Agents.

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies, Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments from time to time). As per these, members are requested to note that dividends that are not encashed/claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Shares on which dividend remains unpaid/ unclaimed for seven consecutive years will be transferred to demat account of IEPF Authority as per section 124 of the Act, and applicable rules, notifications, if any (as amended from time to time). Hence the Company urges all the shareholders to encash/ claim their respective dividend during the prescribed period. The shareholders whose dividend/ shares are transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

17. In accordance with the aforesaid IEPF Rules, the Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The Company is required to transfer all shares, as above, to demat account of the IEPF Authority, in accordance with IEPF Rules as and when notified.
18. As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form, may obtain Nomination forms from their respective Depository Participant.
19. As per the amendment made to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 by SEBI Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, read with press release (2018 PR No. 49/2018) dated 03.12.2018, it is now mandated, w.e.f. 1<sup>st</sup> April, 2019, that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depositor. Further, as per SEBI Circular No. SEBI/HO/MIRSD/DOP1/

CIR/P/2018/73 dated April 20, 2018, the Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity and to update their Bank details with the Company to enable direct credit of dividends, if any declared, as per SEBI Regulations.

20. The Dividend, as recommended by the Board of Directors, if declared at the Annual General Meeting will be credited/dispatched between 02<sup>nd</sup> October, 2019 to 26<sup>th</sup> October, 2019 to those members or to those mandates :-
- a. Whose name appear as Beneficial Owners as at the end of 20<sup>th</sup> September, 2019 in the statements of beneficial owner furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), in respect of shares held in electronic form and
  - b. Whose names appear as Members in Register of Members of the Company, after giving effect to all valid share transfers/transmissions in physical form lodged with the Company/ RTA on or before the 20<sup>th</sup> September, 2019.

21. **Process and manner for members opting for remote e-voting are as under:**

- I. The remote e-voting period commences on 24<sup>th</sup> September, 2019 (9:00 a.m) and ends on 26<sup>th</sup> September, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The rights of members shall be proportionate to their share of the paid-up equity share capital of the company as on the cut-off date. E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.
- II. *The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address [ mentioned at the bottom of Attendance Slip for the AGM, in the following format:  
EVEN [ (Remote E-voting Event Number) USER ID PASSWORD/PIN ]
    - (iii) Any person who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com)
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com). (If you are holding shares in your demat account with NSDL or CDSL)
  - b) **Physical User Reset Password?**” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com). (If you are holding shares in physical mode)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN,your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [daga.ashok@gmail.com](mailto:daga.ashok@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVEN NO."
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 4 You can also update your mobile no. and e-mail id in the user profile details of the folio which may be used for sending future communication(s)
- 5 A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
- 6 A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- 7 Mr. Ashok Kumar Daga, Practicing Company Secretary (Membership No. FCS-2699, C.O.P No. 2948) has been appointed as the Scrutinizer for providing facility to the members of the Company and to scrutinize the ballot voting and remote e-voting process in a fair and transparent manner
- 8 The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 9 The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 10 The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.kkalpanagroup.com](http://www.kkalpanagroup.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to concerned stock exchanges where the company's shares are listed.



KKALPANA INDUSTRIES (INDIA) LIMITED

22. The Resolutions shall be deemed to be passed on the date of Annual General Meeting, subject to receipt of sufficient votes.
23. A route map along with prominent landmark for easy location to reach the venue of AGM is annexed to the Notice.
24. We urge members to support our commitment to environment protection by choosing to receive their shareholding communication through email. You can do this by updating your email address with your depository participants (in case of demat holdings) or with the RTA (in case of physical holdings)
25. Members desiring any information/clarification relating to the accounts and operations of the company or intending to raise any query are requested to write to the Company atleast 10 days in advance of the meeting, to the Company Secretary at the registered office address, so as to enable the management to keep the information ready.
26. Additional Information, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, in respect of Directors seeking appointment / re appointment at the AGM, is as under. Requisite declarations have been received from Directors seeking appointment/ re-appointment.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE  
FORTHCOMING ANNUAL GENERAL MEETING**

(In Pursuance of Regulation 36(3) of SEBI Listing Regulations)

Name of Director	Mrs. Ramya Hariharan (DIN: 06928511)	Dr. P.R.Mukherjee (DIN 00240758)	Mr. Dev Krishna Surana (DIN: 08357094)
Date of Birth	27.08.1978	10.10.1945	31.12.1992
Date of Appointment on the Board	11.02.2019	01.10.2014	11.02.2019
Qualification	LLB, Company Secretary	B.Sc(Hons.), M.Sc (Spl Organic), Ph.D in Stereo Chemical Studies in Organic Reactions.	B. Com(Hons), MSc-Management for Buisness Excellence (UK), MBA (CAM)-(USA)
Expertise	Mrs. Ramya Hariharan has more than 16 years of experience in dealing with general corporate matters, mergers and acquisitions, projects, banking and finance and insolvency matters. She is also a qualified Company Secretary. She is the partner in charge of the eastern region of a reputed national law firm.	Dr.Mukherjee has over 41 years of experience in corporate arena particularly, in Plastic and Polymer Industries.	He has deep exposure in project management, particularly in Information Technology, marketing, Human Resource & administration and operations
Directorships held in other public companies including private companies which are subsidiaries of public companies #	Tayo Rolls Ltd. AI Champdany Industries Ltd. SMIFS Capital Markets Ltd. The Indian Steel and Wire Products Ltd. Neo Metaliks Ltd. Visa Energy Ventures Ltd.	None	None
Memberships / Chairmanships of Committees across other companies in which he/ she is a Director	Member of Audit Committee in Tayo Rolls Ltd., AI Champdany Industries Ltd., SMIFS Capital Markets Ltd., The Indian Steel and Wire Products Ltd., Neo Metaliks Ltd. , Visa Energy Ventures Ltd., Bhubaneswar Power Pvt Ltd.	None	None
Memberships / Chairmanships of Committees in the company	Member of Nomination and Remuneration Committee and Stakeholders Relationship Committee	Chairman of CSR Committee and member of Stakeholders Relationship Committee	None
Shareholding in the Company	NIL	NIL	683850 (0.73%)- Promoter
Relationship with other Directors	NIL	NIL	Son of Chairman and Managing Director.

**# Excludes Directorships in Private Limited Companies, Foreign Companies and Government Companies**

Registered Office:  
2B, Pretoria Street,  
Kolkata-700071

By Order of the Board of Directors  
For Kkalpana Industries (India) Limited

Date: 28<sup>th</sup> Day of May, 2019  
Place: Kolkata

Tanvi Panday (ACS- 31176)  
Company Secretary

## Statement pursuant to Section 102 of The Companies Act, 2013

### Item No.4

The Board, on the recommendation of the Audit Committee, at its meeting held on 28<sup>th</sup> May, 2019, has approved the appointment and recommended the remuneration of M/s D.Sabyasachi & Co, Cost Auditors for conducting the audit of the cost records of the Company for the financial year 2019-20.

In accordance with the provisions of Section 148 of the Act read with the relevant provisions of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 25,000/- plus taxes, as applicable, and out of pocket expenses as payable to the Cost Auditors, was finally recommended by the Board, on the recommendation of Audit Committee, at their respective meetings held on 28<sup>th</sup> May, 2019. The shareholders of the Company are requested to confirm and approve the said remuneration.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business under Item No. 4 of the Notice convening the Annual General Meeting, for approval of remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020.

The Board recommends the resolution No. 4 of the Notice convening the Annual General Meeting for approval by the members.

None of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise in the aforesaid resolution except to the extent of their respective shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financially or otherwise).

### Item No.5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Ramya Hariharan (DIN 06928511) as Additional Director of the Company, in the recommended category "Independent Director", with effect from 11<sup>th</sup> February, 2019, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Article 122 of the Articles of Association of the Company.

As an additional director, Mrs. Ramya Hariharan (DIN 06928511) will hold office only upto the date of this Annual General Meeting and is eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Companies Act, 2013 and Article 142(1) of Articles of Association of the Company, received, in writing, a notice from member, proposing her candidature for the office of Director.

Mrs. Ramya Hariharan (DIN 06928511) has also given declaration to the Board, pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and has also given her consent to act as Director.

Mrs. Ramya Hariharan (DIN 06928511), aged 40 years, is qualified company secretary and has also completed LLB. She has over 16 years of experience in dealing with general corporate matters, mergers and acquisitions, projects, banking and finance and insolvency matters. She is also partner in-charge for the eastern region in a reputed national law firm. She is also on Board of various listed and unlisted companies. The Board is of the opinion that she is a person of integrity, possesses the relevant expertise/experience and also fulfills the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director and is independent of the management and that her induction into the Board will be of benefit to the Company and that it will lend an independent and fair view to the decision making process.

Mrs. Ramya Hariharan is not related to any other Director of the Company. A brief profile of Mrs. Ramya Hariharan (DIN: 06928511), including nature of expertise, is provided in the annexure to the Notice, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Given her experience and the Company's adherence to policy on Board Diversity, the Board considers it desirable and in the interest of the Company to have Mrs. Ramya Hariharan (DIN: 06928511) on the Board of Directors of the Company and accordingly recommends the appointment of Mrs. Ramya Hariharan (DIN: 06928511) as Independent Director of the Company for a period of five(5) consecutive years, up to the fifth consecutive AGM of the of the Company to be held in the year 2024, whose period of office shall not be liable to determination by retirement of directors by rotation, as proposed in the resolution no. 5 of the Notice convening the Annual General Meeting, for approval by members.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members, at the Registered Office of the Company, between 10:00am (IST) to 1:00pm (IST) on any working day except Saturday upto the date of meeting and also at the venue during the meeting.

Save and except Mrs. Ramya Hariharan (DIN: 06928511) , none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise in the aforesaid resolution except to the extent of their respective shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financial or otherwise).

#### **Item No.6**

On recommendation of Nomination and Remuneration Committee at its meeting held on 11<sup>th</sup> February, 2019, the Board of Directors of the Company, at its meeting held on 28<sup>th</sup> May, 2019, approved re-appointment of Dr. Pranab Ranjan Mukherjee (DIN – 00240758), aged 73 years, as Whole- Time- Director of the Company for a period of 1 (One) year with effect from 01<sup>st</sup> October, 2019, on the following main terms and conditions:

1. The appointment shall be for a period of One year commencing from 01<sup>st</sup> October, 2019 as Whole – Time Director.
2. Dr. Pranab Ranjan Mukherjee will be liable to retire by rotation while he continues as a Whole Time Director of the Company.
3. As Whole time Director, Dr. Mukherjee shall perform such duties and exercise such powers as may be entrusted to him, from time to time, by the Managing Director and /or the Board of Directors.
4. In consideration of the performance of his duties to the Company, Dr. Mukherjee shall be entitled to the following remuneration:
  - A. Remuneration:  
Salary of Rs. 1,42,857/- (Rupees One Lac Forty Two Thousand Eight Hundred Fifty Seven only) per month.
  - B. Perquisites:
    - I. One month's salary as Ex-gratia per year.
    - II. One month's paid leave per year, which may be encashable in part or in full, as per the Company Rules.
  - C. Gratuity:  
As per Company Rules.
5. Minimum Remuneration:  
Notwithstanding anything herein contained, where in any financial year during the continuance of the tenure of office of the Whole-Time Director the Company has no profits or its profits are inadequate,

the Company will pay remuneration by way of salary and perquisites, as specified above, as minimum remuneration, subject to the ceiling specified in Schedule V to the Companies Act, 2013 or any amendments thereto.

6. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or re-enactment thereof, the Board of Directors (hereinafter referred to as the "Board" which term shall include any Committee thereof and/or any person authorized by the Board of Directors in this regard) shall in accordance within the statutory limits/ approvals as may be applicable for the time being in force, be at full liberty to add, alter/ revise/modify/amend/change or vary any of the foregoing terms and conditions of the appointment and remuneration, benefits or perquisites, from time to time to which Dr. Pranab Ranjan Mukherjee may be entitled and as may be agreed to by the Board of Directors and Dr. Pranab Ranjan Mukherjee

Mr. Mukherjee (aged 73 years) has been associated with the Company since 2009 and has over 40 years' experience in Plastic and Polymer Industry. He was appointed as Whole Time Director (Technical) for a period of 3(three) years from 01.10.2014 to 30.09.2017 and thereafter for a period of 1 year from 01.10.2017 to 30.09.2018 and as Whole Time Director from 01.10.2018 to 30.09.2019. Pursuant to provisions of Section 196(3), the company cannot appoint/continue the appointment of a Whole Time Director who has attained the age of 70 years unless such appointment is made by passing special resolution. The Board of Directors of your company is of the opinion that his employment with your company will be technically and financially a sound proposition.

Dr. Mukherjee is not related to any other Director of the Company. A brief resume of Mr. Mukherjee as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as Annexure to this Notice.

The special resolution, being Item No. 6 of the notice convening the Annual General Meeting, is intended for the purpose.

The Board of Directors recommend the special resolution for approval of members and accordingly the approval of the members is sought pursuant to the provisions of Section 196,197,198 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and rules made thereunder and relevant provisions of the Articles of Association of the Company, for the above reappointment of Dr. Mukherjee as Whole – Time- Director of the Company and payment of remuneration to him.

Save and except Dr. Mukherjee (DIN 00240758), none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise in the aforesaid resolution except to the extent of their respective shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financial or otherwise).

#### **Item No.7**

The Board of Directors had appointed Mr. Dev Krishna Surana (DIN 08357094) as Additional Director of the Company with effect from 11<sup>th</sup> February, 2019, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 122 of the Articles of Association of the Company.

As an additional director, Mr. Dev Krishna Surana (DIN 08357094) will hold office only upto the date of this Annual General Meeting. In terms of Section 161 and applicable provisions of the Companies Act, 2013, Mr. Dev Krishna Surana (DIN 08357094) being eligible has offered himself for appointment, is proposed to be appointed a director of the Company. Further, On recommendation of Nomination and Remuneration Committee vide Resolution by Circulation dated 20<sup>th</sup> May, 2019, duly passed on 22<sup>nd</sup> May, 2019, the Board of Directors of the Company, at its meeting held on 28<sup>th</sup> May, 2019, approved the appointment of Mr. Dev Krishna Surana (DIN: 08357094), aged 26 years, as Whole- Time- Director of the Company for a period of 5 (One) year with effect from 28<sup>th</sup> May, 2019, on the following main terms and conditions:

1. The appointment shall be for a period of 5 years commencing from 28<sup>th</sup> May, 2019 as Whole – Time Director, subject to approval of members of the Company.
2. Mr. Dev Krishna Surana will be liable to retire by rotation while he continues as a Whole – Time Director of the Company.
3. As Whole time Director, Mr. Dev Krishna Surana shall perform such duties and exercise such powers as are entrusted to him, from time to time, by the Managing Director and /or the Board of Directors.
4. He shall report to the Managing Director and be in charge of Marketing, Information Technology (IT), General Administration and Human Resource (HR) functionalities of the Company.
5. In consideration of the performance of his duties to the Company, Mr. Dev Krishna Surana (DIN-08357094) shall be entitled to the following remuneration:

A. Salary:

Rs. 1,00,000/- (Rupees One Lac only) per month in the scale of Rs. 1,00,000- Rs. 25,000-Rs. 2,00,000.

The annual increment, which will be merit based, will be effective from 01<sup>st</sup> April each year, and the same will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company.

B. Perquisites:

I. One month's salary as Ex-gratia per year.

II. One month's paid leave per year, which may be encashable in part or in full, as per the Company Rules.

C. Gratuity:

As per Company Rules.

6. Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the continuance of the tenure of office of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites, as specified above, as minimum remuneration, subject to the ceiling specified in Schedule V to the Companies Act, 2013 or any amendments thereto.

7. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or re-enactment thereof, the Board of Directors (hereinafter referred to as the "Board" which term shall include any Committee thereof and/or any person authorized by the Board of Directors in this regard) shall in accordance within the statutory limits/ approvals as may be applicable for the time being in force, be at full liberty to add, alter/ revise/modify/amend/change or vary any of the foregoing terms and conditions of the appointment and remuneration, benefits or perquisites, from time to time to which Mr. Dev Krishna Surana may be entitled and as may be agreed to by the Board and Mr. Dev Krishna Surana.

Mr. Dev Krishna Surana (aged 26 years) has been associated with the Company in a number of projects in the past and has been working closely with various departments of the Company. He has been actively involved in marketing of company's products and has represented the company in various international marketing events and seminars. He holds experience in Human Resource, Administration and Operational matters and has been the forerunner in implementation of various Information Technology projects in the company on PAN India basis. The Board of Directors of your company is of the opinion that his employment with your company will be technically and financially a sound proposition.

**KKALPANA INDUSTRIES (INDIA) LIMITED**

Mr. Dev Krishna Surana is son of Mr. Narrindra Surana, Chairman and Managing Director of the Company and is also a promoter of the Company. A brief resume of Mr. Surana as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as Annexure to this Notice.

The special resolution, being Item No. 7 of the notice convening the Annual General Meeting is intended for the purpose.

The Board of Directors recommend the special resolution for approval of members and accordingly the approval of the members is sought pursuant to the provisions of Section 196,197,198 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and relevant provisions of the Articles of Association of the Company, for the above appointment of Mr. Dev Krishna Surana (DIN: 08357094) as Whole – Time- Director of the Company and payment of remuneration to him.

Save and except Mr. Dev Krishna Surana (DIN 08357094), and Mr. Narrindra Surana (DIN: 00060127), Chairman and Managing Director and their relatives none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise in the aforesaid resolution except to the extent of their respective shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financially or otherwise).

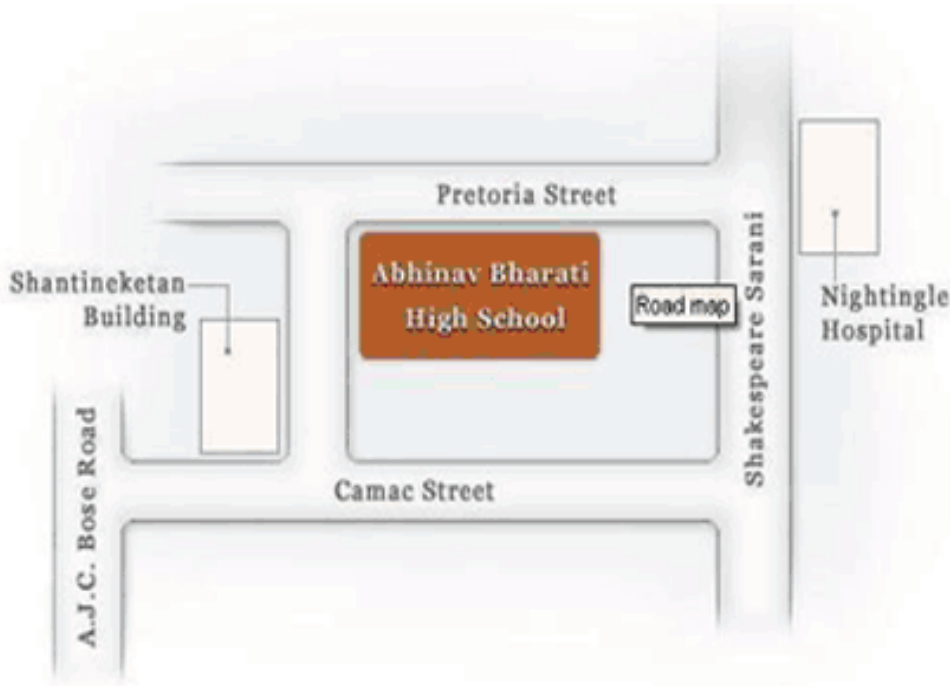
Registered Office:  
2B Pretoria Street  
Kolkata-700 071

By Order of the Board of Directors  
For Kkalpana Industries (India) Limited

28<sup>th</sup> May, 2019  
Place: Kolkata

Tanvi Panday (ACS 31176)  
Company Secretary

**ROUTE MAP OF AGM VENUE**



## Directors' Report

Dear Members,

On behalf of the Board of Directors, it is our pleasure to present the 34<sup>th</sup> Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2019.

### Summarized Financial Results

(Rs. In Lacs)

	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
<b>Net Turnover and other Income</b>	202082.84	177352.37	199479.35	176397.94
Profit before Depreciation, Interest & Tax	11433.63	10702.09	11,764.11	10539.04
Less : Depreciation	1647.35	1725.66	1667.14	1732.91
Interest	5743.98	5526.60	5994.39	5526.62
<b>Profit before Tax</b>	4042.29	3449.83	4102.58	3279.51
Less: Exceptional Item	-	-	-	-
Less : Provision for Tax	1480.54	1252.59	1501.24	1252.59
<b>Profit After Tax</b>	2561.75	2197.24	2601.34	2026.91
Add: Profit brought forward from previous year.	18144.26	15947.02	18022.7	15978.32
Non – Controlling Interest	0	0	1.69	17.47
<b>Amount Available for Appropriation</b>	20706.01	18144.26	20625.73	18022.70
<b>Appropriation</b>				
Proposed final dividend on Equity Shares	(225.78)	0	(225.78)	0
Corporate Dividend Tax	(45.96)	0	(45.96)	0
Transfer to General Reserve	0	0	0	0
Surplus carried to Balance Sheet	20434.27	18144.26	20353.98	18022.70

### Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated 16<sup>th</sup> February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. IndAS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. For your Company, Ind AS became applicable from 1<sup>st</sup> April, 2017 and the financials for Financial Year 2017-18 and 2018-19 have been prepared accordingly.

### Industrial Scenario

Your directors feel that your company's approach in operational areas and particularly in regard to supply chain should be judicious. The year 2019-20 and also 2020-2021 are very challenging, particularly, because world economic scenario will definitely be gloomy and India will also face headwinds in its economy.

### Operations and State of Company's Affairs

During the year under review, your Company achieved total revenue of Rs. 2,020.83 Crores as against total revenue of Rs. 1,773.52 Crores in the previous financial year. The Profit after Tax is Rs. 25.62 Crores as against Rs. 21.97 Crores in the previous year.

### Future Prospects

Your directors are of the firm view that your company's Research and Development, which is of a very high standard, will enable your company to make inroads in new markets, both domestic and international.



### **Dividend**

Your directors have pleasure in recommending payment of dividend @ 12% (Rs. 0.24p per equity share of face value Rs. 2/- each) to the equity shareholders of the Company for the Financial Year ended 31<sup>st</sup> March, 2019. The total outgo will be Rs. 271.74 lacs inclusive of Dividend Distribution Tax.

### **Transfer of Amount to Investor Education and Protection Fund**

Dividend for the financial year ended 31<sup>st</sup> March, 2012, which remains unpaid or unclaimed for a period of seven years, will be due for transfer to Investor Education and Protection Fund (IEPF) on 03<sup>rd</sup> November, 2019. Members who have not yet encashed their dividend warrants for the financial year ended 31<sup>st</sup> March, 2012 or any subsequent financial years, are requested to lodge their claims without any delay.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e.27.09.2018), with the Ministry of Corporate Affairs.

The related data is available on the Company's website.

### **Share Capital**

There is no change in the Share Capital of the Company. As on 31<sup>st</sup> March, 2019, the paid up equity share capital of the company stood at Rs. 1881.46 lacs divided into 94072930 equity shares of face value Rs. 2/- each.

### **Fixed Deposits**

Your Company has not accepted any deposits from public and /or shareholders during the year under review, within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and accordingly as of 31<sup>st</sup> March, 2019, there were no unpaid fixed deposits with the Company.

### **Transfer to General Reserve**

The Company proposes not to transfer any funds out of its total profit of Rs. 25.62 Crore for the financial year to the General Reserve.

### **Research and Development**

Your Company recognizes that Research & Development plays a vital role in supporting current operations as well as future growth. Your Company has focused its attention on development of Products that have wide industrial applications, particularly in cable, piping, packaging and footwear industries.

### **Directors and Key Managerial Personnel**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Dr. Pranab Ranjan Mukherjee (DIN -00240758), Whole Time Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board, on recommendation of Nomination & Remuneration Committee, at its meeting held on 11<sup>th</sup> February, 2019, approved the reappointment of Dr. Pranab Ranjan Mukherjee as Whole Time Director for a period of one year w.e.f 01<sup>st</sup> October, 2019, subject to the approval of the members. Accordingly, approval of the members is sought for reappointment of Dr. Pranab Ranjan Mukherjee at the forthcoming AGM, as observed from Item No. 6 of the Notice convening this Annual General Meeting.

Mrs. Ramya Hariharan (DIN: 06928511) was also appointed as the Additional Director in the category of Independent Director of the Company, w.e.f. 11<sup>th</sup> February, 2019. She holds office upto the date of ensuing Annual General Meeting and being eligible has offered herself for appointment as an Independent Director. The Board of Directors of your company has sought approval from members in accordance with Item No. 5 of the Notice convening this Annual General Meeting.

Further, Mr. Dev Krishna Surana (DIN: 08357094) was also appointed as Additional Director, w.e.f 11<sup>th</sup> February, 2019. He holds office upto the date of ensuing Annual General Meeting and being eligible has

offered himself for appointment as Director of the Company. The Board, on recommendation of Nomination & Remuneration Committee, at its meeting held on 28<sup>th</sup> May, 2019, designated Mr. Dev Krishna Surana (DIN: 08357094), as Whole Time Director of the Company, w.e.f. 28<sup>th</sup> May, 2019, subject to approval of the members at the ensuing Annual General Meeting, upon such terms and conditions as annexed to the Notice convening this Annual General Meeting. The Board of Directors of your company has sought approval from members in accordance with Item No. 7 of the Notice convening this Annual General Meeting.

The disclosures about Directors required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations (hereinafter referred as “SEBI Listing Regulations”) and Clause 1.2.5 of the Secretarial Standard are given in the Notice of AGM, forming part of the Annual Report. Consent for appointment, as required, from respective Directors have been received.

None of the Independent Directors are due for reappointment.

### **Committees of the Board**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders’ Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their respective composition, number of meetings and attendance at the meeting are provided in the Corporate Governance Report, which also forms part of this Annual Report.

### **Declaration by Independent Directors**

All Independent Directors of the Company have given declarations under Section 149(7) of the Act and Regulation 25(8) of SEBI Listing Regulations, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

### **Code of Conduct for Directors, Senior Management Personnel and Employees**

Your Company has adopted a Code of Conduct for its Directors and Senior Management. It also has in place an HR Policy for its employees at all levels. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Directors and Senior Management Personnel have affirmed compliance with respective codes. The CEO and Managing Director has also affirmed and certified the same, which certification is provided in the Report on Corporate Governance.

### **Familiarization Programme for Independent Directors**

The Company had organized a familiarization programme for the Independent Directors as per the requirement of Schedule IV to the Companies Act, 2013 and Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All independent directors inducted into the Board attended the orientation programme. The Company has familiarized the Independent Director with the company, their roles, rights, responsibilities in the company, nature of the Industry in which the company operates and business model of the company through various programmes. Further, at the time of the appointment of an Independent Director, the company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available under the head draft letter of appointment on our website ([www.kkalpanagroup.com/investor-relations.php](http://www.kkalpanagroup.com/investor-relations.php))

### **Board Evaluation**

The Board of Directors has devised a policy for performance evaluation, which includes criteria for performance evaluation. It accordingly carries out an annual evaluation of its performance, and the

performance of its Committees as well as Individual Directors (both Executive and Non – executive/ Independent Directors). This involves receiving inputs from all Directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the formal annual evaluation was carried out for the Board's own performance, its committees & Individual Directors.

A structured performance evaluation form was prepared after taking into consideration inputs received from the Directors and on the basis of the evaluation criteria laid down by Nomination and Remuneration Committee, covering various aspects of the Board's functioning including adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, the effectiveness of its processes, information, flow and functioning.

A separate meeting of Independent Directors is held to review the performance of Non-Independent Directors, the performance of the Board of Directors and the performance of Chairman. The Directors evaluation was broadly based on parameters such as, meeting the expectation of stakeholders, guidance and review of corporate strategy/ risks, participation, Director's contribution to the Board of Directors and Committee meetings, including preparedness on the issues to be discussed as well as meaningful and constructive contribution and inputs during the meeting and attendance at Board / Committee meetings, interpersonal skills. The performance evaluation of the Chairman of the Company was undertaken by the Independent Directors taking into account the views of Executive Directors and Non –Executive Directors. The Chairperson is evaluated on the key aspects of their role, their contribution to ensuing corporate governance, leadership qualities, decision implementation, understanding of market and industry scenario etc. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

#### **Observation of the Board in regard its own performance**

In regard to Financial Year ended 31<sup>st</sup> March, 2019, the Board of Directors of the Company, after an exhaustive discussion on the captioned subject matter, was of the opinion that operationally, the Board, as whole, had issued effective instructions, from time to time, and the same were duly carried out.

However, it asked for certain additional documents to be placed in the Board Meeting for further toning up the operational efficiency of the Company. The Chairman and Managing Director assured that necessary departments will submit the documents, as required, from time to time, for consideration of the Board of Directors of the Company.

As regards Financial Year ended 2018 the Board of Directors of the Company expressed full satisfaction on the performance of the Board as a whole and did not call for any further documents/information for improving the quality of work of the Company.

#### **Policy on Director's appointment and remuneration**

The current policy is to have an appropriate mix of executive and non-executive/ independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31<sup>st</sup> March, 2019, the Board had 8 members, 3 of whom were executive and 5 were non-executive directors.

The Company's Policy for selection and appointment of Directors and their remuneration is based on its Nomination and Remuneration policy which, inter alia, deals with the manner of selection of the Directors and Senior Management Personnel and such other matters as provided under section 178(3) of the Act and 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment thereto.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under section 178(3) of Companies Act, 2013 is available on the company's website under the head Policy at [www.kkalpanagroup.com/investor-relations.php](http://www.kkalpanagroup.com/investor-relations.php).

Your Directors affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### **Core Skills of the Board**

Your Directors possess adequate skills/ expertise/ competencies in the areas of marketing, research and development, finance and accounts, HR/administration, Legal and Operations for smooth operation of the company.

### **Board meetings**

The Board met Five times during the financial year under review, the details of which are given in the Corporate Governance Report which is annexed and forms a part of this report. The intervening gap between two consecutive Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Directors' Responsibility Statement**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Auditors & Audit**

The Statutory Auditors of the Company, M/s. B.Mukherjee & Co, Chartered Accountants, Kolkata (Firm Registration No.302096E), were appointed as Statutory Auditors of the Company, at the Annual General Meeting of the Company held on 23<sup>rd</sup> September, 2017, for a period of 5 consecutive years, subject to ratification by members of the Company at every subsequent Annual General Meeting. However, as per the recent amendment of Section 139 of the Companies Act, 2013, which have been made effective from 07<sup>th</sup> May, 2018, ratification of the appointment of the auditor is no longer required. Hence the same is not proposed at the ensuing Annual General Meeting. The Statutory Auditors have given a certificate of eligibility and consent that they are eligible and willing to continue as Statutory Auditors of your company for the Financial Year 2019-20.

Further, the Auditors have confirmed that they have undergone the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of ICAI. The Auditors' Report on the accounts for the year ended 31<sup>st</sup> March, 2019 does not contain any qualification, adverse remark or observation.

### **Internal Auditors**

The Board of Directors of your Company has re-appointed M/s. DKD & Associates, Chartered Accountants, Kolkata (Firm Registration No.322657E) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2019-2020.

### **Cost Auditors**

Pursuant to section 148 of the Companies Act, 2013 and subject to notification of rules thereunder, the board of directors, on the recommendation of the audit committee, has appointed M/s. D. Sabyasachi &

Co. (Membership NO. 00369), Cost Accountants, Kolkata, as the Cost Auditors of the Company for the financial year 2019-20. M/s. D. Sabyasachi & Co. have confirmed that their appointment is within the prescribed limits and they are free from any disqualifications as provided in section 141 of the Companies Act, 2013.

### **Secretarial Audit**

The Board had appointed Mr. Ashok Kumar Daga (Membership No.-FCS- 2699, C.O.P No. 2948), Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2018-19. The report of the Secretarial Auditors for the Financial Year 2018-19 in Form MR-3 is annexed herewith as Annexure 1 to this report. The report is self-explanatory and does not call for any further comments. The company does not have any material subsidiary company and hence the provisions of Secretarial Audit for material unlisted company, as notified by SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08.02.2019, vide which Regulation 24A of SEBI (listing Obligations and Disclosure Requirements), Regulations, 2015 was amended, is not applicable to your Company.

### **Annual Secretarial Compliance Audit**

SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08.02.2019 introduced that listed companies shall additionally, on an annual basis, require a check by Practicing Company Secretary (“PCS”) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, consequent to which, the PCS shall submit a report to the listed entity. Mr. Ashok Kumar Daga (Membership No.-FCS- 2699, C.O.P No. 2948), Practicing Company Secretary, was appointed by the Board for the said purpose who has since submitted his report to the Board, which was placed for consideration of Board members, at their meeting held on 28<sup>th</sup> May, 2019 and subsequently submitted to the Stock Exchange as per the requirement of said circular. The Annual Secretarial Compliance Report issued by Mr. Ashok Kumar Daga, (Membership No.- FCS- 2699, C.O.P No. 2948), Practicing Company Secretary for the year ended 31<sup>st</sup> March, 2019 does not contain any qualification, observation or adverse remark.

### **Policies**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All applicable policies are available under the head Policy on the Company’s website: [www.kkalanpanagroup.com/investor-relations.php](http://www.kkalanpanagroup.com/investor-relations.php). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

### **Corporate Social Responsibility (CSR)**

The Company has a Corporate Social Responsibility Committee, constitution of which is detailed in the Corporate Governance Report forming part of this Report. In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR policy which is available under the head policy at: <http://www.kkalanpanagroup.com/investor-relations.php>. The Annual Report on CSR expenditures for the FY 2018-19 is annexed herewith and forms part of this report and marked as **Annexure - 2**.

### **Related party transactions**

Your Company has formulated Policy on Related Party Transaction (RPT) which is available on Company’s website [www.kkalanpanagroup.com](http://www.kkalanpanagroup.com). There were no transactions that required disclosure under section 134(3)(h) of the Companies Act, 2013, in Form AOC-2, and hence your company has not provided any details of such related party transactions. Further, there are no material related party transactions during the year under review with the Promoters, Directors or any Key managerial Personnel which may have a potential conflict of interest with the Company at large. All Related Party Transactions were entered into by the company in its ordinary course of business and were at an arm’s length.

### **Subsidiaries/ Joint Ventures / Associate Companies**

M/s. Plastic Processors & Exporter Private Limited is a Subsidiary of your Company and M/s Kkalpana Plastick Limited is the Associate company of your company. The financial position of these two companies is given in Form AOC- 1 and forms part of the report marked as **‘Annexure – 3’**.

Your company holds 99.99% of equity in the paid up capital of M/s Plastic Processors and Exporter Private Limited and holds 36.23% of equity in the paid up capital of M/s Kkalpana Plastick Limited.

**Performance of Subsidiaries, Associates and Joint Venture Companies and their contribution to the overall performance of the Company during the period**

Name of the Entity  Particulars	Share in Profit and Loss		
	PAT (Rs. In lacs)	As a % age of Profit or Loss	Amount (Rs. In Lacs)
Kkalpana Plastick Limited- Associate Company	6.96	36.23%	2.52
Plastic Processors and Exporter Pvt Ltd - Subsidiary Company	37.06	99.99%	37.06

**Change in nature of Business, if any**

There has been no change in the nature of business of the Company. Your Company continues to be one of the leading manufacturers of Polymer compound in the Country.

**Material changes and commitments affecting the financial position of the Company**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

**Particulars of Loans, Guarantees and Investments**

The Company has not given loans, guarantees or made investments exceeding sixty per cent of the aggregate of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the financial statement (please refer to Note 8 and 9 to the financial statement).

**Risks and Concerns:**

Risk factor is ingratiated to all business activities of all companies, though in varying degrees and forms. As far as your company is concerned, it has an approved risk management policy by the Board of Directors. Risk evaluation and its management is ongoing process within your company and is periodically reviewed by the Board of Directors of your company.

The main risks of your company are as under:

Business risks

Your company has to face intense competition from unorganized sector pertaining to plastic compounds. Further, the raw material prices remain volatile. It is very difficult to estimate the near future raw material cost.

Technology risks

Quality up gradation and product obsolation risks are intertwined with your company's business management. However, the high standard of in-house research and development fortifies the technological risks to some extent.

Financial risks

Currency war is looming on the horizon of global economy. This will make the interest rates of banks rise progressively, a factor which will squeeze rate margin of your company. Moreover, it is feared that obtaining bank finance will also be difficult because nearly all the Public Sector Banks (PSB) are already having large NPAs. Availability of finance will be a crucial factor for your company in the near future, if the financial situations, referred above, do not take a positive turn.

**Risk Management Policy**

The Board takes responsibility for the overall process of risk management throughout the organization. In

terms of requirement of the Companies Act, 2013, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. The Company's business units and corporate functions address risk through an institutionalized approach, aligned to Company's objective. This is further facilitated by Internal Audit which is reviewed by the Board.

**Significant and material orders passed by the regulators**

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the company's operations:

**Disclosure as per Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place Internal Complaints Committee (ICC) which has been setup to redress complaints regarding Sexual Harassment. The following is the summary of Sexual Harassment complaints received and disposed off during the year under review:

No. of Complaints at the beginning of the Financial Year (i.e. 01.04.2018) -	Nil
No. of Complaints received during the Financial Year (i.e. 2018-19) -	Nil
No. of Complaints disposed off during the Financial Year (i.e. 2018-19) -	Nil
No. of pending at the end of the Financial Year (i.e. 31.03.2019) -	Nil

All employees (permanent, contractual, temporary & trainees) are covered under the captioned Act. Your directors are pleased to state that working atmosphere of your company is very healthy for male and female employees/ workers.

**Particulars of Employees**

None of the employees, employed during the year, was in receipt of remuneration, in aggregate of Rupees 1,02,00,000 or more per annum for the financial year 2018-19, or Rs. 8,50,000 or more per month for any part of the Financial Year, as set out in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Therefore, no such details have been provided as required under section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014.

The ratio of remuneration of each Director to the median employee's remuneration and other details in accordance with sub-section 12 of Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report and is marked as 'Annexure 4'

**Extract of Annual Return**

Pursuant to the provisions of section 92(3) and 134(3)(a) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed and is marked as 'Annexure 5'.

**Vigil mechanism**

Pursuant to the requirement of the Section 177(9) of the Companies Act, 2013, the Company has established vigil mechanism which also incorporates a whistle blower policy in terms of the SEBI Listing Regulations. Protected disclosures can be made by a whistle blower through an e mail or phone or letter to the chairman of Audit Committee.

**Internal financial controls**

The Board has adopted policies and procedures for governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of your Company. The Internal Auditor reviews the Internal Financial Control system periodically.

### **Green Initiatives in Corporate Governance**

Ministry of Corporate Affairs has permitted companies to send electronic copies of Annual Report, notices, etc. to the registered E-mail addresses of shareholders. Your Company has accordingly arranged to send the electronic copies of these documents to shareholders whose email addresses are registered with the Company/ Depository Participant(s), wherever applicable. In case any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request from the shareholder. For members who have not registered their e-mail addresses, physical copies are sent in permitted mode.

### **Human Resources and Industrial Relations**

The Industrial relations of the Company with its personnel has continued to be cordial and amicable. Your Directors acknowledge and appreciate the efforts and dedication of employees to the Company. Your directors wish to place on record the co-operation received from the Staff and Workers, at all levels and at all units.

### **Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.**

Your Company has directed its efforts to reduce energy costs by focusing on energy savings through the best optimization of operations on day to day basis. The Company has used fuels in appropriate mix to attain maximum savings.

As required under Companies (Accounts) Rules, 2014, the particulars of energy conservation, Technology Absorption and Foreign Exchange Earnings and outgo is given in the prescribed format as an Annexure to the Report and marked as **Annexure '6'**.

### **Management's Discussion and Analysis Report**

In accordance with Regulation 34 (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report and marked as **Annexure '7'**.

### **Corporate Governance**

The Company is committed to good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2019, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report and marked as **Annexure '8'**

### **Compliance with applicable Secretarial Standards**

Your company has complied with the applicable provisions of Secretarial Standard-1, Secretarial Standard-2 and Secretarial Standard-3 issued by the Institute of Company Secretaries of India.

### **Acknowledgement**

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company.

Your Directors also wish to place on record their appreciation to all of the Company's employees and workers at all level for their enormous efforts as well as their collective contribution to the Company's performance.

For and on behalf of the Board of Directors  
 Narrindra Suranna  
 (DIN: 00060127)  
 Chairman & Managing Director

Place: Kolkata  
 Date: 28.05.2019



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>, MARCH, 2019.

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

KKALPANA INDUSTRIES (INDIA) LIMITED

2B PRETORIA STREET

KOLKATA - 700071

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KKALPANA INDUSTRIES (INDIA) LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KKALPANA INDUSTRIES (INDIA) LIMITED ("the Company") for the financial year ended on 31<sup>ST</sup>, March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable, since the company has not raised share capital during the year.**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;  
**Not applicable, since the company has not issued shares as per (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the year.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

**Not applicable, since the company has not issued any debt securities as per (Issue and Listing of Debt Securities) Regulations, 2008;**

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

**Not applicable, since the company has not applied for delisting of its shares from any stock exchange during the year.**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**Not applicable, since the company has not bought back of shares during the year**

(vi) Other specifically applicable laws to the Company.

(a) Water (Prevention and Control of Pollution) Act, 1974 and Air(prevention and Control of pollution) Act, 1981.

(b) Factories License under Factories Act, 1948 for its units situated in different places.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, and

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The following changes occurred in the Directors and KMP, however the composition of the Board of Directors during the period under review remains the same:

SL NO.	NAME OF THE DIRECTOR / KMP	PARTICULARS OF CHANGES
1.	MR. RAMYA HARIHARAN (ADDITIONAL DIRECTOR)	APPOINTMENT
2.	MR. DEV KRISHNA SURANA (ADDITIONAL DIRECTOR)	APPOINTMENT
3.	MR. INDAR CHAND DAKALIA (CFO)	APPOINTMENT
4.	MR. NARRINDRA SURANNA (ALSO APPOINTED AS CEO)	APPOINTMENT

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: KOLKATA

Date: 23.05.2019

**ASHOK KUMAR DAGA**  
FCS No.2699, C P No: 2948

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

**[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]**

**(1) A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.**

The Corporate Social Responsibility Policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "Kkalpana Industries (India) Limited CSR Policy". This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

CSR Vision– Providing assistance in the development of weaker sections of the society, promoting health care and zeal of education in every spirit and ensuring environmental sustainability.

The CSR policy of the Company is available on the website of the Company under the head policy at [www.kkalpanagroup.com/investor-relations.php](http://www.kkalpanagroup.com/investor-relations.php) .

**(2) The Composition of the CSR Committee.**

- Dr. P.R.Mukherjee - Chairman
- Mr. Narrindra Suranna - Member
- Mr. Rajesh Kothari - Member
- Mr. Samir Kumar Dutta - Member

**(3) Average net profit of the company for last three financial years: Rs. 3654.14 Lacs**

**(4) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above) Rs.73.08 Lacs**

**(5) Details of CSR spent during the financial year.**

(a) Total amount to be spent for the financial year ; **Rs. 83.08 Lacs**

(b) Amount unspent, if any : **Rs. 0.00**

(c) Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified (relevant clause prescribed under the Act)	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Details of Implementing Agency
1	Clause(i) of Schedule VII of the Act.	Promoting healthcare including preventive healthcare	Local area i.e. Kolkata- West Bengal	Rs. 3,08,463	Rs. 3,08,463	Rs. 3,08,463	Institute of Neurosciences, Kolkata

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified (relevant clause prescribed under the Act)	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Details of Implementing Agency
2	Clause(i) of Schedule VII of the Act.	Promoting healthcare including preventive healthcare	Local area i.e. Kolkata- West Bengal	Rs. 10,00,000	Rs.10,00,000	Rs.10,00,000	Rajda Foundation
3	Clause(i) of Schedule VII of the Act.	Promoting healthcare including preventive healthcare	Local area i.e. Siliguri- West Bengal	Rs. 70,00,000	Rs.70,00,000	Rs.70,00,000	Maharaja Agrasen Research and Service Foundation

**6. The reasons for not spending two (2) % of the average net profit of the last three (3) years or any part thereof:**

Not Applicable.

**7. Responsibility statement:**

The CSR Committee of the Board confirms that the implementation and monitoring of CSR Policy is in line with the CSR Objectives and Policy of the Company.

(Narindra Suranna, Managing Director )

(Dr. P.R.Mukherjee, Chairman, CSR Committee)

**AOC – 1**

[Pursuant to first proviso to sub section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statements of subsidiaries/associate companies / joint ventures**

**Part “A”: Subsidiaries**

Name of the Subsidiary		PLASTIC PROCESSORS AND EXPORTERS PRIVATE LIMITED
1.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	01.04.2018 to 31.03.2019
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Rupees
3.	Share Capital	5,00,000
4.	Reserves & surplus	16,117,096
5.	Total assets	3,41,88,480
6.	Total liabilities	3,41,88,480
7.	Investments	-
8.	Turnover	-
9.	Profit before taxation	37,06,314
10.	Provision for taxation	-
11.	Profit after taxation	37,06,314
12.	Proposed Dividend	-
13.	% of shareholding	99.99%
<b>Notes:</b> The following information shall be furnished at the end of the statement		
1	Names of Subsidiaries which are yet to commence operations	N.A.
2	Names of subsidiaries which have been liquidated or sold during the year	N.A.

For **B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No.: 302096E

*For and on behalf of the Board of Directors*

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Rajesh Kothari**  
(DIN: 02168932)  
Whole Time Director

**B. Mukherjee**  
Partner  
Membership No. 002941  
Date: 28.05.2019  
Place: Kolkata

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

**Indar Chand Dakalia**  
Chief Financial Officer

**Part “B”: Associates and Joint Ventures**

Name of Associates		KKALPANA PLASTICK LIMITED
1.	Latest audited Balance Sheet Date	<b>31.03.2019</b>
2.	Shares of Associate held by the company on the year end	
	i. Number	<b>2002920</b>
	ii. Amount of Investment in Associates (Rs. In lacs)	<b>200.29</b>
	iii. Extend of Holding %	<b>36.23</b>
3.	Description of how there is significant influence	<b>By way of ownership</b>
4.	Reason why the associate is not consolidated	<b>N.A.</b>
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In lacs)	<b>Rs. 666.73 lacs</b>
6.	Profit / Loss for the year	
	i.Considered in Consolidation	<b>Rs.2.52 lacs</b>
	ii.Not Considered in Consolidation (Rs. In lacs)	<b>Rs.4.44 lacs</b>

- Names of associates or joint ventures which are yet to commence operations.-N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year-N.A.

For **B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No.: 302096E

*For and on behalf of the Board of Directors*

**Narrindra Suranna**  
(DIN: 00060127)  
*Chairman and Managing Director*

**Rajesh Kothari**  
(DIN: 02168932)  
*Whole Time Director*

**B. Mukherjee**  
*Partner*  
Membership No. 002941  
Date: 28.05.2019  
Place: Kolkata

**Tanvi Panday**  
(Membership No. ACS 31176)  
*Company Secretary*

**Indar Chand Dakalia**  
*Chief Financial Officer*

**Disclosure in Board’s report as per the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

Sl. No	Requirements of Rule 5(1)	Name & Designation of Key Managerial Personnel	Details
1	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Mr. N.Suranna, Managing Director Mr. Rajesh Kothari, Whole Time Director Dr.P.R.Mukherjee, Whole Time Director (Technical)	21.40 : 1 12.23 : 1 5.81 : 1
2	The percentage increase in remuneration of each director, CFO, CEO, CS or manager, if any, in the financial year.	Mr. N.Suranna, Managing Director Mr. Rajesh Kothari, Whole Time Director Dr.P.R.Mukherjee, Whole Time Director(Technical) Mr. I.C.Dakalia, Chief Financial Officer Ms. Tanvi Panday Company Secretary	66.67% No change 5.56% 9.84% 11.45%
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was increased by 20.22%.	
4	The number of permanent employees on the rolls of Company	There were 383 Employees as on 31.03.2019.	
5	The explanation on the relationship between average increase in remuneration and company performance.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
6	Comparison of the remuneration of the KMP against the performance of the Company.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
7	Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	

Sl. No	Requirements of Rule 5(1)	Name & Designation of Key Managerial Personnel	Details
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increases in the managerial remuneration.		Average salary increase of non-managerial employees is 56.33%. Average salary increase of managerial employees is 18.70% There are no exceptional circumstances for increase in the managerial remuneration and the increase is commensurate to market standards
9	The key parameters for any variable component of remuneration availed by the directors.		Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.
10	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.		Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.		Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.
12	Affirmation that the remuneration is as per the remuneration policy of the Company.		It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMP and other employees.

**Note :** Managing Director & Whole Time Directors are Whole Time Directors & Other Directors are Non-Executive Independent Directors , who are paid only sitting fees for attending the Board and Committee meetings. Hence, ratios provided are only for Managing Directors & Whole Time Directors.

For and on behalf of the Board of Directors  
Narrindra Suranna  
(DIN: 00060127)  
Chairman & Managing Director

Place: Kolkata  
Date: 28.05.2019



**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2019

of

KKALPANA INDUSTRIES (INDIA) LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i CIN L19202WB1985PLC039431
- ii Registration Date 03.09.1985
- iii Name of the Company KKALPANA INDUSTRIES (INDIA) LIMITED
- iv Category/Sub-category of the Company PUBLIC COMPANY / LIMITED BY SHARES
- v Address of the Registered office & contact details  
2B PRETORIA STREET, KOLKATA – 700 071  
Phone : 033 2282 3744 /45, Fax :- 033 2282 3739  
E Mail :- [Kolkata@kkalpana.co.in](mailto:Kolkata@kkalpana.co.in)  
Website: [www.kkalpanagroup.com](http://www.kkalpanagroup.com)
- vi Whether listed company Yes
- vii Name, Address & contact details of the Registrar & Transfer Agent, if any.  
M/S C.B. Management Services (P)Ltd  
P-22, Bondel Road, Kolkata-700019  
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700  
Fax: 033 4011 6739  
Email: [rta@cbmsl.com](mailto:rta@cbmsl.com)  
Website: [www.cbmsl.com](http://www.cbmsl.com)

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Polyethylene	20131	61%
2.	Poly Vinyl Chloride	20131	24%
3.	Others	20131	15%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Plastic Processors & Exporter Private Limited Address: 2B, Pretoria Street, Kolkata – 700071	U25209WB2005PTC228791	Subsidiary	99.99	2(97)(ii)
2.	Kkalpana Plastick Limited Address- 2B, Pretoria Street, Kolkata – 700 071	L25200WB1989PLC047702	Associate Company	36.23	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	764860	0	764860	0.81	764860	0	764860	0.81	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	68503515	0	68503515	72.82	69571685	70000	69641685	74.03	+1.20
d) Bank/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>69268375</b>	<b>0</b>	<b>69268375</b>	<b>73.63</b>	<b>70336545</b>	<b>70000</b>	<b>70406545</b>	<b>74.84</b>	<b>+1.20</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>69268375</b>	<b>0</b>	<b>69268375</b>	<b>73.63</b>	<b>70336545</b>	<b>70000</b>	<b>70406545</b>	<b>74.84</b>	<b>+1.20</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	2500	2500	0.00	0	0	0	0.00	0.00
b) Banks/Fl	1125	0	1125	0.00	125	0	125	0.00	0.00
c) Central govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>1125</b>	<b>2500</b>	<b>3625</b>	<b>0.00</b>	<b>125</b>	<b>0</b>	<b>125</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate									
i) Indian	14290812	2400000	14530812	15.44	13167991	139500	13307491	14.15	-1.29
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	4338672	1378390	5717062	6.08	5001542	977525	5979067	6.36	+0.28

KKALPANA INDUSTRIES (INDIA) LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	3391394	0	3391394	3.60	2866934	0	2866934	3.05	-0.55
c) Others (specify)									
c)(i) Non-Resident Individuals	128749	305500	434249	0.46	136031	156000	292031	0.31	-0.15
c)(ii) Clearing Members	14403	0	14403	0.01	4087	0	4087	0.00	-0.01
c)(iii) IEPF	713010	0	713010	0.76	1195133	0	1195133	1.27	+0.51
c)(iv) LLP	0	0	0	0.00	21517	0	21517	0.02	+0.02
<b>SUB TOTAL (B)(2):</b>	<b>22877040</b>	<b>1923890</b>	<b>24800930</b>	<b>26.36</b>	<b>22393235</b>	<b>1273025</b>	<b>23666260</b>	<b>25.16</b>	<b>-1.20</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>22878165</b>	<b>1926390</b>	<b>24804555</b>	<b>26.36</b>	<b>22393360</b>	<b>1273025</b>	<b>23666385</b>	<b>25.16</b>	<b>-1.20</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>92146540</b>	<b>1926390</b>	<b>94072930</b>	<b>100.00</b>	<b>92729905</b>	<b>1343025</b>	<b>94072930</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Tara Devi Surana	75505	0.08	0.00	75505	0.08	0.00	0.00
2	Narrindra Suranna	2000	0.00	0.00	2000	0.00	0.00	0.00
3	Dev Krishna Suranna	683850	0.73	0.00	683850	0.73	0.00	0.00
4	Surendra Kumar Surana	3505	0.00	0.00	3505	0.00	0.00	0.00
5	Shyambaba Trexim Pvt. Ltd. *	15551680	16.53	0.00	15602530	16.59	0.00	+0.06
6	Sri Ram Financial Consultants Pvt. Ltd. *	44785170	47.61	0.00	45845640	48.72	0.00	+1.11
7	Inbara Holdings Pvt. Ltd. *	7250000	7.71	0.00	7275750	7.73	0.00	+0.02
8	Krishna Commodeals Pvt. Ltd. *	916665	0.97	0.00	917765	0.98	0.00	+0.01

\*Pursuant to a scheme of amalgamation sanctioned by the NCLT vide order dated 18.12.2018, the shares of the Kkalpana Industries (India) Limited held by Inbara Holdings Private Limited, Krishna Commodeals Private Limited, Shyambaba Trexim Private Limited and Sri Ram Financial Consultants Private Limited have been transferred to and acquired by Bbigplas Poly Private Limited.

**III. Change in Promoters' Shareholding**

Sl. No.		Share holding at the beginning of the Year (As on 01.04.2018)		Cumulative Share holding during the year (As on 31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	69268375	73.63	69268375	73.63
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1138170 shares were acquired by the Promoters of the Company during the FY 2018-19.			
	At the end of the year	70406545	74.84	70406545	74.84

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Shareholding as on 01.04.2018		Transactions during the year		Shareholding as on 31.03.2019		
	No. of Shares	% of total shares of the company	Purchase	Sale	No. of Shares	% of total shares of the company	
	For Each of the top ten shareholders						
1.	Almond Polytraders Private Limited	7750000	8.24	0	0	7750000	8.24
2.	Liabe Textiles Private Limited	4465969	4.75	0	0	4465969	4.75
3.	Sree Polytraders Private Limited	1068170	1.14	1068170	1.14	0	0.00
4.	Dilip Kumar H Parmar	682711	0.73	163462	94587	751586	0.80
5.	Kedar Dattatraya Borgaonkar	609383	0.65	153058	160381	602060	0.64
6.	Meghdoot Arvind Thakkar	600355	0.64	14078	0	614433	0.65
7.	Dattatraya Shankar Borgaonkar	346603	0.37	0	0	346603	0.37
8.	Rajasthan Global Securities Pvt. Ltd.	294675	0.31	7491	24369	277797	0.30
9.	Dheeraj Kumar Lohia	257106	0.27	0	58612	198494	0.21
10.	Misrilall Mines Pvt. Ltd.	250000	0.27	0	0	250000	0.27
11.	RCL Securities Pvt. Ltd.	118000	0.13	0	0	118000	0.13

**(v). Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	For Each of the Directors & KMP				
	<b>Narrindra Suranna, Managing Director (Executive)</b>	2000	0.0021	2000	0.0021
	Rajesh Kothari, Whole Time Director	0		0	
	Pranab Ranjan Mukherjee, WTD (Technical)	0		0	
	Samir Kumar Dutta, NED & ID	0		0	
	Ramakant Mishra, NED & ID	0		0	
	Mamta Binani, NED & ID	0		0	
	Dev Krishna Surana, Additional Director, NED	683850	0.73	683850	0.73
	Ramya Hariharan, NED & ID	0		0	
	I.C.Dakalia, CFO	0		0	
	Tanvi Panday, Company Secretary (From 01.06.2017)	0		0	
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	<b>NO CHANGE DURING THE YAER</b>			
	At the end of the year	2000	0.0021	2000	0.0021

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt. Rs. In Lacs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	33418.7	1603.82	0.00	35022.51
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	33418.7	1603.82	0.00	35022.51
<b>Change in Indebtedness during the financial year</b>				
• Addition	793,922.82	430.18	0.00	794,353.00
• Reduction	804,385.34	0	0.00	804,385.34
<b>Net Change</b>	(10,462.52)	430.18	0.00	(10,032.34)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	10,080.71	1,977.10	0.00	12,057.81
ii) Interest due but not paid	25.67	233.35	0.00	259.02
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	10,106.38	2,210.45	0.00	12,316.83

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs. In Lacs)
		Narrindra Suranna	Rajesh Kothari	Pranab Ranjan Mukherjee	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under u/s 17(3) of the Income-tax Act, 1961	70.00	40.00	19.00	129.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify...	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total (A)</b>	70.00	40.00	19.00	129.00
	Ceiling as per the Act	Within the ceiling mentioned in part –ii of schedule V of the Companies Act,2013			

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs. In lacs)
		Samir Kumar Dutta	Ramakant Mishra	Mamta Binani	Ramya Hariharan	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1.20	1.50	0.50	0.10	3.30
	Total (1)	1.20	1.50	0.50	0.10	3.30
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify Sitting fee for attending AGM held on 27.09.2018	0.00 0.10	0.00 0.10	0.00 0.10	0.00 0.00	0.00 0.30
	Total (2)	0.10	0.10	0.10	0.00	0.30
	Total (B)=(1+2)	1.30	1.60	0.60	0.00	3.60
	Total Managerial Remuneration (A+B)					132.60
	Overall Ceiling as per the Act	Within the ceiling mentioned in part –ii of schedule V of the Companies Act,2013				

**C. Remuneration of Key managerial Personnel other than MD/Manager /WTD:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs. In Lacs)
		Mr. I.C. Dakalia, CFO	Ms. Tanvi Panday, CS (from 01.06.2017)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	22.96 0.00 0.00	7.23 0.00 0.00	30.19 0.00 0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	. Commission - as % of profit - others, specify...	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
	Total (C)	22.96	7.23	30.19

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		

For and on behalf of the Board of Directors

Narrindra Suranna  
(DIN: 00060127)  
Chairman & Managing Director

Place: Kolkata  
Date: 28.05.2019

**Annexure-‘6’**

**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules,2014 for the year ended 31<sup>st</sup> March, 2019.**

1. CONSERVATION OF ENERGY.

A) ENERGY CONSERVATION MEASURES TAKEN:

In addition to the existing measures being practiced, the following steps were taken:-

- i. Education of workforce at the Head Office regarding use of various office equipments, especially computers in a manner that uses less energy.
- ii. Installation of energy efficient equipments, such as Compact Fluorescent Light Bulbs (CFLs) and Battery Charging Systems at all offices.
- iii. Adoption of policy of having our heating and cooling equipment serviced regularly.

B) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

- i. Rationalization of Plants to save and optimize use of energy.
- ii. Means of conservation of energy currently being utilized in process plants is being studied.

C) IMPACT OF MEASURES AT (A) AND (B) ABOVE.

Energy usage has been controlled due to above mentioned efforts being undertaken by the company.

D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.

The particulars are furnished in prescribed Form -A annexed hereto.

2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished in prescribed Form-B annexed hereto.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO.

A) ACTIVITIES RELATING TO EXPORT, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS:

Company is making serious efforts for marketing of its products in global markets. With India's growing importance as a low cost manufacturing base with good health, safety and environment practices, your company sees a great export potential in many of its products. Effective steps have been taken in this regards and the company is receiving good responses to its efforts.

B) TOTAL FOREIGN EXCHANGE USED AND EARNED

(Rs. In Lacs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Foreign Exchange earned	29,686.29	32,409.19
Total Foreign Exchange used	49,265.09	60,997.86



KKALPANA INDUSTRIES (INDIA) LIMITED

FORM – A

Disclosure of Particulars with respect to Conservation of Energy			
A. Power and Fuel Consumption	Unit	FY 2018-19	FY 2017-18
1. Electricity			
a) Purchased			
Unit	KWH	52,323,065.00	44,081,092.00
Total amount	Rs.	293,378,446.46	225,878,130.13
Rate / Unit	RS./KWH	5.61	5.12
b) Own generation (through diesel generator)			
Unit	KWH	268,508.00	90,721.38
Total amount	Rs.	4,837,212.83	1,679,941.00
Rate / Unit (Average)	RS./KWH	18.02	18.52
2. Coal			
3. Furnace Oil			
4. Other/Internal Generation			
B. Consumption per unit of Production of PVC, XLPE compounds & Master Batches & Agglomerates, Ink etc			
Net saleable production	MT	242,860.08	222881.32
Electricity	KWH / MT	216.55	198.19

**FORM – B**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.**

**RESEARCH AND DEVELOPMENT**

- a) Specific areas in which R & D is carried out by your company.
  - i) Horizontal and vertical expansion of Company's product profile.
  - ii) New & Improved Product Development.
  - iii) Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Daman works to cater to the growing demand for Hi- Tech products.
- b) Benefits derived as a result of R & D.
 

Efficiency and yield improvement, loss reduction and modernization programme.

  - i) Import Substitution
  - ii) Increased Market share for various products.
  - iii) Better market penetration of various products.
  - iv) Developments of various grades of PVC & XLPE compounds to meet changing market needs.
- c) Future Plan of Action.
 

The R & D Centre has undertaken development of various grades of PVC Compound to meet the changing conditions.
- d) Expenditure on R&D.

(Rs. In Lacs)

Particulars	FY ended 31 <sup>st</sup> March,2019	FY ended 31 <sup>st</sup> March,2018
Capital	89.51	102.17
Recurring	36.93	16.08
Total R & D Expenditure	126.44	118.25

**TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION.**

- a) Efforts, in brief, made towards technology absorption, adoption and innovation as above.
- b) Benefits derived as a result of the above efforts: New Products are being developed for polymer mixing by up gradation and innovation as enumerated above.
- c) No import of technology was carried out during the last 5 years from the beginning of financial year.

For and on behalf of the Board of Directors

Narrindra Suranna  
(DIN:00060127)  
Chairman and Managing Director

Place: Kolkata  
Date: 28.05.2019

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****GLOBAL OVERVIEW:**

Global Economy was more or less stagnant in the year 2018. The economic growth was 3.6% in 2018 as against 3.8% in 2017.

Further, the tariff war between United States of America (USA) and China will have pernicious effect and global economy. If this continues, global trade will be definitely weakened.

The spin off of the above referred trade war may result in currency war also. Moreover, Britain coming out of European Union will also have adverse effect on growth trajectory.

**INDIAN ECONOMY**

The GDP for 2018-19 has been 6.8%. It is, however, surmised that the GDP for 2019-20 will be 7%. But if the Indian economy has to be a \$5 trillion economy by 2024-25, this growth rate will not suffice. Moreover, there must be credit growth of 17-18% in the next 3 – 4 years for the Indian economy to achieve the targeted \$5 trillion market.

**Industry Overview**

Kkalpana Industries (India) Limited mainly caters to cable and wires companies which are mainly in the unorganized sector. However, after introduction of Goods and Services Tax (GST), the organized sector will find it easy to market their products.

**Industry Structure and Developments**

India will need to generate 0.5KW of electricity per person to provide reasonable level of living opportunity to its population. Based on current population, projection for 2025 will be 710GW as against 280GW presently. Therefore, the capacity increase for generating power/electricity must be 2.5 approximately.

The above scenario will benefit your company immensely. Since, it mainly operates in cable and wire industry.

**Company's Performance:**

Critical financial figures for 2018-19 are as under:-

- Gross turnover for the year is Rs. 2,020.83 Crore against Rs. 1,773.52 Crore in 2017-18.
- PBIDT for the year Rs.114.33 Crore as against 107.03 Crore in 2017-18.
- Profit before Tax for the year Rs. 40.42 Crore against Rs.34.50 Crore in 2017-18.
- Capital Structure of the Company as at 31st March 2019 is Rs. 18.81 Cr comprising of 94072930 nos. of equity shares of Rs. 2/- each.

B. Product wise operational performance:-

Product wise, your company is engaged in manufacturing of the following products, the performance of which is discussed below-

**Poly Vinyl Chloride**

The turnover from Poly Vinyl Chloride is Rs 48,310.54 lacs as against Rs 43,326.23 lacs in the previous year.

**Polyethylene**

Turnover from Polyethylene is Rs. 122,807.20 lacs in the year under review year as against Rs. 88,372.83 lacs in the previous year.

**Agglomerates, Reprocessed Granules, Scraps & Others**

Turnover from these items is Rs. 29,785.45 lacs as against Rs. 44,322.01 lacs in the previous year.

**Future Outlook**

Since the overall picture of Indian economy in 2019-20 and also 2020-21 is not rosy, industries in general are bound to face slowdown in demand. However, the company has started taking effective steps to safeguard its topline and bottomline. In this regard, you should be happy to note that your company recognizes that continuous innovation across products, processes and systems will be the springboard to catapult your company to higher profits and growth. The directors of the company are confident that these steps will protect the company from the adverse impact of slowdown in Indian economy.

**SWOT Analysis**

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>• Large scale of operation allows economies of scale of production</li> <li>• Geographical spread of operation in India allows access to a large and diversified customer base</li> <li>• String financials credentials</li> <li>• Skilled and diversified work force with considerable experience</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• The weakness will mainly flow from slow down in Indian economy</li> <li>• The global tariff was and probably currency war will affect both demand and supply</li> </ul>
<p><b>Threat</b></p> <ul style="list-style-type: none"> <li>• It is expected that there will be liquidity crisis in Indian Financial market. Stiff terms and conditions may be imposed for borrowings. As it is, the cost of capital has increased thereby affecting the bottomlines of Industry, in general.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• The Central Government's mission for electricity in all houses and particularly in rural areas will require demand of the Company's product from cable and wire industry.</li> <li>• The Central Government can convert the tariff war and currency war into opportunity for demand growth of Indian Industry, if it lays down proper economic policies</li> </ul>

**Risks and Concerns:**

The company has comprehensive risk management framework in place, which consists of

- a) Process to identify, prioritize and formulate mitigation plans for risks and
- b) A framework of rules and regulations for various officials/ employees and the Board, in discharging the risk management process, periodicity of reporting risk management.

As a part of this risk management framework, the company has identified for each conceivable risk and corresponding mitigation plan to ensure continuous risk monitoring and risk mitigation.

**Internal Control System.**

The Company always strives to strengthen Internal Control Systems and processes for smooth and efficient conduct of business and complies with applicable relevant laws and regulations. A comprehensive delegation of power exists for smooth decision making. Elaborate guidelines for preparation of accounts are followed for uniform compliance. Further, all the key functional areas are governed by respective operating manuals. In order to ensure that all checks and balances are in place and all Internal Control Systems are in work, regular and exhaustive internal audits are conducted by experienced firm of accountants in close co-ordination with the company's concerned accredited officials.

The Internal Financial Control are reviewed periodically and in particular the Internal Auditors ensure that the company has in all material aspects, laid down Internal Financial Controls including operational controls and that such controls are adequate and operating efficiently.

**Human Resources and Industrial Relations**

The Company appreciates performance of the employees for the year and anticipates much more for the years to come. Your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness. The Human Resource policies are soundly drafted for all levels of employees to serve them motivation, transfer & promotions and to retain the skills. Over a period of time, your company has built and nurtured a dedicated and excellent workforce who consists of engineers,

KKALPANA INDUSTRIES (INDIA) LIMITED

CAs, CSs, MBAs, and advance degree holders like PhDs having a big business portfolio. The Industrial relations of the Company was cordial and there were no instances of employee disputes arising during the year.

Your company has sufficient pool of talents in various operational fields. The Human Resource environment has been very smooth throughout the year.

The company takes special care about the safety, which is core value of the company and all necessary actions are taken in the company to keep safety as priority.

**Cautionary Statement**

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, estimates, and expectations and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, natural calamities and so on over which the company does not have any direct control.

For and on behalf of the Board of Directors

NarrindraSuranna

(DIN: 00060127)

Chairman & Managing Director

Place: Kolkata

Date: 28.05.2019

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. It provides structure to set the objectives, the means to attain them and monitor the performance. It is a commitment to the business ethics and values and not limited to compliances and transparency. Since Large Corporations employ a vast quantum of societal resources, Kkalpana believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations.

Corporate Governance helps to serve corporate purpose by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms to laws, regulations and guidelines and continue focusing on its resources, strengths and strategies to achieve its vision of becoming a market leader in plastics industries, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to Kkalpana Group.

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence & customer satisfaction and maximizing long term shareholder's value. In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholder's value and commitment to high standard of business ethics.

Some of the major initiatives taken by the Company towards strengthening its corporate governance systems and practices include the following:

#### **Secretarial Audit:**

The Company has appointed an independent practicing Company Secretary to conduct Secretarial audit. The Secretarial Audit Report for the financial year 2018-19 forms part of Directors Report.

#### **Role of Company Secretary in overall Governance Process:**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings.

#### **Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:**

The Institute of Company Secretaries of India (ICSI) is one of the premiere professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board Meetings (SS1), General Meetings (SS2), Payment of Dividend (SS3), Maintenance of Registers and Records, Minutes of Meetings and Transfer / Transmission of Shares. The observance of Secretarial Standards SS1, SS2 and SS3 are mandatory. Rest are recommendatory in nature, the company adheres to the applicable standards voluntarily.

### 2. BOARD OF DIRECTORS:

The Board of Kkalpana has an appropriate mix of Executive and Non-Executive Directors. The Non-Executive Directors include Independent Directors and a women Director and is in conformity with Regulation – 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KKALPANA INDUSTRIES (INDIA) LIMITED

The composition of the Board and Category of Directors is as follows:

- As on 31<sup>st</sup> March, 2019, the Board comprises Chairman & Managing Director, two Whole Time Directors, one non executive non independent director and four non executive independent directors including two Women Director. The Chairman is an Executive Director.
- None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies have been made by the Directors.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last (AGM), as also the number of Directorship and Committee positions held by them in other Companies are given herein below.

Name	Designation	Category	Attendance Particulars		Outside Directorships & Committee Position (excluding Kkalpana Industries (India) Limited)		
			Board Meeting	Last AGM	Other Director ships**	Committee Member-ships#	Committee Chairman-ships#
Narrindra Suranna	Chairman & Managing Director	Executive & Promoter	5	Yes	-	-	-
Rajesh Kothari	Whole Time Director	Executive	3	Yes	-	2	-
Dr.P.R.Mukherjee	Whole Time Director (Technical)	Executive	5	Yes	-	1	-
Dev Krishna Surana	Director	Non Executive & Non Independent	0	N.A.	-	-	-
Samir Kumar Dutta	Director	Non Executive & Independent	5	Yes	1. Plastic Processors and Exporter Private Limited* 2. Kkalpana Plastick Limited	1	1
Ramakant Mishra	Director	Non Executive & Independent	5	Yes	Kkalpana Plastick Limited	3	3
Mamta Binani	Director	Non Executive & Independent	4	Yes	1. GPT Infraprojects Limited 2. Century Plyboards (India) Limited 3. Emami Cements Limited 4. Magma Housing Finance 5. Skipper Limited 6. Vikram Solar Limited 7. Anmol Industries Limited	5	2
Ramya Hariharan	Director	Non Executive & Independent	1	N.A.	1. Tayo Rolls Limited 2. AI Champdany Industries Limited 3. SMIFS Capital Markets Limited 4. Neo Metaliks Limited 5. Visa Energy Ventures Limited	7	-

\* Plastic Processors and Exporter Private Limited is a subsidiary of M/s Kkalpana Industries (India) Limited and hence considered as deemed public company.

\*\* Directorship includes only Public Companies.

# Committees includes Audit Committee and Stakeholders Relationship Committee across all companies.

Details of the Directors Seeking appointment / re- appointment at the Annual General Meeting, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 have been given along with the Notice of Annual General Meeting.

As required under the Accounting Standard 18 transaction with related parties are furnished under note 41 of notes on financial statement. There was no transactions of material nature with Promoter Directors or their relatives, etc. that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.

Shareholdings of directors as on 31.03.2019 are as under:

Name of the Director	No. of Ordinary Shares held	% of Paid – up Capital
Narrindra Suranna	2000	0.002%
Rajesh Kothari	-	-
Dr.P.R.Mukherjee	-	-
Dev Krishna Surana	683850	0.73%
Samir Kumar Dutta	-	-
Ramakant Mishra	-	-
Mamta Binani	-	-
Ramya Hariharan	-	-

### 3. BOARD AGENDA

#### **Scheduling and Selection**

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/ Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board/ Committee Meetings.

#### **Information given to the Board**

The dates for the Board Meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings of the Board are held when deemed necessary. Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However, in case of business exigencies or urgencies, few resolutions are passed by way of circulation and if required same is supported by an audio call to explain the rationale. The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. The information as enumerated in Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') is made available to the Board of Directors for discussions and considerations

#### **Post Meeting follow up System:**

The Governance processes in the Company include an effective post meeting follow-up, review and reporting process for action taken / pending on decisions of the Board. Decisions are promptly communicated to the concerned departments. Action taken report on decisions / minutes of previous meetings is placed at the succeeding meetings of the Board/ Committee for noting.

### 4. DETAILS OF BOARD MEETINGS DURING THE FINANCIAL YEAR:

The Meetings of the Board of Directors are normally held at the Company's Registered Office at Kolkata. During the financial year 2018-2019, 5(Five) meetings of the Board were held and the gap



between two meetings did not exceed four months (120 days). The dates on which the said meetings were held are as follows:

SI.No	Date	SI.No	Date
1	30.05.2018	4	01.01.2019
2	08.08.2018	5	11.02.2019
3	14.11.2018		

**Board Independence**

Based on the confirmation/ disclosures received from the Directors, all Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. There are no material pecuniary relationships or transactions between the Independent Directors and the Company, except for sitting fees and commission drawn by them for attending the meeting of the Board and Committee(s) thereof. None of the Non-Executive Directors hold any shares or convertible instruments in the Company. None of the Directors are related to each other.

None of the Independent Directors have resigned before expiry of his/her tenure.

A separate meeting of the Independent Directors was held on 14<sup>th</sup> February, 2019 to discuss inter alia:

1. The performance of the Chairperson of the Company, taking into account the views of Executive and Non- executive Directors;
2. The performance of the Non-Independent Directors and the Board as a whole;
3. The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Board Familiarization and Induction Programme**

The Company has adopted a well-structured induction policy for orientation and training of the Non-Executive Directors to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates. The induction programme includes one-to-one interactive sessions with the Executive Directors, Senior Management including the Business CEOs and also includes visit to Company and plant sites and locations. The details of familiarization programmes imparted to independent director is available under the head policy at [www.kkalpanagroup.com/investor-relations.php](http://www.kkalpanagroup.com/investor-relations.php)

**Code of Business Conduct and Ethics**

The Company has laid down a Code of Conduct (COC) which is applicable to all the Board members and Senior Management of the Company. The COC is available on the website of the Company [www.kkalpanagroup.com](http://www.kkalpanagroup.com) under the head Policies. The Code has been circulated to all members of the Board and Senior Management and they have affirmed compliance with the Code. A declaration signed by the Managing Director (CEO) to this effect is attached to this Report.

**Certification**

The certificate required under Regulation 17(8) of the SEBI Listing Regulations duly signed by the Chief Executive Officer and Chief Financial Officer was placed before the Board and the same is provided in this report.

**Core Skills of Board**

Your Directors posses adequate skills/ expertise/ competencies in the areas of marketing, research and development, finance and accounts, HR/administration, Legal and Operations for smooth operation of the company.

## 5. BOARD COMMITTEES:

The Board has constituted Committee(s) of directors, with adequate delegation of powers. The Company Secretary of the Company acts as the Secretary to the Committees. The Board is responsible for constituting, assigning and co-opting the members of the Committees. Each Committee has its own charter which sets forth the purposes, goals and responsibilities of the Committees. These Committees comprise mainly of Independent Directors who as per the terms of reference oversee the Committee's function and executes its duties and responsibilities.

Presently, there are Four Committees—the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The Board periodically reviews the minutes of the meetings of above mentioned Committees. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed below:-

### 5.1 AUDIT COMMITTEE:

As on March 31, 2019, the Audit Committee of the Board comprises of two (2) Non-Executive Directors and one (1) executive Director. The Chairperson of the Audit Committee is a Non-Executive Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("hereinafter referred as "SEBI Listing Regulations" or "Listing Agreement")

The CEO, CFO, Statutory Auditors and Internal Auditors also attend the meeting of the Audit Committee as invitees. Other invitees are invited on need basis to brief the Audit Committee on important matters.

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Approval of annual internal audit plan;
2. Review and approval of related party transactions (including Omnibus approval, if any);
3. Review of financial reporting systems;
4. Ensuring compliance with regulatory guidelines;
5. Reviewing the quarterly, half yearly and annual financial results;
6. Discussing the annual financial statements and auditors report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) changes, if any, in accounting policies (iii) major accounting entries; (iv) significant adjustments in financial statements arising out of audit findings; (v) compliance with listing requirements; (vi) disclosure of related party transactions, if any; (vii) modified opinion, if any, in audit report etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment, remuneration and terms of appointment of auditors; and
9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and

6. Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

All the Members of the Committee have good knowledge of finance, accounts and company law within the meaning of Regulation 18 of SEBI Listing Regulations. During the year under review, the committee met four (4) times on 30.05.2018, 08.08.2018, 14.11.2018 and 11.02.2019. The Composition of the Committee and the attendance at each Committee Meetings are as follows:-

Name of Director	Category	Attendance of Directors			
		30.05.2018	08.08.2018	14.11.2018	11.02.2019
Ramakant Mishra – Chairman	Non Executive Independent	Yes	Yes	Yes	Yes
Samir Kumar Dutta-Member	Non Executive Independent	Yes	Yes	Yes	Yes
Rajesh Kothari – Member	Executive, Whole Time Director	Yes	No	No	Yes

**Power of Audit Committee**

The audit committee shall have powers which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**5.2 NOMINATION AND REMUNERATION COMMITTEE :**

The composition of the Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The role of Committee inter-alia includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. To consider and evaluate whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

As on 31.03.2019, the Nomination & Remuneration Committee comprises of Four (4) members all of whom are Non-Executive Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director

During FY 2018-19, the Nomination and Remuneration Committee met two (2) time i.e. on 30<sup>th</sup> May, 2018 and 11<sup>th</sup> February, 2019.

The composition and attendance of members at the meetings held during FY 2018-19, are given below

**Composition and Attendance:**

Sl. No	Name of Director	Composition	Meeting(s) attended	
			30.05.2019	11.02.2019
1	Samir Kumar Dutta	Chairman	Yes	Yes
2	Ramakant Mishra	Member	Yes	Yes
3	Mamta Binani	Member	Yes	No
4	Ramya Hariharan	Member (wef 11.02.2019)	N.A	N.A

**Performance Evaluation Criteria**

The Company believes in conducting its business affairs in a fair and transparent manner; giving highest regard to good Corporate Governance practices and ensuring transparency, accountability and equity across all facets of operation and in all interactions with Stakeholders.

The Nomination and Remuneration Committee had laid down the evaluation criteria for performance evaluation of every director including Independent director and the Board pursuant to the Corporate Governance norms prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

**Remuneration Policy:**

Nomination and Remuneration Committee recommends the remuneration for the Executive Directors, key managerial personnel and employees one level below the Board. The recommendation is then approved by the Board and if required then also by Shareholders. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as individual Professionals/ Business Executives. Since Independent Non-Executive Directors receive only sitting fees for attending Board and Committee Meetings, therefore, no criteria for making payments, other than sitting fees, is determined.

The Non-Executive Directors of the Company have a crucial role to play in the independent functioning of the Board. They bring in an external and wider perspective to the deliberations and decision-making by the Board. The Independent Directors devote their valuable time to discussions in the course of the Board and Committee meetings of the Company. They also help to ensure good corporate governance norms.

The responsibilities and obligations imposed on the Non- Executive Directors have recently increased manifold owing to new legislative initiatives. Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non- Executive Directors.

The remuneration of the Non- Executive Directors (NEDs) of the Company is decided by the Board of Directors. The Non- Executive Directors of the Company are being paid sitting fees of Rs. 10000 /- for attending each meeting of Board and Committees of Directors. Besides sitting fees, the Non Executive Directors of the company were not paid any other remuneration or commission.

The Company pays remuneration to its Managing Director and Whole Time Directors by way of salary, perquisites and allowances, based on the recommendation of the Committee, approval of the Board and shareholders. The Board, on the recommendation of the Nomination and Remuneration Committee, approves the annual increments (effective from 1<sup>st</sup> April each year).

**Details of Remuneration Paid to Executive & Non- Executive Directors:**

(Amount in Rs.)

Name	Position	Sitting Fees	Salary & Perks	Commission	Total
Narrindra Suranna	Chairman & Managing Director	Nil	70,00,000	Nil	70,00,000
Rajesh Kothari	Whole Time Director	Nil	40,00,000	Nil	40,00,000
Dr. P.R.Mukherjee	Whole Time Director	Nil	19,00,000	Nil	19,00,000
Dev Krishna Surana	Non Executive Non Independent Director	Nil	Nil	Nil	Nil
Samir Kumar Dutta	Non Executive Independent Director	1,30,000	Nil	Nil	1,30,000
Ramakant Mishra	Non Executive Independent Director	1,60,000	Nil	Nil	1,60,000
Mamta Binani	Non Executive Independent Director	60,000	Nil	Nil	60,000
Ramyra Hariharan	Non Executive Independent Director	10,000	Nil	Nil	10,000

**5.3. STAKEHOLDERS' RELATIONSHIP COMMITTEE :**

The main function of the Stakeholders' Relationship Committee is to strengthen the investor relations.

The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors grievances. The key responsibilities of the Committee are as under:

- (i) Redressal of Shareholders'/Investors' complaints;
- (ii) Non-receipt of declared dividends, annual reports of the Company; and
- (iii) Recording of Share Transfer(s)/ Transmission(s) and Issue of Duplicate Share(s).
- (iv) Carrying out any other function as prescribed under in the SEBI Listing Regulations.

**Composition**

Shri Ramakant Mishra -Non Executive Independent Director–Chairman

Shri Rajesh.Kothari – Executive Director - Member

Dr.P.R.Mukherjee – Executive Director- Member

The Committee meets 4 times in the year 2018-19.

Sl.No	Name	Meeting Attendance			
		29.05.2018	08.08.2018	14.11.2018	14.02.2019
1	Shri Ramakant Mishra	Yes	Yes	Yes	Yes
2	Shri Rajesh Kothari	Yes	No	No	Yes
3	Dr.P.R.Mukherjee	Yes	Yes	Yes	Yes

The Company Secretary of the Company is the Compliance Officer. No complaints were received nor were any complaints pending to be resolved during the financial year 2018-19

**5.4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The prime responsibility of the Corporate Social Responsibility Committee is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

**Terms of Reference**

Terms of reference of the Corporate Social Responsibility Committee includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy and any amendments thereof, indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on the CSR activities as per CSR Policy;
3. To monitor the CSR Policy of the Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company;
5. Any other matter/ thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

**Composition**

The Corporate Social Responsibility Committee comprises the following four members:

Dr. P.R.Mukherjee –Chairman

Shri Narrindra Suranna – Member

Shri Rajesh Kothari – Member

Shri Samir Kumar Dutta - Member

The Committee met 1 time i.e. on 14.02.2019 during the year 2018-19, wherein all its members were present.

The Corporate Social Responsibility Committee’s composition meets the requirements of Section 135 of the Companies Act, 2013.

**6. DETAILS OF GENERAL MEETING :**

**Annual General Meeting :**

The last Three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue	Special Business, if any.
2017-2018	27 <sup>th</sup> September, 2018	10:00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Re-appointment of Dr. Pranab Ranjan Mukherjee as Whole Time Director of the Company Ratification of appointment of Mr. Samir Kumar Dutta as Non Executive Independent Director of the Company.
2016-2017	23 <sup>rd</sup> September, 2017	10:00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Re-appointment of Mr. Narrindra Suranna as Manging Director of the Company Re-appointment of Dr. Pranab Ranjan Mukherjee as Whole Time Director (Technical) of the Company Appointment of Mr. Samir Kumar Dutta as Independent Director of the Company.
2015-2016	29 <sup>th</sup> September, 2016	12.15 P.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Determination of fees to be charged for service of documents to members through any particular mode; Re-appointment of Mr. Rajesh Kothari as Whole Time Director.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

**6.1 Extraordinary / other General Meeting:** No extraordinary General Meeting of the Shareholders was held during the year.

**6.2 Postal Ballot:** During the year under review no postal ballot was held

**6.3 Pledge of Shares**

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoters Group Shareholders during the Financial Year ended 31st March, 2019.

**6.4 Review of legal compliance reports**

During the year, the Board periodically reviewed reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also review the compliance status and report to the Audit Committee.

## 7. DISCLOSURES :

### **7.1 Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large :-**

There are no materially significant transactions made by the company with its promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large.

However, attention of the members is drawn to the disclosure of transactions with the related parties and transactions as required under Accounting Standard (AS) 18 on Related Party Disclosures issued by The Institute of Chartered Accountants of India, set out in Notes to financial statement no 41 , forming part of the Annual Report.

The policy on dealing with related party transactions is available under the head policy in <https://www.kkalpanagroup.com/investor-relations.php>.

The policy for determining 'material' subsidiaries is available under the head policy in <https://www.kkalpanagroup.com/investor-relations.php>.

### **7.2 Details of Non compliance:-**

The company has complied with the requirements of the stock exchanges, SEBI and other authorities on all matters relating to capital market during last three years. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other authorities relating to the above.

### **7.3 Disclosure of Risk Management :-**

The company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by Senior Executives.

### **7.4 Proceeds from Issues, if any :-** Not Applicable.

### **7.5 Whistle Blower Policy / Vigil Mechanism**

The Audit Committee of the Company have formulated certain procedures to govern the receipt, retention, and treatment of complaints regarding the Company's accounting, internal accounting controls or auditing matters, and to protect the confidential, anonymous reporting of director(s) or employee(s) or any other person regarding questionable accounting or auditing matters.

During the year, no concerns have been reported under this mechanism. It is also affirmed that no personnel has been denied access to the Audit Committee.

### **7.6 Discretionary Requirements**

Disclosure details of some of the Discretionary Requirements, as per Part E of Schedule II to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as below:

#### **The Board**

The Board of the Company is chaired by an Executive Director who maintains the Chairman's office at the Company's expense.

#### **Modified opinion(s) in audit report**

There was no qualification, observation or adverse remark by the auditors on the financial statements of the Company.

#### **Separate posts of Chairperson and Chief Executive Officer**

The office of Chairman and Chief Executive officer of the Company are held by same individual.

**Reporting of internal auditor**

As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion.

The Company has made all disclosures regarding compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of subregulation (2) of regulation 46 of SEBI Listing Regulations, in the section on corporate governance of the annual report.

**7.7. Other Disclosures**

Brief profile and other information, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, in respect of Directors seeking appointment / re-appointment at the AGM, is given elsewhere in the Annual Report;-

Management Discussion and Analysis Report are given separately and forms part of Annual Report.

**7.8 CEO and CFO Certification :-**

The Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) pertaining to CEO / CFO certification for the financial year ended 31<sup>st</sup> March, 2019. The same is reproduced below;

**Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification**

To,  
The Board of Directors,  
Kkalpana Industries (India) Ltd,  
2B, Pretoria Street,  
Kolkata – 700 071

Sub: CEO & CFO Certificate

(Issued in accordance with provisions of Regulation 17(8) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

Shri Narrindra Suranna, CEO and Shri I.C.Dakalia, CFO heading the finance function have certified to the Board that :

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;



- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) that they are not aware of any instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 28.05.2019

I.C.Dakalia

Narrindra Suranna (DIN:00060127)

Place: Kolkata

Chief Financial Officer

CEO

## **8 CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.**

The Company has adopted the code of conduct for Senior Management and Directors. The code has been circulated to all the members of the Board and senior management and the same has been put on the Company's website (<http://kkalpanagroup.com/investor-relations.php>) under the head Code of Conduct. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Managing Director and CEO of the Company appointed in terms of the Companies Act, 2013 is annexed separately to this report.

## **9 MEANS OF COMMUNICATION :**

### **Financial Results**

In compliance with the requirements of SEBI Listing Regulations, the Company has intimated the financial results to the stock exchanges immediately after they are taken on record by the Board. Further coverage has been given for the benefit of the shareholders and investors by publication of the financial results in the leading national dailies like Economic Times / Financial Express / Business Standard etc., and a local vernacular newspaper (Arthik Lipi) circulated in the state of West Bengal. Up-to-date financial results, annual reports, shareholding patterns and other general information about the Company are available on the Company's website <http://www.Kkalpanagroup.com>.

### **BSE Corporate Compliance & Listing Centre (the "Listing Centre"):**

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre and readily available on their website [www.bseindia.com](http://www.bseindia.com).

### **SEBI Online Complaints Redress System (SCORES):**

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are:

Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company is registered on SCORES.

## **10 CODE OF INSIDER TRADING:**

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" with objective of Preventing purchase and or sale of shares of the company by an insider on the basis of unpublished price sensitive information. Further the Trading Window has been closed for the Directors and Employees of the Company as per Insider Trading Code in force in the Company. The code of conduct for insider trading is available on the Company's website (<http://kkalpanagroup.com/investor-relations.php>) under the head Code of Conduct.

## **11 GENERAL SHAREHOLDERS INFORMATION :**

### **(i) Annual General Meeting (AGM)**

Day, Date & Time : Friday, the 27<sup>th</sup> September, 2019 at 10:00 A.M.

Venue : Gyan Manch, 11- Pretoria Street, Kolkata – 700 071

(ii) **Date of Book Closure** : Saturday, 21<sup>st</sup> September, 2019 to Friday, 27<sup>th</sup> September, 2019  
(both days inclusive)

(iii) **Dividend (for FY 2018-19) payment date:** 02.10.2019.

(iv) **Financial Calendar for Year 2019-2020 (tentative)**

The Company follows the financial year from April to March.

For the quarter ending	30 <sup>th</sup> June ,2019	Within 45 days of
For the quarter & half year ending	30 <sup>th</sup> September ,2019	the end of the
For the quarter & nine months ending	31 <sup>st</sup> December, 2019	quarter.
		With in 60 days of
For the quarter & year ending	31 <sup>st</sup> March ,2020 (Audited)	the end of the
		Quarter/Year.

(v) **Listing on Stock Exchanges:** The Share of the Company is listed in the following Exchanges.

Name of the Stock Exchanges	Stock Code
The Bombay Stock Exchange Ltd.(BSE)	526409
The Calcutta Stock Exchange Ltd. (CSE)	10029050

The Company has paid the annual listing fees for the financial year 2018-19 to all the exchanges and has paid the custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2018-19.

(vii) **Dematerialisation of Shares and Liquidity:**

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The ISIN No. for the Equity Shares of the Company is INE301C01028. As on 31<sup>st</sup> March, 2019, 92729905 shares representing 98.57% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the request of shares held in demat form, all the requests for nomination, change of address, NECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

(viii) **Registrar & Transfer Agent:**

All communications related to share matters of the Company should be made to M/s. C B Management Services (P) Limited. Address of which is given below:

M/s. C B Management Services (P) Limited  
P-22- Bondel Road, Kolkata – 700 019  
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700  
Fax: 033 2287 0263  
E mail: [rta@cbmsl.com](mailto:rta@cbmsl.com)

(ix) **Share Transfer System:**

The Board has authorised Registrar and Share Transfer Agents for processing of share transfers/ transmissions, which are taken on record and ratified by the Company's Stakeholder Relationship Committee.

This Committee meets as and when required for approving the share transfers/transmissions except those rejected on technical grounds.

Pursuant to Regulation 40(9) of the SEBI Listing Regulation, certificate has been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary-in-Practice regarding timely dematerialisation of the shares of the Company.

**KKALPANA INDUSTRIES (INDIA) LIMITED**

The Company has appointed M/s. CB Management Services (P) Limited as a common agency for share registry work (both physical & electronic) in compliance of circular No. D&CC/FITTC/ CIR15/2002 dated 27<sup>th</sup> December, 2002 issued by SEBI, for all matters connected with transfers and transmissions of shares and also dematerialization of shares and other related functions.

**(x) Investor Grievance Redressal System.**

The investor grievances against the company are handled by the Company’s Registrar and Transfer Agents (RTA), in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advance computer systems for speedy redressal of investor’s grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of complaint for disposal of investor grievances.

ONE Investor’s complaint / queries was received and resolved during the year under review or were required to be resolved.

**(xi) Unpaid / Unclaimed Dividend.**

Pursuant to section 124 of the Companies Act, 2013, unpaid or unclaimed dividend upto the financial year 2010-11 have been transferred to the General Revenue Account of the Central Government.

The unpaid / unclaimed dividend for the financial year ended 31<sup>st</sup> March, 2012 and thereafter , which remains unpaid / unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members, who have not yet encashed their dividend warrants for the financial year 31<sup>st</sup> March, 2012 or any subsequent financial years, are requested to lodge their claims without any delay. It is important to note that once the unclaimed dividend is transferred to the aforesaid, no claim shall lie in respect of thereof on the company. Then the shareholders have to claim dividend from the Central Government.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e.27.09.2018), with the Ministry of Corporate Affairs.

**(xii) Market Price Data :**

The shares of the company are currently traded at BSE. The Stock Market data from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March , 2019 are given below :

Months	Bombay Stock Exchange Limited			
	Monthly High Price	Monthly Low Price	Sensex Highest	Sensex Lowest
April 18	39.95	33.00	35213.30	32972.56
May 18	39.80	29.00	35993.53	34302.89
June 18	34.15	26.70	35877.41	34784.68
July 18	30.40	24.15	37644.59	35106.57
August 18	37.00	25.50	38989.65	37128.99
September 18	33.25	27.00	38934.35	35985.63
October 18	29.95	23.60	36616.64	33291.58
November 18	34.80	26.00	36389.22	34303.38
December 18	35.90	28.10	36554.99	34426.29
January 19	32.40	23.10	36701.03	35375.51
February 19	25.05	18.50	37172.18	35287.16
March 19	24.50	18.65	38748.54	35926.94

(xiii) **Distribution Schedule as on 31.03.2019**

Range of Shares	No of Share Holders	% of Total Share Holders	No of Shares	% of Total Share Holdings
1 to 500	4375	74.98	1490458	1.58
501 to 1000	644	11.04	598412	0.64
1001 to 2000	296	5.07	472358	0.50
2001 to 3000	171	2.93	436305	0.46
3001 to 4000	60	1.03	219015	0.23
4001 to 5000	69	1.18	333337	0.35
5001 to 10000	98	1.68	739036	0.79
10001 to Above	122	2.09	89784009	95.45
<b>TOTAL</b>	<b>5835</b>	<b>100.00</b>	<b>94072930</b>	<b>100.00</b>

(xiv) **Share Holding Pattern as on 31.03.2019**

Category	No. of Shares Held	% of holding
<b>Promoter's Holding</b>		
i) Individual / HUF	764860	0.81
ii) Bodies Corporate	69641685	74.03
<b>Total Promoter's Holdings</b>	<b>70406545</b>	<b>74.84</b>
<b>Non Promoter's Holding</b>		
Mutual Funds / UTI	0	0.00
Financial Institutions / Banks	125	0.00
Private Body Corporate	13307491	14.15
IEPF	1195133	1.27
Indian Public	8846001	9.41
Non-Resident Indian	292031	0.31
Clearing Members	4087	0.00
LLP	21517	0.02
<b>Total Non Promoters Holdings</b>	<b>23666385</b>	<b>25.16</b>
<b>Total</b>	<b>94072930</b>	<b>100%</b>

(xv) **Outstanding GDRs/ ADRs/ Warrants / Convertible Instruments and likely impact on Equity :**

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments to be converted into equity shares.

(xvi) **Corporate Identification Number (CIN)**

The Company is registered with the Registrar of Companies, Kolkata, West Bengal. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L19202WB1985PLC039431.

(xvii) **Credit Rating**

CRISIL has given the following credit rating for outstanding debt instruments/facilities to your company:

Long Term Rating	CRISIL A- / Stable
Short Term Rating	CRISIL A2+

(xviii) **Reconciliation of Share Capital Audit**

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/paid up capital is in agreement with the total number of shares.

(xix) **Green Initiative In Corporate Governance**

One of the most important components of Corporate Governance is to communicate with the shareholders through effective means. Being a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India. The Company, sends Annual Reports, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by email to those shareholders whose email ids are registered with the Company. Physical copies of the documents are sent to those shareholders whose email ids are not registered and to those who have requested the same to be sent in physical copies.

Your Company strongly urges our shareholders to support the Green Initiative by giving positive consent by registering/ updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, CB Management Services Private Limited for the purpose of receiving soft copies of various communications including the Annual Report.

(xx) **Share Capital History of the Company:**

Security Description	Date of Allotment	No.of Shares	Issue Price		Distinctive Numbers	ISIN Code
			Value	Premium		
Subscribers to the Memorandum	03.09.1985	200	10	-	1-200	INE301C01028
Further Allotment to promoters and others	24.03.1987	200	10	-	201-400	INE301C01028
Further Allotment to promoters and others	11.11.1987	500	10	-	401-900	INE301C01028
Further Allotment to promoters and others	29.03.1988	399100	10	-	901-4,00,000	INE301C01028
Public Issue	27.10.1988	600000	10	-	4,00,001-10,00,000	INE301C01028
Public Issue	03.12.1993	4144000	10	5	10,00,001-51,44,000	INE301C01028
Right Issue	28.12.1993	2456000	10	5	51,44,001-76,00,000	INE301C01028
Amalgamation	27.06.2006	3953600	10	-	76,00,001-1,15,53,600	INE301C01028
Conversion of Warrants	12.08.2010	3000000	10	70	1,15,53,601-1,45,53,600	INE301C01028
Conversion of Warrants	17.09.2010	3000000	10	70	1,45,53,601-1,75,53,600	INE301C01028
Amalgamation	22.09.2010	9,40,986	10	-	1,75,53,601-1,84,94,586	INE301C01028
Amalgamation	29.09.2011	3,20,000	10	-	1,84,94,587-1,88,14,586*	INE301C01028

\* The face value of shares has been reduced from Rs.10/- to Rs. 2/- in the year 2015. Hence, Number of equity Shares at present is 94072930.

(xxi) **Plant Locations :**

1. Kolkata Works -  
Village – Bhasa, No.14,P.O.& P.S. Bishnupur, Diamond Harbour Road, South 24 Parganas, W.B.- 743503, India.
2. Daman Works –  
168/151-158, Dhabel Industrial Co- Operative Soceity Ltd, Dhabel, Daman – 396210, India
3. Dadra I & II Works -  
Survey No.24/3, Village – Demini, Demini Road, Dadra, Dadra & Nagar Haveli – 396193, India.
4. Surangi Works - Survey No. 320/1/1/2/2, Vill - Surangi, Chikhali Road, Silvassa - 396 240 (Dadra & Nagar Haveli)
5. Falta Works –  
Falta Special Economic Zone, Plot No- 29, Sector – I, Village – Simulberia, Mouza – Bisra, Dist.- South 24 PGS.

(xxii) **Address for correspondence :**

The shareholders may contact the Company / RTA on the following addresses :

General Correspondence :

1. Kkalpana Industries (India) Limited  
Secretarial Department,  
2B, Pretoria Street,  
Kolkata – 700 071  
Phone : 033 2282 3744 /45  
Fax : 033 2282 3739  
E mail : kolkata@Kkalpana.co.in

Correspondence related to shares / queries/requests :

2. M/s. C B Management Services (P) Limited  
P-22- Bondel Road, Kolkata – 700 019  
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700  
Fax: 033 2287 0263  
E mail: [rt@cbmsl.com](mailto:rt@cbmsl.com)

**Declaration regarding Affirmation of Code of Conduct.**

I hereby declare that, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges, for the year ended 31<sup>st</sup> March, 2019.

Place: Kolkata  
Date: 28.05.2019

For Kkalpana Industries (India) Limited

Narrindra Suranna  
DIN:00060127  
Chairman & Managing Director

**AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To, the Members of

Kkalpana Industries (India) Limited.

We have examined the compliance of conditions of Corporate Governance by Kkalpana Industries (India) Limited for the year ended 31st March, 2019 as per the relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

Place : Kolkata

Dated : 28.05.2019

For B.Mukherjee & Co  
Chartered Accountants  
(B.Mukherjee)  
Partner  
Membership No.002941

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED

#### Report on the Audit of Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **KKALPANA INDUSTRIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters	Auditor's Response
<p><b>Information Technology (IT) Systems and Controls</b></p> <p>During the year the Company has implemented SAP, a new Enterprise Resource Planning (ERP) System. The new system is fully integrated financial accounting and reporting system.</p> <p>The implementation of ERP has a risk of loss of integrity of key financial data being migrated and elimination of traditional controls without replacing them with the new effective controls measures, monitoring of IT controls which are relating to critical business processes such as purchase, production, sales, inventory and including recording of transactions, which could lead to financial errors or mis-statements and inaccurate financial reporting and also there is risk that automated accounting procedures and related IT manual controls might not work.</p> <p>We have accordingly designated this as a focus area in the audit.</p>	<p><b>Audit Procedures Performed</b></p> <p>We have performed procedures to ensure the migration of financial data between old system and new system.</p> <p>Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing around the new ERP system. We also performed sufficient test of details as a part of our audit.</p> <p>We have performed the test of details for areas where the Management has implemented manual controls during the year including the continuing manual controls as at the year end.</p> <p>We have performed the test of controls regarding the appropriateness of system access and an effective maker and checker system built in the ERP system for proper authorizations of transactions and posting of accounting entries.</p> <p>The combination of these tests of controls and procedures performed, gave us a sufficient evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the financial statements.</p>

**Information Other than the Standalone Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014

- d) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements of the Company.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For B.Mukherjee & Co.,  
Chartered Accountants  
Firm Registration No : 302096E**

**Place: Kolkata  
Date: 28<sup>th</sup> day of May, 2019**

**B.Mukherjee  
(Partner)  
Mem No : 002941**

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

**ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT TO THE MEMBERS OF THE KKALPANA INDUSTRIES (INDIA) LIMITED OF EVEN DATE:**

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As per the information and explanations given to us, physical verification of fixed assets have been carried out in terms of the phased program of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management and no material discrepancies between book stock and physical stock have been found.
- iii. According the information and explanations given to us, the Company has granted unsecured loan to a subsidiary, covered in the register maintained under section 189 of the companies Act,2013, in respect of which:
  - (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no amount overdue.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, not made any investment and have not provided any guarantee in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the paragraph 3(iv) of the Order is not applicable.
- v. According to information and explanations given to us, the Company has not accepted any deposits from public during the year.
- vi. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanation given to us, the dues of Income Tax , sales tax,

duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31<sup>st</sup> March, 2019 are as under :-

Name of the statute	Nature of dues	Amount Rs. in Lacs	Assessment Year	Forum where dispute is pending
Income Tax Act 1961	Income Tax	25.46*	2012-13	CIT(A)
	Income Tax	123.02*	2011-12	CIT(A)
	Income Tax	153.16	2010-11	CIT(A)

\*Net of amounts paid under protest.

- viii. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However the Company has raised Term Loan during the year and has applied the same for the purpose for which term loans are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 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.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the 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.
- xiv. According to the information and explanations give 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 or fully or partly convertible debentures during the year.
- xv. According to the 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.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B.Mukherjee & Co.,  
Chartered Accountants  
Firm Registration No : 302096E**

**Place: Kolkata  
Date: 28<sup>th</sup> day of May, 2019**

**B.Mukherjee  
(Partner)  
Mem No : 002941**

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

**ANNEXURE "B" REFERRED TO IN PARAGRAPH 2(F) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT TO THE MEMBERS OF THE KKALPANA INDUSTRIES (INDIA) LIMITED OF EVEN DATE:**

**Report on the Internal Financial Controls Over Financial Reporting 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 **KKALPANA INDUSTRIES (INDIA) LIMITED ("the Company")** as of 31<sup>st</sup> March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 internal 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 the Standards on Auditing, issued by 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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.

**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 authorizations 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 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B.Mukherjee & Co.,  
Chartered Accountants  
Firm Registration No : 302096E**

**Place: Kolkata  
Date: 28<sup>th</sup> day of May, 2019**

**B.Mukherjee  
(Partner)  
Mem No : 002941**



KKALPANA INDUSTRIES (INDIA) LIMITED  
**BALANCE SHEET AS AT 31st MARCH, 2019**

(Rs. In Lacs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>A ASSETS</b>			
<b>1 Non-current Assets</b>			
Property, Plant and Equipment	4	24,282.70	23,120.03
Capital Work-in-Progress	5	-	410.14
Investment Property	6	1,281.68	1,281.68
Other Intangible Assets	7	18.98	23.45
Financial Assets			
(i) Investments	8	236.79	236.29
(ii) Other Financial Assets	10	390.66	254.21
Other Non-Current Assets	11	78.01	471.79
		<b>26,288.82</b>	<b>25,797.59</b>
<b>2 Current Assets</b>			
Inventories	12	15,714.37	15,543.90
Financial Assets			
(i) Trade Receivables	13	31,030.91	33,498.54
(ii) Cash & Cash Equivalents	14	1,692.07	1,687.83
(iii) Loans	9	-	741.39
(iv) Other Financial Assets	10	469.26	346.18
Other Current Assets	15	5,176.20	6,016.55
		<b>54,082.81</b>	<b>57,834.39</b>
<b>Total</b>		<b>80,371.63</b>	<b>83,631.98</b>
<b>B EQUITY &amp; LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share Capital	16	1,881.46	1,881.46
Other Equity	17	29,971.96	27,698.53
		<b>31,853.42</b>	<b>29,579.99</b>
<b>2 Non Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	18	5,029.86	6,488.50
Provisions	19	163.88	93.98
Deferred Tax Liabilities (net)	20	2,910.24	2,420.17
		<b>8,103.98</b>	<b>9,002.65</b>
<b>3 Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	21	7,027.95	14,441.10
(ii) Trade Payables	22		
- Micro & Small Enterprises		314.32	-
- Others		28,688.96	26,791.84
(iii) Other Financial Liabilities	23	3,158.13	2,653.11
Other Current Liabilities	24	447.57	460.25
Provisions	25	122.53	88.96
Current Tax Liabilities (net)	26	654.77	614.08
		<b>40,414.23</b>	<b>45,049.34</b>
<b>Total</b>		<b>80,371.63</b>	<b>83,631.98</b>

Significant Accounting Policies and other information 1-3

Contingent liabilities and Other notes to the financial statements.

The accompanying notes form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date.

**For B. Mukherjee & Co.**

Chartered Accountants  
 Firm Registration No:302096E

**B. Mukherjee**

Partner  
 Membership No.002941  
 Date : 28th May, 2019  
 Place : Kolkata

**Narrindra Suranna**  
 (DIN: 00060127)  
 Chairman and Managing Director

**Tanvi Panday**  
 (Membership No. ACS 31176)  
 Company Secretary

For and on behalf of Board of Directors

**Rajesh Kothari**  
 (DIN: 02168932)  
 Whole Time Director

**Indar Chand Dakalia**  
 Chief Financial Officer

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

(Rs. In Lacs)

	Note No.	As at 31st March 2019	As at 31st March 2018
<b>I INCOME</b>			
Revenue from Operations	27	200,903.19	176,533.15
Other Income	28	1,179.65	819.22
<b>Total Income</b>		<b>202,082.84</b>	<b>177,352.37</b>
<b>II EXPENSES</b>			
Cost of Materials Consumed	29	176,433.05	151,072.69
Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	30	(917.30)	(79.64)
Excise Duty		-	3,775.43
Employee Benefits Expense	31	4,167.60	2,765.15
Finance Costs	32	5,743.98	5,526.60
Depreciation & Amortization Expense	4-7	1,647.35	1,725.66
Other Expenses	33	10,965.86	9,116.64
<b>Total Expenses</b>		<b>198,040.55</b>	<b>173,902.54</b>
<b>III PROFIT BEFORE EXCEPTIONAL ITEMS &amp; TAXATION</b>			
Exceptional items			
<b>III PROFIT BEFORE TAX</b>		<b>4,042.29</b>	<b>3,449.83</b>
Tax expense	34		
Current tax		1,319.06	688.62
Deferred tax		161.49	563.97
<b>Total Tax expense</b>		<b>1,480.54</b>	<b>1,252.59</b>
<b>IV PROFIT FOR THE YEAR AFTER TAX</b>		<b>2,561.75</b>	<b>2,197.24</b>
<b>V OTHER COMPREHENSIVE INCOME</b>	35		
i Items that will not be classified to profit and loss		(25.36)	(27.81)
ii Income tax relating to items that will not be classified to profit and loss		8.78	9.62
<b>Total Other Comprehensive Income For The Year</b>		<b>(16.58)</b>	<b>(18.18)</b>
<b>VI TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,545.17</b>	<b>2,179.06</b>
<b>EARNING PER EQUITY SHARE</b>			
(Face value of Rs 2/- each)			
Basic (Rs.)		<b>2.72</b>	<b>2.34</b>
Diluted (Rs.)		<b>2.72</b>	<b>2.34</b>

Significant Accounting Policies and other information 1-4

Contingent liabilities and Other notes to the financial statements

The accompanying notes form an integral part of the financial statements

This is the Statement of Profit & Loss referred to in our report of even date.

**For B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

For and on behalf of Board of Directors

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Rajesh Kothari**  
(DIN: 02168932)  
Whole Time Director

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 28th May, 2019  
Place : Kolkata

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

**Indar Chand Dakalia**  
Chief Financial Officer

**CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2019**

(Rs. In Lacs)

	As at 31st March, 2019	As at 31st March, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	4,042.29	3,449.83
Adjustment for:		
Depreciation & amortization expense	1,647.35	1,725.66
Loss/(Profit) on sale of fixed assets	18.85	10.94
Unwinding of Interest on security deposit	(5.96)	(4.62)
Finance cost	5,743.98	5,526.60
Interest income	(75.60)	(137.50)
(Gain)/Loss on remeasurement of Investment at fair value	-	0.01
Other comprehensive income	(25.36)	(27.81)
Provision for Doubtful debts	12.81	(376.31)
Bad debts written off	3.44	27.57
Notional rent on Security deposit	6.90	5.28
	<u>7,326.41</u>	<u>6,749.82</u>
<b>Operating profit before Working Capital changes</b>	<b>11,368.70</b>	<b>10,199.65</b>
Adjustments for Working Capital changes		
Decrease/(increase) in non current financial assets		
Loans		
Other financial assets	(12.91)	(79.14)
Decrease/(increase) in other non current assets	386.88	(323.56)
Decrease/(increase) in inventories	(170.47)	1,812.43
Decrease/(increase) in current financial assets		
Trade receivables	2,451.38	846.87
Loans	741.39	(667.86)
Other financial assets	(123.08)	(77.46)
Decrease/(increase) in other current assets	840.35	(2,526.72)
Increase/(decrease) in non current provisions	69.89	39.57
Increase/(decrease) in current financial liabilities		
Trade payables	2,211.44	12,064.07
Other financial liabilities	345.98	(168.97)
Increase/(decrease) in other current liabilities	(12.68)	150.67
Increase/(decrease) in short term provisions	33.57	(79.01)
	<u>6,761.74</u>	<u>10,990.89</u>
<b>Cash generated from operations</b>	<b>18,130.44</b>	<b>21,190.54</b>
(Tax paid) / refund received (net)	(941.00)	(779.99)
<b>Net cash from operating activities</b>	<b>17,189.44</b>	<b>20,410.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	(2,425.73)	(2,862.02)
Sale proceeds of Property, Plant and Equipment	11.47	104.89
Interest receipt on investments	75.60	137.50
Increase in investment in Term deposit	(117.58)	504.70
Purchase of current investments (net)	(0.50)	0.01
<b>Net cash generated / (used) in investing activities</b>	<b>(2,456.74)</b>	<b>(2,114.92)</b>

**CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2019**

(Rs. In Lacs)

	As at 31st March, 2019	As at 31st March, 2018
<b>C. CASHFLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings		
Repayment of long term borrowings	(1,654.57)	(338.95)
Increase/(decrease) in short term borrowings	(7,260.07)	(12,511.45)
Dividend paid	(225.78)	-
Taxes on dividend Paid	(45.96)	-
Finance cost	(5,542.09)	(5,316.24)
<b>Net cash from financing activities</b>	<b>(14,728.47)</b>	<b>(18,166.64)</b>
<b>Net changes in Cash and Bank balances</b>	<b>4.24</b>	<b>128.99</b>
<b>Net Increase / (-) Decrease in Cash and Bank balances</b>		
Balance at the end of the year	1,692.07	1,687.83
Balance at the beginning of the year	1,687.83	1,558.84
<b>Net changes in Cash and Bank balances</b>	<b>4.24</b>	<b>128.99</b>

**Notes:**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements  
This is the Cash Flow Statement referred to in our report of even date.

**For B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

For and on behalf of Board of Directors

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Rajesh Kothari**  
(DIN: 02168932)  
Whole Time Director

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 28th May, 2019  
Place : Kolkata

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

**Indar Chand Dakalia**  
Chief Financial Officer

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

(Rs. In Lacs)

**A. EQUITY SHARE CAPITAL (Refer Note No. 16)**

	As at 31st March, 2019	As at 31st March, 2018
Balance at the year beginning	1,881.46	1,881.46
Changes in equity share capital during the year	-	-
<b>Balance at the year end</b>	<b>1,881.46</b>	<b>1,881.46</b>

**B. OTHER EQUITY (Refer Note No. 17)**

**For the year ended 31st March, 2019**

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Reserve & Amalgamation Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2018	852.96	5,322.45	3,400.00	18,144.26	(21.15)	27,698.53
Add : For the Year	-	-	-	2,561.75	(16.58)	2,545.17
Less: Equity Dividend	-	-	-	(225.78)	-	(225.78)
Less: Corporate Dividend Tax	-	-	-	(45.96)	-	(45.96)
<b>Balance as at 31st March, 2019</b>	<b>852.96</b>	<b>5,322.45</b>	<b>3,400.00</b>	<b>20,434.27</b>	<b>(37.73)</b>	<b>29,971.96</b>

The accompanying notes form an integral part of the financial statements  
This is the Statement of Equity referred to in our report of even date.

**For B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 28th May, 2019  
Place : Kolkata

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kothari**  
(DIN: 02168932)  
Whole Time Director

**Indar Chand Dakalia**  
Chief Financial Officer

**Notes to the Financial Statements for the year ended 31st March, 2019****1. COMPANY INFORMATION**

Kkalpana Industries (India) Limited ("the Company") was incorporated in India on 03rd of September 1985. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE). The registered office is located at 2B Pretoria Street, Kolkata. The Company is engaged in the manufacturing of Plastic Compounds. Plastic Processors and Exporters Pvt Limited is a subsidiary of the Company.

The financial statements of the Company for the year ended 31st March, 2019 were authorised for issue in accordance with a resolution of the Board of Directors as on 28.05.2019

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS****2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

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

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional currency and transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

**2.2 Basis of Measurement**

The financial statements have been prepared on a historical cost basis (which includes deemed cost as per Ind AS 101), except for the following assets and liabilities which have been measured at fair value:

- (i) Derivative financial instruments
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- (iii) Defined benefits plans - Plan assets measured at fair value

**2.3 Key Accounting Estimates And Judgements**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and reported amount of revenue and expenses during the period. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes.

**3. SIGNIFICANT ACCOUNTING POLICIES****3.1 Revenue Recognition**

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

## Notes to the Financial Statements for the year ended 31st March, 2019

### Variable Consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

**Sale of goods:** Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

Contract balances:

Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required before payment of the consideration is due).

Contract liabilities:

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

Interest Income

Interest income is recognised using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Dividend Income

Revenue is recognised when the right to receive the payment is established by the reporting date.

### Other Claims / Receipts

Insurance claims and other receipts including export incentives, where quantum of accruals cannot be ascertained with reasonable certainty, these receipts are accounted on receipt basis.

### Commission Income

When the Company Acts in the capacity of an agent rather than as the principal in a transaction the revenue recognised is the net amount of the commission earned by the Company.

**Notes to the Financial Statements for the year ended 31st March, 2019****3.2 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price including import duties and other non-refundable duties and taxes, borrowing cost if capitalization criteria are met and other directly attributable cost for bringing the Assets to its present location and condition.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item only when it is probable that future economic benefits embodied within the part will flow to the Company and the cost of the item/part can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Gains or losses arising on retirement or disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Property, Plant and Equipment which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work-in-progress".

Items of Property, Plant and Equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

The Assets which are held for Sale shall be reclassified to Current Assets only if its carrying amount will be recovered principally through a sale transaction (within one year) rather than through continuing use.

***Depreciation and Ammortization:-***

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed in Part - C under Schedule II to the Companies Act, 2013.

<b>Particulars</b>	<b>Years</b>
Factory Building	30
Plant & Machinery	25
Electrical Installation	10
Lab Equipments	10
Furniture and Fixtures	10
Motor Car	8
Air Conditioner	15
Scooter, Moped and Cycle	10
Office Equipment	5
Computer	3

Useful life of Plant and Machinery has been considered 25 years as against 15 years as prescribed in Schedule II of the Companies Act, 2013 which is based on the prevailing practices of the comparable industries and our past experience for last 30 years.

**3.3 Intangible Assets :**

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The Intangible Assets are derecognised either when they are being disposed off or no future economic benefit is expected from its use or disposal, the difference net disposal proceeds and the carrying amount of Assets is recognised in the statement of Profit and Loss in the period of derecognition.

***Intangible assets are amortised as follows:***

Technical Know How and Computer Software is amortized over a period of 10 years except SAP, a new Enterprise Resource Planning (ERP) System which has been implemented and amortised during the year.



## Notes to the Financial Statements for the year ended 31st March, 2019

### 3.4 Non Current Assets held for Sale

Non-current assets or disposal groups comprising assets and liabilities are classified as 'held for sale' when all of the following criteria are met : (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

### 3.5 Investment Property

Investment Property comprises Free-Hold Lands that are held for Capital Appreciation as it has been held for a currently undetermined future use and are recognised at cost.

An Investment Property are derecognised either when they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

### 3.6 Lease

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

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

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

### 3.7 Impairment of non-financial assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:-

- a) In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use ; and
- b) In the case of cash generating unit (a group of asset that generates identified, independent cash flow), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

### 3.8 Financial Instruments

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

#### A) Financial Assets

##### Initial Recognition and measurement of Financial Assets

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

**Notes to the Financial Statements for the year ended 31st March, 2019**

Financial assets are classified, at initial recognition, in the same manner as described in subsequent measurement.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost

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

- i) Business model test : The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

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

- i) Business model test : The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch') that would otherwise arise from measuring financial assets and financial liabilities or recognising the gains or losses on them on different bases.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity instruments which are held for trading 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. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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

## Notes to the Financial Statements for the year ended 31st March, 2019

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 other comprehensive income to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's financial statement) when:

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

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

### Write Off

An entity shall directly reduce the gross carrying amount of a Financial Asset when the entity has no reasonable expectation of recovering a financial asset in its entirety or for a portion thereof.

### Investment in joint ventures associates and subsidiaries:

The Company has accounted for its investment in joint ventures associates and subsidiaries at cost.

### Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(a) Financial assets measured at amortised cost

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected Credit Losses are measured through either 12 month ECL or lifetime ECL and it is assessed as following:

For recognition of impairment loss on financial assets, 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 the subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

The Company follows a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

**Notes to the Financial Statements for the year ended 31st March, 2019**

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

**B) Financial liabilities**

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

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

Subsequent measurement

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

(a) 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.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

(b) Loans and borrowings

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

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

(c) Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

The Company enters into derivative contracts such as forward currency contract, option contract and cross currency and interest rate swaps to hedge foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## Notes to the Financial Statements for the year ended 31st March, 2019

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit or loss.

### 3.9 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cash at banks and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the cash management.

### 3.10 Foreign currency Transactions

The Company's financial statements are presented in Indian Rupee (Rs.) which is also Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rates prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange rate differences that arise on settlement of monetary items or on translating of monetary items at each balance sheet reporting date at the closing rate are recognised as income or expense in the period in which they arise except exchange difference on monetary items that qualify as a hedging instrument in a cash flow hedge are recognised initially in OCI to the extent the hedge is effective.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are reported using the exchange rates prevailing at the date when fair value is determined.

When a gain or loss on non-monetary items is recognised in OCI any exchange component of that gain / loss shall be recognised in OCI, conversaly when a gain or loss on a non-monetary item is recognised in Profit / loss any exchange component of that gain/loss shall be recognised in Profit / Loss.

### 3.11 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:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

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

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

**Notes to the Financial Statements for the year ended 31st March, 2019**

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

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

**3.12 Inventories**

**Raw materials :** Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by using the Weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**Finished Goods and Traded Goods:** Inventories are valued at lower of cost and net realisable value. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition and Traded Goods includes purchase price and other cost incurred for bringing the inventories to their present location and condition.

**Stores & Spareparts :** Store and Spare Parts are valued at Cost.

**3.13 Employee Benefits**Short Term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be settled wholly before twelve months after the year end, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. It includes Salary, wages, paid annual leave.

Post Employment BenefitsDefined Contribution Plan

Retirement benefits in the form of contribution to Provident fund are defined contribution plans. The contributions are charged to the statement of profit and loss as and when due monthly and are paid to the Government administered Provident Fund towards which the Company has no further obligation beyond its monthly contribution. Superannuation benefit scheme is not existing in the Company.

Defined benefit plans:

The Company operates defined benefit plan viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method.

Defined benefit costs are comprised of:

- a ) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b ) Net interest expense or income; and
- c) Re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

**3.14 Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which it is incurred.

Borrowing costs include interest expense calculated using the effective interest rate method as described in Ind AS 109- Financial Instruments, finance charges in respect of finance leases are recognised in accordance with Ind AS 17- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

## Notes to the Financial Statements for the year ended 31st March, 2019

### 3.15 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### Current Tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

#### Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

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

Deferred tax assets and liabilities are offset only if:

- (i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or directly in equity. In this case, 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 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 tax during the specified period.

### 3.16 Provisions, Contingent Liabilities and Contingent Assets

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

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

#### Contingent Liabilities and Assets

Contingent Liabilities are not recognised but are disclosed in the notes. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, 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 arising out of past event 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. Contingent Assets are not recognised but disclosed in the financial statements when economic inflow is probable.

**Notes to the Financial Statements for the year ended 31st March, 2019****3.17 Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period after deducting any attributable tax thereto for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**3.18 Current and Non-current Classification**

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

An asset is current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle (twelve months),
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period,
- It is cash or cash equivalents 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 (twelve months),
- 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.

All other liabilities are classified as non-current.

**3.19 Business Combination**

Business combinations, if any, are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the Goodwill computed as per IND AS 103 is negative, the acquirer needs to reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If negative goodwill remains, this is recognised immediately in OCI and accumulated in equity as Capital Reserve. The Company recognises any non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the statement of Profit and Loss.

If there is an acquisition of an asset or a group of assets that does not constitute a business. In such cases the Company shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.



**Notes to the Financial Statements for the year ended 31st March, 2019**

**Schedules for the year ended 31st March, 2019**

**4. Property Plant and Equipment**

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Sales/ Disposals	As at 31-03-2019	As at 01-04-2018*	For the Period	Sales/ Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018*
<b>TANGIBLE ASSETS:</b>										
Free hold land	1,608.30	-	-	1,608.30	-	-	-	-	1,608.30	1,608.30
Factory Building	6,801.58	416.73	15.38	7,202.93	1,156.88	233.41	3.27	1,387.02	5,815.91	5,644.70
Plant & Machinery	15,100.39	1,856.86	19.94	16,937.31	1,186.75	860.65	3.65	2,043.75	14,893.56	13,913.64
Furniture & Fixture	241.61	6.02	-	247.63	52.53	24.86	-	77.38	170.25	189.09
Motor Car	227.71	44.09	-	271.80	60.91	44.54	-	105.45	166.35	166.80
Scooter, Moped & Cycle	1.01	0.65	-	1.66	0.12	0.18	-	0.30	1.36	0.89
Laboratory Equipment	703.51	89.51	-	793.02	110.49	77.52	-	188.01	605.02	593.02
Electrical Installation	1,268.58	180.84	2.28	1,447.14	383.78	173.98	0.36	557.40	889.74	884.80
Office Equipment	54.51	24.48	-	78.99	13.90	13.65	-	27.55	51.45	40.61
Air Conditioner	67.25	3.59	-	70.84	15.14	4.08	-	19.22	51.62	52.12
Computer	36.68	16.54	-	53.22	10.62	13.47	-	24.09	29.14	26.06
<b>Total</b>	<b>26,111.14</b>	<b>2,639.30</b>	<b>37.60</b>	<b>28,712.85</b>	<b>2,991.11</b>	<b>1,446.32</b>	<b>7.29</b>	<b>4,430.15</b>	<b>24,282.70</b>	<b>23,120.03</b>
Previous Year	22,420.92	3,846.24	156.01	26,111.14	1,309.53	1,721.76	40.18	2,991.11	23,120.03	21,111.39

**5. Capital Work In Progress**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Adjustments	As at 31-03-2019	As at 01-04-2018*	For the Period	Adjustments	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018*
Capital Work-in-Progress	410.14	730.26	1,140.40	-	-	-	-	-	-	410.14
<b>Total</b>	<b>410.14</b>	<b>730.26</b>	<b>1,140.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410.14</b>
Previous Year	1,401.00	418.75	1,409.61	410.14	-	-	-	-	410.14	-

KKALPANA INDUSTRIES (INDIA) LIMITED  
**Notes to the Financial Statements for the year ended 31st March, 2019**

**6. Investment Property**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Sales/ Disposals	As at 31-03-2019	As at 01-04-2018*	For the Period	Sales/ Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018*
Free Hold Land	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
<b>Total</b>	<b>1,281.68</b>	-	-	<b>1,281.68</b>	-	-	-	-	<b>1,281.68</b>	<b>1,281.68</b>
Previous Year	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68

**7. Other Intangible Assets**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Sales/ Disposals	As at 31-03-2019	As at 01-04-2018*	For the Period	Sales/ Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018*
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	31.56	196.56	-	228.12	8.31	201.03	-	209.34	18.78	23.25
<b>Total</b>	<b>31.77</b>	<b>196.56</b>	-	<b>228.33</b>	<b>8.31</b>	<b>201.03</b>	-	<b>209.34</b>	<b>18.98</b>	<b>23.45</b>
Previous Year	25.12	6.65	-	31.77	4.42	3.88	-	8.31	23.45	20.69

**Other Notes to Note No 04 to 07**

A Disclosures for Property, Plant & Equipment (PPE) ,Capital Work-in-Progress (CWIP) and Intangible Assets

- A1. Refer Note No. 47 for information on property, plant and equipment and Intangible Assets pledged as security by the Company.  
A2. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for the year ended 31st March, 2019 is Rs. 76.07 lacs ( 31st March, 2018: Rs. 70.65Lac)  
A3. There has been no impairment loss on above assets during the year.  
A4. The Company has implemented SAP, a new Enterprise Resource Planning (ERP) System which has been implemented and ammortised during the year.  
A5. \* Refer Note No. 53

B Disclosures for Investment Property

- B1. The Company has identified and reclassified Land at West Bengal amounting Rs 1281.67 Lacs. immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use.  
B2. No amount of Income / Expenses has been recognised in Profit and Loss in relation to the above Investment Property.  
B3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.  
B4. The Company has elected optional exemption under Ind AS 101 to measure Investment Property at previous GAAP carrying value.  
B5. Since the Land at West Bengal are partial agricultural in natrue, the management has not determined the Fair Market Value of these properties from the accredited independent valuer and hence the disclosure requirement of fair value has not been furnished.

**Notes to the Financial Statements for the year ended 31st March, 2019**

(Rs. In lacs)

8 FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS	Face Value Rs.	No. of Shares / Units		Amount	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Equity Instruments - Fully paid up</b>					
<u>Unquoted</u>					
(a) Subsidiary-At Cost					
(i) Plastic Processors and Exporters Pvt Ltd.	10	49,994.00	45,000.00	36.50	36.00
(b) Others-At Fair Value Through Profit and Loss					
(i) Panchawati Holiday Resorts Ltd.	10	9,400.00	9,400.00	-	-
<u>Quoted</u>					
(a) Associate-At Cost					
(i) Kkalpana Plastick Limited	10	2,002,920	2,002,920	200.29	200.29
(b) Others-At Fair Value Through Profit and Loss					
(i) Dena Bank/Bank of Baroda	10	-	14	-	-
(ii) Nicco Corporation Ltd.	2	826,194	826,194	-	-
<b>Total Investments</b>				<b>236.79</b>	236.29
Less: Provision for diminution in the value of Investments				-	-
<b>Net Investments</b>				<b>236.79</b>	236.29
<b>Notes:</b>					
Aggregate amount of Quoted Investments and market value thereof				<b>200.29</b>	200.29
Aggregate amount of Unquoted Investments				<b>36.50</b>	36.00
Aggregate amount of Impairment in the value of Investments				-	-
<b>Total Investment (net)</b>				<b>236.79</b>	236.29

(Rs. In lacs)

9. FINANCIAL ASSETS - LOANS	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
(a) Unsecured, considered good				
Loan to Related Party	-	-	-	741.39
<b>Total</b>	-	-	-	741.39

There are no loans/ advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or loans/ advances to firms or private companies respectively in which any director is a partner or a director or a member.

KKALPANA INDUSTRIES (INDIA) LIMITED

**Notes to the Financial Statements for the year ended 31st March, 2019**

10. FINANCIAL ASSETS - OTHERS	(Rs. In lacs)			
	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>				
(a) Security Deposit	109.26	90.39	65.95	98.50
(b) Investment in Term Deposits (with remaining maturity of more than 12 months)	281.40	163.82	-	-
(c) Derivative Instruments				
Foreign Exchange Forward Contracts	-	-	-	64.74
Foreign Currency Options	-	-	-	22.12
(d) Others - Advances Recoverable from				
Employees	-	-	116.76	82.00
Others	-	-	23.60	47.65
(e) Interest Accrued	-	-	262.94	31.17
<b>Total</b>	<b>390.66</b>	254.21	<b>469.26</b>	346.18

11. OTHER NON CURRENT ASSETS	(Rs. In lacs)	
	As at 31st March, 2019	As at 31st March, 2018
(a) Capital Advances		
(i) Unsecured - considered good	57.53	448.37
(b) Prepaid Rent	20.48	23.42
<b>Total</b>	<b>78.01</b>	471.79

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

12. INVENTORIES	(Rs. In lacs)	
	As at 31st March, 2019	As at 31st March, 2018
(As taken valued and certified by the management) At Cost or NRV whichever is lower		
<b>(a) Raw materials</b>		
- In Stock	11,695.53	12,262.41
- In Transit	19.89	112.01
<b>(b) Finished goods</b>		
- In Stock	3,668.93	2,751.63
<b>(c) Stores and spares- at Cost</b>		
- In Stock	330.02	417.86
<b>Total</b>	<b>15,714.37</b>	15,543.90

- During the year ended 31st March, 2019 and year ended 31st March, 2018 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No - 47 for details of Carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

**Notes to the Financial Statements for the year ended 31st March, 2019**

	(Rs. In lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>13. TRADE RECEIVABLES</b>		
(a) Unsecured, considered good		
(i) Others	30,722.98	33,972.69
(ii) Related Parties	939.79	144.90
	<b>31,662.77</b>	<b>34,117.59</b>
Less: Allowance for bad and doubtful debts	631.86	619.06
<b>Total (Net of Provision)</b>	<b>31,030.91</b>	<b>33,498.54</b>

- There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

- The Company has done the Impairment Assessment for Trade Receivables based on expected credit loss model considering the credit risk as significantly low. The Company has used a simplified approach based on a 12 months ECL. A provision matrix has been prepared based on historical credit loss experience adjusted as appropriate to reflect the current conditions and supportable forecast of future economic conditions.

	(Rs. In lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>14. CASH &amp; CASH EQUIVALENTS</b>		
(a) Balance with banks:		
(i) In Current Accounts	501.65	340.48
(ii) In EEFC Account	141.80	25.03
(ii) In Deposit with Original Maturity of less than 3 months	371.35	58.00
(b) Cash in hand (As certified by the management)	18.50	25.66
(c) Other Bank Balance		
(i) Unpaid Dividend account	22.21	24.58
(ii) Deposits with more than 3 months initial maturity	636.56	1,214.08
<b>Total</b>	<b>1,692.07</b>	<b>1,687.83</b>

	(Rs. In lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>15. OTHER CURRENT ASSETS</b>		
(a) Other Advances		
Unsecured, considered good		
(i) Balances with government departments	4,902.91	5,716.87
(ii) Advance to Suppliers	63.67	100.87
(b) Prepaid Expenses	209.57	198.77
(c) Prepaid Rent	0.04	0.05
Total Other Current Assets	5,176.20	6,016.55
Less: Total Provision for Doubtful Advances/ Debts		
Total (Net of Provision)	<b>5,176.20</b>	<b>6,016.55</b>

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

KKALPANA INDUSTRIES (INDIA) LIMITED  
**Notes to the Financial Statements for the year ended 31st March, 2019**

		(Rs. In lacs)	
		As at 31st March, 2019	As at 31st March, 2018
<b>16. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity )</b>			
<b>Authorised Shares</b>			
153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each	<b>3,060.00</b>	3,060.00	
	<b>3,060.00</b>	<b>3,060.00</b>	
<b>Issued, Subscribed and Paid Up</b>			
940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each	<b>1,881.46</b>	1,881.46	
	<b>1,881.46</b>	<b>1,881.46</b>	

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)
Equity Shares outstanding at the beginning of the year	94,072,930.00	1,881.46	94,072,930.00	1,881.46
Equity Shares issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	94,072,930.00	1,881.46	94,072,930.00	1,881.46

**(b) Terms/ Rights attached to Equity Shares**

The Company has issued only one class of equity shares having a par value of Rs. 2 per share. Each equity shareholder is entitled to one vote per share. The Company had declared and paid dividends in Indian rupee.

In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

**(c) Details of shareholders holding more than 5% shares in the Company**

Sl. No.	Name of the Shareholders	As at 31st March 2019		As at 31st March, 2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Sri Ram Financial Consultants Pvt Ltd	-	-	44,785,170.00	47.61
2	Shyam Baba Trexim Pvt Ltd	-	-	15,551,680.00	16.53
3	Almond PolyTraders Pvt Ltd	7,750,000.00	8.24	7,750,000.00	8.24
4	Inbara holdings Pvt Ltd.	-	-	7,250,000.00	7.71
5	Bbigplas Poly Pvt Ltd.	69,641,685.00	74.03	-	-

Note - During the FY 2018-19 Sri Ram Financial Consultants Pvt Ltd, Shyam Baba Trexim Pvt Ltd and Inbara holdings Pvt Ltd. has been merged in Bbigplas Poly Pvt Ltd vide scheme of amalgamation dated 18th December 2018 which is binding with effect from 1st April '2018.

**(d) Aggregate number of bonus shares issued, shares allotted as fully paidup pursuant to contract without payment being received in cash and shares bought back during the period of five years immediately preceding the reporting date: Nil**

**Notes to the Financial Statements for the year ended 31st March, 2019**

**17. OTHER EQUITY (Refer Statement of Changes in Equity )**

**(a) Security Premium**

(Rs. In lacs)

This reserves are used to record the premium on issue of shares. The reserve would be utilized in accordance with the provisions of the Act.

	<b>As at 31st March, 2019</b>	As at 31st March, 2018
As per Last Financial Statement	5,322.45	5,322.45
Add: During the year	-	-
	<b>5,322.45</b>	<b>5,322.45</b>

**(b) Capital Reserve and Amalgamation Reserve**

As per Last Financial Statement  
Add: During the year

	<b>As at 31st March, 2019</b>	As at 31st March, 2018
	852.96	852.96
	-	-
	<b>852.96</b>	<b>852.96</b>

**(c) General Reserve**

As per Last Financial Statement  
Add: During the year

	<b>As at 31st March, 2019</b>	As at 31st March, 2018
	3,400.00	3,400.00
	-	-
	<b>3,400.00</b>	<b>3,400.00</b>

**(d) Retained Earnings**

As per Last Financial Statement  
Less: Equity Dividend  
Less: Corporate Dividend Tax  
Add: During the year

	<b>As at 31st March, 2019</b>	As at 31st March, 2018
	18,144.26	15,947.02
	(225.78)	-
	(45.96)	-
	2,561.75	2,197.24
	<b>20,434.27</b>	<b>18,144.26</b>

**(e) Other Comprehensive Income**

As per Last Financial Statement  
Add: During the year

	<b>As at 31st March, 2019</b>	As at 31st March, 2018
	(21.15)	(2.96)
	(16.58)	(18.18)
	<b>(37.73)</b>	<b>(21.15)</b>

**Total Reserves (a+b+c+d+e)**

	<b>29,971.96</b>	<b>27,698.53</b>
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Notes to the Financial Statements for the year ended 31st March, 2019

(Rs. In lacs)

18. LONG TERM BORROWINGS

	Non Current		Current *	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Secured</b>				
<b>(a) Term Loans</b>				
<b>I From Banks</b>				
(i) Rupee Loan	3,022.36	4,626.23	1,626.58	1,501.58
<b>II From Others</b>				
(i) From Banks - Vehicle Loan	30.40	82.00	28.08	-
<b>Total (Net) (a)</b>	<b>3,052.76</b>	<b>4,708.23</b>	<b>1,654.66</b>	<b>1,501.58</b>
<b>Unsecured</b>				
<b>(b) Long term loan</b>				
-Related Party	1,977.10	1,780.27	-	-
<b>Total (Net) (b)</b>	<b>1,977.10</b>	<b>1,780.27</b>	<b>-</b>	<b>-</b>
<b>Grand Total (Net) (a+b)</b>	<b>5,029.86</b>	<b>6,488.50</b>	<b>1,654.66</b>	<b>1,501.58</b>

\* Refer Note No.23

**Details of terms of repayment of long term borrowings**

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
<b>Secured</b>				
<b>a) Term Loans</b>				
<b>I From Banks</b>				
(i) Rupee Loan-IDFC	1 Year moratorium from the date of 1st disbursement & thereafter payable in 20 equal quarterly installments.	13th Feb 2021	10.20%	01st April 2017
(ii) Rupee Loan-HDFC	Repayable in 15 equal quarterly installments starting from 30th June 2017.	31st Dec 2020	9.00%	24th March 2017
(iii) Rupee Loan-SBI	Will start after completing moratorium period of 2 years. 24 quarterly installment starting from 31st December 2016 in a structured way .	31st Dec 2021	11.50%	31st Dec 2014
(iv) Rupee Loan-HDFC	Repayable in 20 equal quarterly installments after 12 months of moratorium from the date of first disbursement. Repayments to start from 31st March 2018 till 31st December 2022.	31st Dec 2022	9.75%	06th Jan 2017
<b>II From Others</b>				
(i) Vehicle Loan-	60 equal monthly instalment			
<b>Unsecured</b>				
<b>(b) Long term loan/deposits</b>				
<b>RELATED PARTY</b>				
	Bbigplas Poly Pvt. Ltd. Repayable on Demand after 30th March 2022		4.00%	

**Details of terms of security for long term borrowings**

- Rupee Loan from SBI, HDFC and IDFC are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvasa, Surangi, Daman and Bhasa Units and movable fixed assets at Dhulagarh Unit and 2nd pari passu charge by way of hypothecation over entire current assets, stock and book debts of the company both present and future.
- The unsecured loan from Promoter group Companies namely Sri Ram Financial Consultants Pvt Ltd, Shyambaba Trexim Pvt Ltd, Krishna Commodities Pvt Ltd and Inbara Holdings Pvt Ltd, all of which merged with Bbigplas Poly Pvt Ltd vide NCLT order dated 18th December, 2018 (filed with ROC on 4th Feb 2019), having effect from 1st April, 2018, is subordinated to State Bank of India for their Term Loan outstanding of INR 2123.69 Lacs as on 31.03.2019.
- Vehicle Loan are secured by hypothecation against Motor Car.

(Rs. In lacs)



**Notes to the Financial Statements for the year ended 31st March, 2019**

19. LONG TERM PROVISIONS	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Employee benefits</b>		
(i) Gratuity (Refer Note No. 39(b))	163.88	93.98
<b>Total</b>	<b>163.88</b>	<b>93.98</b>
(Rs. In lacs)		
20. DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Liabilities :</b>		
Depreciation and ammortization expenses	3,094.94	2,846.93
Items under financial assets and financial liabilities giving temporary dif- ferences	322.43	387.89
<b>Total (a)</b>	<b>3,417.37</b>	<b>3,234.82</b>
<b>(b) Assets :</b>		
Items under financial assets and financial liabilities giving temporary dif- ferences	41.85	18.57
Provision for doubtful debts & obsolescence	220.80	214.24
MAT Credit Entitlement	244.48	581.84
<b>Total (b)</b>	<b>507.12</b>	<b>814.65</b>
<b>Net Liability (a-b)</b>	<b>2,910.24</b>	<b>2,420.17</b>
<b>Reconciliation of Deferred Tax Assets/ Liabilites (Net):</b>		
Opening balance as at the beginning of the Year	2,420.17	2,040.62
Tax (benefit) / expense during the period recognised in profit or loss	161.49	563.97
MAT Credit Entitlement utilised/(availed)	337.36	(174.79)
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	(8.78)	(9.62)
Closing balance as at the end of the Year	<b>2,910.24</b>	<b>2,420.17</b>

KKALPANA INDUSTRIES (INDIA) LIMITED  
**Notes to the Financial Statements for the year ended 31st March, 2019**

(Rs. In lacs)

**21. SHORT TERM BORROWINGS**

	As at 31st March, 2019	As at 31st March, 2018
<b>Secured</b>		
(a) Loans repayable on demand		
Cash credits from bank *	2,527.95	12,090.36
Working Capital Demand Loan from Bank	4,500.00	-
	-	-
(b) Other Loans and advances		
Buyer's credit from bank *	-	2,350.74
	-	-
<b>Total</b>	<b>7,027.95</b>	<b>14,441.10</b>

\* These Loans are repayable on demand and carries interest as applicable from time to time.

\* Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066 and by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and 2nd pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvasa, Surangi, Daman and Bhasa Units and movable fixed assets at Dhulagarh Unit.

**22. TRADE PAYABLES**

	(Rs. In lacs)	
	As at 31st March, 2019	As at 31st March, 2018
(a) Micro & Small Enterprises	314.32	-
(b) Others		
Acceptances secured *	26,834.51	22,781.90
Sundry Creditors for goods	928.04	2,803.20
Sundry Creditors for expenses	926.40	1,206.74
<b>Total</b>	<b>29,003.28</b>	<b>26,791.84</b>

\* Secured by way of hypothecation of stocks and book debts in favor of the Company's banker.

Micro enterprises and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent to the suppliers. Interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 due and remaining unpaid as at March 31, 2019 – Rs 2.53 lacs.

**23. CURRENT FINANCIAL LIABILITIES-OTHER**

	(Rs. In lacs)	
	As at 31st March, 2019	As at 31st March, 2018
(a) Current maturities of long-term debts (Refer Note No.18 )	1,654.66	1,501.58
(b) Interest payable on Unsecured Loan	233.35	253.06
(c) Interest accrued but not due on borrowings	25.67	-
(d) Unpaid dividends #	22.21	24.59
(e) Derivative Instruments		
(i) Foreign Exchange Forward Contracts	101.58	-
(ii) Foreign Currency Options	5.46	-
(f) Others		
(i) Creditors for Capital Goods	210.91	296.91
(ii) Other Liability	904.29	576.97
<b>Total</b>	<b>3,158.13</b>	<b>2,653.11</b>

# There is no amount due & outstanding to be credited to the Investor Education & Protection Fund.

**Notes to the Financial Statements for the year ended 31st March, 2019**

	(Rs. In lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>24. OTHER CURRENT LIABILITIES</b>		
(a) Advance payments from customers	357.83	386.39
(b) Other payables		
(i) Statutory dues	89.74	73.86
<b>Total</b>	<b>447.57</b>	<b>460.25</b>
<b>25. SHORT TERM PROVISIONS</b>		
(a) Employee benefits		
Leave encashment (unfunded)	122.53	88.96
<b>Total</b>	<b>122.53</b>	<b>88.96</b>
<b>26. CURRENT TAX LIABILITIES</b>		
Income Tax (Net of Payments)	654.77	614.08
	<b>654.77</b>	<b>614.08</b>
<b>27. REVENUE FROM OPERATIONS</b>		
	For the Year 2018-19	For the Year 2017-18
<b>(a) Sale of Products</b>		
(i) Polyethylene	122,807.20	88,372.83
(ii) Poly Vinyl Chloride	48,310.54	43,326.23
(iii) Others	29,785.45	44,322.01
<b>(c) Sale of Services</b>		
(i) Commission Received (Refer Note below:-)	-	512.08
<p>Commission relates to sale of Products in which the Company Acts as an agent in the transaction rather than as a Principal in assessing the Companies role to be that of an agent rather than as a principal, the management considered the following factors:-</p> <p>a) The Company does not take title to the goods and has no responsibility in respect of goods sold.                      b) The Company cannot vary the selling prices set by the supplier.                      c) Credit risk is born by the supplier.</p>		
<b>Total</b>	<b>200,903.19</b>	<b>176,533.15</b>
<b>28. OTHER INCOME</b>		
	For the Year 2018-19	For the Year 2017-18
(a) Interest income	75.60	137.50
(b) Exchange difference other than considered as finance cost (net)	906.87	400.67
(c) Export Incentive	98.99	19.63
(d) Unwinding of Interest on security deposit	5.96	4.62
(e) Fair Value gain or (losses) on derivatives	(107.04)	86.86
(f) Insurance Claim Received	34.38	97.37
(g) Other Miscellaneous Income	164.88	72.57
<b>Total</b>	<b>1,179.65</b>	<b>819.22</b>

KKALPANA INDUSTRIES (INDIA) LIMITED

**Notes to the Financial Statements for the year ended 31st March, 2019**

	(Rs. In lacs)	
	For the Year 2018-19	For the Year 2017-18
<b>29. COST OF MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	12,374.41	14,437.00
Add: Purchases during the year	175,754.17	149,010.11
Add: Stock In Transit	19.89	-
Less: Raw Material at the end of the Year	11,715.42	12,374.41
<b>Total Cost of Material Consumed</b>	<b>176,433.05</b>	<b>151,072.69</b>
<u>Details of Raw Material Consumed</u>		
LLDPE/LDPE/HDPE/CC	99,244.99	69,469.99
PVC Resin	32,952.14	27,859.59
Plastic Scrap	6,330.80	5,810.68
Other items	37,905.12	47,932.44
	<b>176,433.05</b>	<b>151,072.69</b>
<b>30. CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK IN TRADE</b>		
	For the Year 2018-19	For the Year 2017-18
(a) Stocks at the beginning of the year Finished goods	2,751.63	2,671.99
(b) Less: Stocks at the end of the year Finished goods	3,668.93	2,751.63
<b>Total</b>	<b>(917.30)</b>	<b>(79.64)</b>
<b>31. EMPLOYEE BENEFITS EXPENSE</b>		
	For the Year 2018-19	For the Year 2017-18
(a) Salaries, Wages, Bonus and Gratuity	3,991.93	2,615.39
(b) Contribution to Provident and other funds	63.70	53.04
(c) Workmen and staff welfare expenses	111.97	96.72
<b>Total</b>	<b>4,167.60</b>	<b>2,765.15</b>
<b>32. FINANCE COSTS</b>		
	For the Year 2018-19	For the Year 2017-18
(a) Interest expense		
(i) To Banks	3,800.65	3,847.47
(ii) To Others	119.17	371.83
(b) Other borrowing costs	1,628.23	1,130.79
(c) Unwinding of Interest	195.93	176.51
<b>Total</b>	<b>5,743.98</b>	<b>5,526.60</b>

Notes to the Financial Statements for the year ended 31st March, 2019

	(Rs. In lacs)	
	For the Year 2018-19	For the Year 2017-18
<b>33. OTHER EXPENSES</b>		
(a) Consumption of Stores and Spare Parts.	215.75	113.55
(b) Power & Fuel	2,744.36	2,218.96
(c) Rent	647.98	593.16
(d) Repair & Maintenance - Building	140.91	91.23
(e) Repair & Maintenance - Machinery	630.53	327.44
(f) Repair & Maintenance - Others	234.37	158.43
(g) Insurance Charges	202.33	171.48
(h) Rates & Taxes	75.97	44.81
(i) Payments to Auditors (Refer Note (i) below)	3.75	6.00
(j) Directors' Fees	3.70	3.20
(k) Bad debts / Advances Written off	3.44	27.57
(l) Loss on sale of fixed assets	18.85	10.94
(m) Selling & Distribution Expenses	4,739.45	4,458.20
(n) Net (gain)/loss on Fair value of Financial Assets through Profit & Loss	-	0.01
(o) Provision for doubtful debts	12.81	(376.31)
(p) CSR expenses (Refer Note No. 38)	83.08	135.50
(q) Miscellaneous expenses	1,208.58	1,132.45
<b>Total</b>	<b>10,965.86</b>	<b>9,116.64</b>
<u>Refer Note :- 1</u>		
<b>Auditors' remuneration and expenses</b>		
Audit fees	3.10	3.10
Tax audit fees	0.65	0.65
Fees for other services	-	2.25
	<b>3.75</b>	<b>6.00</b>
<b>34. Income Tax</b>		
	For the Year 2018-19	For the Year 2017-18
<b>I Income tax related to items charged or credited directly to profit or loss during the year:</b>		
<b>(a) Statement of profit and loss</b>		
(i) Current Income Tax	1,319.06	688.62
(ii) Deferred Tax expense/ (benefit)	161.49	563.97
	<b>1,480.54</b>	<b>1,252.59</b>
<b>(b) Other Comprehensive Income</b>		
(i) Deferred Tax related to items recognised in OCI during the year:		
- Net expense/(benefit) on remeasurements of defined benefit plans	(8.78)	(9.62)
	<b>(8.78)</b>	<b>(9.62)</b>
<b>Total (a+b)</b>	<b>1,471.77</b>	<b>1,242.97</b>
<b>II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2019 and 31st March, 2018:</b>		
Accounting profit before income tax as per Ind AS	4,042.29	3,449.83
At Income tax rate of 34.944% (31st March, 2018: 34.608%)	1,412.54	1,193.92
Tax effect of items that are not deductible for tax purpose	47.02	59.00
Change in Rate Impact	28.88	-
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	(16.67)	(9.95)
At the effective income tax rate of 36.41% (31st March 2018: 36.03%)	<b>1,471.77</b>	<b>1,242.97</b>
Income tax expense reported in the statement of profit and loss	<b>1,471.77</b>	<b>1,242.97</b>
Difference	-	-

KKALPANA INDUSTRIES (INDIA) LIMITED

**Notes to the Financial Statements for the year ended 31st March, 2019**

		(Rs. In lacs)	
		For the Year 2018-19	For the Year 2017-18
<b>35. Other Comprehensive Income</b>			
i	Items that will not be classified to profit and loss		
	- Remeasurement gain/ (losses) on defined benefit plans		
	Balance as at year beginning	(27.81)	(4.53)
	Add: Created during the year	2.45	(23.27)
	Less: Adjustments	-	-
	Balance as at year end	<u>(25.36)</u>	<u>(27.81)</u>
ii	Income tax relating to items that will not be classified to profit and loss		
	- Remeasurement gain/ (losses) on defined benefit plans		
	Balance as at year beginning	9.62	1.57
	Add: Created during the year	-	8.05
	Less: Adjustments	0.85	-
	Balance as at year end	<u>8.78</u>	<u>9.62</u>
	<b>Total</b>	<u>(16.58)</u>	<u>(18.18)</u>

**36 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		(Rs. In Lacs)	
		As at 31st March, 2019	As at 31st March, 2018
<b><u>Contingent liabilities &amp; Commitments</u></b>			
A	Not Provided for:-		
	(a) Claims against the Company not acknowledged as debts		
	- Demand raised by following authorities in dispute:		
	(i) Income tax matters	338.77	338.77
<b>B</b>	<b>Bank Gurantee</b>	<b>807.88</b>	658.44
<b>C</b>	<b>Capital Commitments</b>		
	Estimated Value of contracts in Capital account remaining to be executed and not provided for (Net of advances)	76.07	70.65
<b>D</b>	<b>Other Commitments</b>		
	Letter of Credit	2,572.16	23,185.05

**37 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013**

**A. Loan Given**

Sl. No. Name of the entity	(Rs. In Lacs)	
	As at 31st March 2019	As at 31st March 2018
1 To Subsidiary Co.	-	741.39
2 Others	-	-
	<u>-</u>	<u>741.39</u>

**Notes to the Financial Statements for the year ended 31st March, 2019**

**B. Investment Made**

There are no investments by the company other than those stated under Note No. 8 in the financial statements.

**C. Securities Given**

There is no security given during the year.

**38 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

- (a) Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. 73.08 lacs (PY Rs. 72 lacs).  
 (b) Amount unspent as at 31.3.2019 Rs. Nil (P.Y 31.3.2018 Rs. Nil)  
 (c) Amount spent during the year 2018-19 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

<u>Sl. No.</u> <u>Particulars</u>	(Rs. In Lacs)	
	<b>As at 31st March 2019</b>	As at 31st March 2018
(i) Spent during the year	<b>83.08</b>	135.50
(ii) Yet to Spend	-	-
<b>Total</b>	<b>83.08</b>	135.50

**39 DISCLOSURES AS REQUIRED BY IND AS 19, EMPLOYEE BENEFITS**

**(a) Defined contribution plans:**

Contribution to defined contribution plan, recognised as expense for the year as under:

	(Rs. In Lacs)	
	<b>As at 31st March 2019</b>	As at 31st March 2018
(i) Employer's contribution to Government Provident Fund, Pension Fund & ESI	<b>63.70</b>	53.04
<b>Total</b>	<b>63.70</b>	53.04

**(b) Defined benefit plan:**

**Gratuity**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and Other Comprehensive Income accordingly as per Actuarial Valuation Report.. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days' salary for each completed year of service . Vesting occurs upon completion of five continuous years of service in accordance with Indian law. The gratuity fund is separately administered by a Gratuity Fund Trust.

**I Following information are based on report of actuary for employee benefit expenses**

	Gratuity (Funded)	
	<b>As at 31st March 2019</b>	As at 31st March 2018
(A) Change in present value of the obligation during the year		
(1) Present value of obligation at year beginning	<b>219.85</b>	172.44
(2) Current service cost	<b>37.54</b>	24.75
(3) Interest cost	<b>16.79</b>	12.73

KKALPANA INDUSTRIES (INDIA) LIMITED  
**Notes to the Financial Statements for the year ended 31st March, 2019**

	As at 31st March 2019	As at 31st March 2018
(4) Benefits paid	(3.70)	(16.40)
(5) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(6) Actuarial (gain) / loss arising from changes in financial assumptions	5.10	(4.48)
(7) Actuarial (gain) / loss arising from changes in experience adjustments	18.05	30.81
(8) Present value of obligation at year end	<b>293.63</b>	219.85
<b>(B) Change in fair value of plan assets during the year</b>		
(1) Fair value of plan assets at year beginning	125.87	118.04
(2) Interest income on plan assets	9.69	9.15
(3) Expected return on plan assets other than interest income	(2.21)	(1.48)
(4) Contribution made by the Employer *	0.10	16.56
(5) Benefits paid	(3.70)	(16.40)
(6) Fair value of plan assets at year end	<b>129.75</b>	125.87
<b>(C) Reconciliation of obligation and fair value of assets</b>		
(1) Present value of the obligation at year end	293.63	219.85
(2) Fair value of plan assets at year end	129.75	125.87
(3) Funded status [surplus / (deficit)]	<b>(163.88)</b>	(93.98)
<b>(D) Expense recognised in the Statement of Profit and Loss</b>		
(1) Current service cost	37.54	24.75
(2) Interest cost	16.79	12.73
(3) Interest income on plan assets	(9.69)	(9.15)
<b>Net cost recognised in Profit or Loss</b>	<b>44.64</b>	28.33
<b>(E) Recognised in Other Comprehensive Income</b>		
(1) Expected return on plan assets other than interest income	2.21	1.48
(2) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(3) Actuarial (gain) / loss arising from changes in financial assumptions	5.10	(4.48)
(4) Actuarial (gain) / loss arising from changes in experience adjustments	18.05	30.81
<b>Net (gain)/ loss recognised in Other Comprehensive Income</b>	<b>25.36</b>	27.81
<b>(F) Net Defined benefit liability/(Asset) Reconciliation</b>		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	93.98	54.41
(2) Defined benefit cost included in P/L	44.64	28.33
(3) Total remeasurement included in OCI	25.36	27.81
(4) Employers contribution*	(0.10)	(16.56)
<b>Net Defined benefit liability/(Asset) at the end of the year</b>	<b>163.88</b>	93.98

\*Note - As per actuarial valuation report contribution made by employer is Rs. 70,000. The difference of Rs. 60,000 is due to the refund pertaining to last financial year adjusted in current financial year by Life Insurance Corporation of India.



**Notes to the Financial Statements for the year ended 31st March, 2019**

**II Maturity profile of defined benefit obligations:**

Year 1	29.52	15.55
Year 2	30.48	72.57
Year 3	43.95	120.18
Year 4	19.60	64.41
Year 5	15.21	24.76
Year 6	53.78	82.98
Year 7	23.03	117.62
Year 8	20.41	85.74
Year 9	18.72	34.12
Year 10	25.64	43.53
Above 10 years	398.08	-
<b>Total expected payments</b>	<b>678.44</b>	<b>661.46</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.17 Years (31st March,2018: 5.52 years).

The best estimate contribution for the company during the next year would be Rs 47.55 lacs (31st March,2018: Rs. 55.61 lacs).

Amount payable upon discontinuance of all employment is INR 339.97 lacs. (31st March,2018: Rs. 263.82 lacs).

**III Experience Adjustments on Present Value of DBO and Plan Assets**

	(Rs. In Lacs)	
	As at	As at
	31st March	31st March
	2019	2018
(Gain)/Loss on Plan Liabilities	18.05	30.81
% of Opening Plan Liabilities	8.21%	17.87%
(Gain)/Loss on Plan Assets	2.21	1.48
% of Opening Plan Assets	1.75%	1.25%

**IV Quantitative sensitivity analysis for significant assumptions considered for defined benefit obligation (Gratuity):**

Sensitivity analysis presented below represents expected change in present value of defined benefit obligation based on reasonably possible changes in the assumptions occurring at the year end.

	As at	As at
	31st March	31st March
	2019	2018
Defined Benefit Obligation (Base)	293.63	219.85
(1) One percentage increase in discount rate	271.41	203.04
(2) One percentage decrease in discount rate	319.31	239.31
(3) One percentage increase in rate of salary escalation	319.16	238.79
(4) One percentage decrease in rate of salary escalation	270.99	203.06
(5) One percentage increase in rate of withdrawal rate	296.10	222.09
(6) One percentage decrease in rate of withdrawal rate	290.74	217.28

KKALPANA INDUSTRIES (INDIA) LIMITED

**Notes to the Financial Statements for the year ended 31st March, 2019**

	As at 31st March 2019	As at 31st March 2018
<b>V Actuarial Assumptions</b>		
(1) Discount rate	7.70%	7.75%
(2) Mortality Rate	IALM (2006-08) Table	
(3) Salary Escalation - First 5 years	6% p.a	6% p.a
(4) Salary Escalation - After 5 years	6% p.a	6% p.a
(5) Expected Rate of Return on Plan Assets	7.70%	7.75%
(6) Disability Rate	5% of Mortality Rate	5% of Mortality Rate
(7) Retirement Age	60 years	60 years
(8) Average Future Service	21.66	21.97
(9) Withdrawal rates , based on age: (per annum)		
Up to 25 years	8.00%	8.00%
26 - 30 years	7.00%	7.00%
31 - 35 years	6.00%	6.00%
36 - 40 years	5.00%	5.00%
41 - 45 years	4.00%	4.00%
46 - 50 years	3.00%	3.00%
51 - 55 years	2.00%	2.00%
Above 56 years	1.00%	1.00%
<b>VI Weighted average Asset allocation ( as percentage of total plan assets )</b>		
(1) Equities	-	-
(2) Bonds	-	-
(3) Gilts	-	-
(4) Insurance Policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**40 DISCLOSURES AS REQUIRED BY IND AS 108, OPERATING SEGMENTS**

**(a) Identification of Operating Segments:**

The Company Operate in a Single Reportable Operating Segment i.e. manufacturing and sale of Poly Vinyl Chloride, Polyethylene, Antifab and EP Compound which have similar risk and returns and are of similar nature.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

**(b) Business Segment wise revenue/results/assets/liabilities**

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable.

**(c) Geographical Information**

	(Rs. In Lacs)	
	As at 31st March 2019	As at 31st March 2018
(i) <b>Segment revenue by location of Customers:</b>		
India	171,216.89	144,123.95
Overseas	29,686.29	32,409.19
<b>Total</b>	<b>200,903.19</b>	<b>176,533.15</b>

**Notes to the Financial Statements for the year ended 31st March, 2019**

(ii) **Segment Assets by location**

<u>India</u>		
East	7,464.26	6,805.65
West	18,086.37	17,579.37
Others	32.73	40.13
<u>Overseas</u>	-	-
<b>Total</b>	<b>25,583.36</b>	<b>24,425.16</b>

(d) The Company does not have material amount of tangible, intangible assets and non current operating assets located outside India.

(e) Product wise revenue from external customers has been detailed in Note No 27.

(f) Revenue from three customers is INR 21,247.51 lacs (P.Y Rs. 19,471.97 Lacs) which is more than 10% of the total revenue of the Company

**41 DISCLOSURE ON RELATED PARTY TRANSACTIONS**

**(A) Related parties and their relationship with the Company :**

<u>(i) Name of the Related Party</u>	<u>Relationship with the Company</u>
Mr. Narrindra Suranna	CEO, Chairman and Managing Director and Promoter (KMP)
Mr. Rajesh Kothari	Whole Time Director (KMP)
Dr. P.R.Mukherjee	Whole Time Director (KMP)
Mr. I.C Dakalia	Chief Financial Officer (KMP)
Ms. Tanvi Panday	Company Secretary (KMP)
Mrs. Tara Devi Surana	Promoter
Mr. Surendra Kumar Surana	Promoter
Mr. Dev Krishna Surana	Promoter & Director

**(ii) Relative of Key Management Personnel (KMP) of the Company**

<u>Name of the Relative</u>	<u>Relationship with KMP</u>
Mrs. Tara Devi Surana	Mother of Chairman and Managing Director
Mrs. Sarla Devi Surana	Wife of Chairman and Managing Director
Mr. Surendra Kumar Surana	Brother of Chairman and Managing Director
Mr. Dev Krishna Surana	Son of Chairman and Managing Director

(iii) Bbigplas Poly Pvt Ltd (refer note below) Promoter and Holding Company

Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the Financial Year 2018-19

(iv) Plastic Processor and Exporters Pvt Ltd.

Subsidiary

(v) Kkalpana Plasticks Limited

Associate

(vi) Sri Ram Financial Consultants Pvt Ltd.

Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the Financial Year 2017-18

Shyambaba Trexim Pvt Ltd.

Inbara Holdings Pvt Ltd

Krishna Commodeals Pvt. Ltd. (refer note below)

Note - During the FY 2018-19 Kkalpana had also entered into transaction with Sri Ram Financial Consultants Pvt Ltd, Shyambaba Trexim Pvt Ltd, Krishna Commodeals Pvt Ltd and Inbara holdings Pvt Ltd (Promoters of the Company) all of which merged with Bbigplas Poly Pvt Ltd vide NCLT order dated 18th December, 2018 (filed with ROC on 4th Feb 2019), having effect from 1st April, 2018.

KKALPANA INDUSTRIES (INDIA) LIMITED  
**Notes to the Financial Statements for the year ended 31st March, 2019**

<b>(B) Disclosure of transactions with Related Parties as on 31.03.2019</b>		(Rs. In Lacs)	
<b>Nature of transactions</b>	<b>Ref. to Note (A) above</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b><u>Remuneration to KMP</u></b>			
Mr Narrindra Surana	(i)	70.00	42.00
Mr Rajesh Kothari	(i)	40.00	40.00
Mr P.R. Mukherjee	(i)	19.00	18.00
Mr I.C. Dakalia	(i)	22.96	20.91
Ms Tanvi Panday*	(i)	7.23	5.50
Mr. A.B Chakraborty **		-	1.93
		<b>159.19</b>	<b>128.33</b>

\* Effective date of joining 1st July 2017. This remuneration is proportionate CTC for period of her service.

\*\* Former Company Secretary of Kkalpana Industries (India) Ltd. resigned at 1st June 2017.

**Sale of Goods**

Plastic Processors Pvt Ltd.	(iv)	2,871.90	850.46
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**Purchase of Goods**

Plastic Processors Pvt Ltd.	(iv)	4,219.90	702.16
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**Interest Expenses**

Bbigplas Poly Pvt Ltd	(iii)	119.17	
Sri Ram Financial Consultants Pvt Ltd.	(vi)		74.75
Shyambaba Trexim Pvt Ltd.	(vi)		35.67
Krishna Commodeals Pvt. Ltd.	(vi)		4.89
Inbara Holdings Pvt Ltd	(vi)		4.03
		<b>119.17</b>	<b>119.34</b>

**Interest Income**

Plastic Processor and Exporters Pvt Ltd.	(iv)	249.75	-
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**Loan Taken & Repaid during the Year**

Kkalpana Plasticks Limited	(v)	5.00	-
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**Rent**

Sri Ram Financial Consultants Pvt Ltd.	(vi)	76.56	76.56
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**Net Receivable(Payable) at the Year End**

Plastic Processor and Exporters Pvt Ltd.	(iv)	939.79	144.90
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**Loan Taken & Outstanding at year End**

Bbigplas Poly Pvt Ltd*	(iii)	1,977.10	-
Sri Ram Financial Consultants Pvt Ltd.*	(vi)	-	1,124.05
Shyambaba Trexim Pvt Ltd.*	(vi)	-	524.98
Krishna Commodeals Pvt. Ltd.*	(vi)	-	71.87
Inbara Holdings Pvt Ltd*	(vi)	-	59.37

\*(Note- After giving effect of IND AS)

**Interest Payable**

Bbigplas Poly Pvt Ltd	(iii)	233.35	253.06
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**Notes to the Financial Statements for the year ended 31st March, 2019**

**Loan Given & Outstanding at year End**

Plastic Processor and Exporters Pvt Ltd.	(iv)	-	748.39
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**Interest Receivable**

Plastic Processor and Exporters Pvt Ltd.	(iv)	<b>224.78</b>	-
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**42 FAIR VALUE MEASUREMENT**

The fair value 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 following methods and assumptions were used to estimate the fair values:

- (1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.
- (2) Financial instruments with fixed and variable interest rate are evaluated by the Company based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

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

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

**The following tables provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities.**

**(a) Disclosure for the year ended 31st March, 2019**

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Trade Receivables	31,030.91	31,030.91	-	-	31,030.91
Loans	-	-	-	-	-
Other Financial assets excluding derivative financial instruments	859.91	859.91	-	-	859.91
Cash & cash equivalents	1,692.06	1,692.06	-	-	1,692.06
	<b>33,582.88</b>	<b>33,582.88</b>	<b>-</b>	<b>-</b>	<b>33,582.88</b>
<b>Financial Assets at cost</b>					
<b><u>Investments in equity shares</u></b>					
Kkalpana Plastick Limited	200.29	200.29	-	-	-
Plastic Processor and Exporters Pvt Ltd.	36.50	36.50	-	-	-
	<b>236.79</b>	<b>236.79</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements for the year ended 31st March, 2019**
**Assets for which fair values are disclosed**

Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
<b>Total</b>	<b>33,819.67</b>	<b>33,819.67</b>	<b>-</b>	<b>-</b>	<b>33,582.88</b>

**(2) Financial Liability**
**Financial Liabilities at amortised cost**

Borrowings from Banks and Financial Institutions	13,712.47	13,712.47			13,712.47
Trade Payables	29,003.28	29,003.28			29,003.28
Other Financial liabilities excluding derivative financial instruments	1,396.43	1,396.43			1,396.43
<b>Total</b>	<b>44,112.18</b>	<b>44,112.18</b>	<b>-</b>	<b>-</b>	<b>44,112.18</b>

**Financial Liability at fair value through profit or loss**

Derivative financial instruments	107.04	107.04	-	107.04	-
<b>Total</b>	<b>44,219.21</b>	<b>44,219.21</b>	<b>-</b>	<b>107.04</b>	<b>44,112.18</b>

**(b) Disclosure for the year ended 31st March, 2018**

	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Trade Receivables	33,498.54	33,498.54	-	-	33,498.54
Loans	741.39	741.39	-	-	741.39
Other Financial assets excluding derivative financial instruments	513.53	513.53	-	-	513.53
Cash & cash equivalents	1,687.83	1,687.83	-	-	1,687.83
	<b>36,441.28</b>	<b>36,441.28</b>	<b>-</b>	<b>-</b>	<b>36,441.28</b>
<b>Financial Assets at cost</b>					
<u>Investments in equity shares</u>					
Kkalpana Plastick Limited	200.29	200.29	-	-	-
Plastic Processor and Exporters Pvt Ltd.	36.00	36.00	-	-	-
	<b>236.29</b>	<b>236.29</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Asset at fair value through profit or loss</b>					
Derivative financial instruments	86.86	86.86	-	86.86	-
	<b>86.86</b>	<b>86.86</b>	<b>-</b>	<b>86.86</b>	<b>-</b>

**Notes to the Financial Statements for the year ended 31st March, 2019**

**Assets for which fair values are disclosed**

Investment Property (Refer Note No. 6 (b))	-	-	-	-	-	
<b>Total</b>	<b>36,764.43</b>	<b>36,764.43</b>		<b>-</b>	<b>86.86</b>	<b>36,441.28</b>

**(2) Financial Liability**

**Financial Liabilities at amortised cost**

Borrowings from Banks and Financial Institutions	<b>22,431.18</b>	22,431.18			22,431.18	
Trade Payables	<b>26,791.84</b>	26,791.84			26,791.84	
Other Financial liabilities excluding derivative financial instruments	<b>1,151.54</b>	1,151.54			1,151.54	
<b>Total</b>	<b>50,374.55</b>	<b>50,374.55</b>		<b>-</b>	<b>-</b>	<b>50,374.55</b>

**(c) Description of significant unobservable inputs to valuation:**

<b>Financial Asset/ Liability</b>	<b>Valuation Technique</b>	<b>Significant unobservable input</b>
Trade Receivables	ECL	Realisation pattern or past experience
Loans	DCF using EIR method	Discount rate
Other Financial assets excluding derivative financial instruments	DCF using EIR method	Discount rate
Borrowings from banks and financial institutions	DCF using EIR method	Discount rate

**43 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and advances from customers. The main purpose of these financial liabilities is to finance the Company's operations, projects under implementation and to provide guarantees to support its operations. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes to be undertaken. The Board of Directors reviews and finalises policies for managing each of these risks, which are summarised below.

**A. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Interest rate risk, Currency risk and Commodity price risk. Financial instruments affected by market risk include investments and deposits, foreign currency receivables, payables, loans and borrowings and derivative financial instruments.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

**Notes to the Financial Statements for the year ended 31st March, 2019**

## (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

## Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	2018-19 (+/-) 50 Basis Points	2017-18 (+/-) 50 Basis Points
<b>Effect on profit before tax due to interest rate sensitivity</b>	<b>92.98</b>	91.43

## (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. The Company manages its foreign currency risk by hedging transactions that are expected to realise in future.

Foreign Currency Exposure		As at 31st March, 2019		As at 31st March, 2018	
		Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
<b>I Hedged</b>					
Forward contracts for Imports	USD	10,900,940	7,540.18	5,550,000	3,609.72
	EURO	155,925	121.15		
Forward contracts for Exports	USD	1,500,000	1,037.55	4,000,000	2,601.60
Option contracts for Exports	USD	400,000	276.68	-	-
<b>II Not hedged</b>					
Trade receivables	USD	4,182,895	2,893.31	3,446,685	2,241.72
	EURO	1,572,616	1,221.92	2,826,250	2,278.52
Trade payables	USD	1,756,303	1,214.83	2,780,438	1,808.40
	EURO	19,280	14.98	405,075	326.57
Foreign currency loan availed under buyers' credit	USD	-	-	3,615,852	2,350.74

**Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of unhedged monetary assets and liabilities.



**Notes to the Financial Statements for the year ended 31st March, 2019**

	(Rs. In Lacs)	
	2018-19	2017-18
	(+/-) 5%	(+/-) 5%
<b>Effect on profit before tax</b>		
USD	83.92	(95.92)
Euro	60.35	97.60
	<b>144.27</b>	<b>1.68</b>

**Derivative Financial Instrument**

The company holds Derivative financial instrument such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for this contract is generally a Bank. Although the company believes that these derivatives constitute hedges from an economic perspective these do not qualify for hedge accounting as per IND AS 109, Financial instrument. Since the above derivatives are not designated as hedges, such derivatives are categorised as financial asset or financial liability at fair value through profit & loss.

	(Rs. In Lacs)			
	As at 31st March, 2019		As at 31st March, 2018	
	Foreign Currency	Fair Value as on 31.03.2018	Foreign Currency	Fair Value as on 31.03.2018
Derivatives not designated as hedges				
Forward Contracts	USD	12,400,940.00	(99.87)	5,550,000.00
	EURO	155,925.00	(1.71)	-
Option Contracts	USD	400,000.00	(5.46)	4,000,000.00
				22.12

(iii) Commodity price risk

Principal Raw Material for Company's products is variety of plastic polymers which are primarily Derivatives of Crude Oil. Company sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy and
4. Prudent hedging policy on foreign currency exposure

Risk committee of the Company comprising members from Board of Directors and operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

**B. Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

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

KKALPANA INDUSTRIES (INDIA) LIMITED

**Notes to the Financial Statements for the year ended 31st March, 2019**

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Less than 6 months	30,412.33	33,954.42
6 to 12 months	738.08	107.56
more than 12 months	512.37	55.61
<b>Total</b>	<b>31,662.77</b>	<b>34,117.59</b>

(ii) Financial Instruments and Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Credit limits of all authorities are reviewed by the Management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to these entities.

**C. Liquidity Risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, letter of credit, factoring, bill discounting and working capital limits.

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

	(Rs. In Lacs)			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>31st March, 2019</b>				
Borrowings				
Term Loans from Banks	1,626.58	3,022.36		4,648.94
Long Term Loans from Others	28.08	2,007.50		2,035.58
Cash credit from Banks	2,527.95			2,527.95
Buyers credit from Banks	-			-
WCDL from Bank	4,500.00			4,500.00
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,503.47			1,503.47
Trade Payables	29,003.28			29,003.28
	<b>39,189.35</b>	<b>5,029.86</b>	-	<b>44,219.21</b>
<b>31st March, 2018</b>				
Borrowings				
Term Loans from Banks	1,501.58	4,626.23		6,127.81
Long Term Loans from Others	-	1,862.27		1,862.27
Cash credit from Banks	12,090.36			12,090.36
Borrowing from Bank-Factoring/Bill discounting				-
Buyers credit from Banks	2,350.74			2,350.74
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,151.54			1,151.54
Trade Payables	26,791.84			26,791.84
	<b>43,886.05</b>	<b>6,488.50</b>	-	<b>50,374.55</b>

**44 CAPITAL MANAGEMENT**

- A. For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders, including capital reserve and net debt includes interest bearing loans and borrowings except cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

**Notes to the Financial Statements for the year ended 31st March, 2019**

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Borrowings	13,712.47	22,431.18
Less: Current investments	-	-
Less: Cash and cash equivalents	1,692.06	1,687.83
<b>(a) Net Debt</b>	<b>15,404.52</b>	24,119.01
<b>(b) Equity</b>	<b>31,853.42</b>	29,579.99
<b>(c) Equity and Net Debt (a+b)</b>	<b>47,257.94</b>	53,698.99
<b>Gearing Ratio (a/c)</b>	<b>32.60%</b>	44.92%

**B. Proposed Dividend**

The Board of directors in its Board meeting held on 28th May 2018 have recommended the payment of a final dividend of Rs 0.12 paise per fully paid up equity share (March 31, 2018 - Rs 0.24 paise), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

			(Rs. In Lacs)	
			As at 31st March 2019	As at 31st March 2018
<b>45 EARNING PER SHARE (EPS)</b>				
(a) Face value of equity shares	Rs.		2.00	2.00
(b) Profit attributable to equity shareholders	Rs. (in Lacs)		2,561.75	2,197.24
(c) Weighted average number of equity shares outstanding	Nos.		940.73	940.73
(d) Weighted average Earning Per Share (Basic and Diluted)	Rs.		2.72	2.34

**46 RESEARCH & DEVELOPMENT EXPENSES**

The Company has in-house R&D centre. The details of revenue/capital expenditure incurred by the said R&D Centre during the year are as follows:-

			(Rs. In Lacs)	
			As at 31st March 2019	As at 31st March 2018
(a) Revenue expenditure charged to Statement of Profit and Loss				
Other Expenses			36.93	16.08
(b) Capital expenditure shown under fixed assets schedule			89.51	102.17
Grand Total			<b>126.45</b>	118.26

KKALPANA INDUSTRIES (INDIA) LIMITED

**Notes to the Financial Statements for the year ended 31st March, 2019**

**47 ASSETS PLEDGED AS SECURITY**

	(Rs. In Lacs)	
The carrying amount of Assets pledged as security for current and non current borrowings are :-	As at 31st March, 2019	As at 31st March, 2018
<b>A. Current</b>		
<u>Financial Assets</u>		
Trade Receivables	31,030.91	33,498.54
Other Current Assets	5,645.46	7,104.12
Cash and Cash Equivalents	1,692.06	1,687.83
 <u>Non Financial Assets</u>		
Inventories	15,714.37	15,543.90
Total Current Assets Pledged as Security	54,082.80	57,834.39
 <b>B. Non Current</b>		
Movable and immovable properties located at Surangi Unit	14,592.81	14,220.24
Movable and immovable properties located at Daman Unit	1,937.92	1,645.17
Movable and immovable properties located at Silvassa Unit	1,535.01	1,511.87
Movable and immovable properties located at Bhasa Unit	611.36	631.70
Movable properties located at Dhulagarh Unit	3,607.22	-
Property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai - 400066		
<u>Exclusive Charge</u>		
Immovable properties located at Bhasa Unit.	-	131.99

Notes -

- 1 Rupee Loan from SBI, HDFC and IDFC are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvassa, Surangi, Daman and Bhasa Units and movable fixed assets at Dhulagarh Unit and 2nd pari passu charge by way of hypothecation over entire current assets, stock and book debts of the company both present and future.
- 2 Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066 and by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and 2nd pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvassa, Surangi, Daman and Bhasa Units and movable fixed assets at Dhulagarh Unit.

**48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED**

	(Rs. In Lacs)			
Particulars	As at 31st March, 2019	%age of Total Con- sumption	As at 31st March, 2018	%age of Total Con- sumption
<b>Raw Materials</b>				
i Imported	56,477.94	32%	66,497.29	44%
ii Indegeneous	119,955.11	68%	84,575.41	56%
<b>Total</b>	176,433.05	100%	151,072.69	100%
 <b>Store, Spare parts and Components</b>				
i Imported	181.19	30%	149.02	35%
ii Indegeneous	432.73	70%	277.65	65%
<b>Total</b>	613.92	100%	426.67	100%

**Notes to the Financial Statements for the year ended 31st March, 2019**

**49 VALUE OF IMPORTS ON CIF BASIS**

Particulars	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	47,869.71	60,564.17
Stors, Spare parts and Components	181.19	150.51
Capital Goods	600.50	140.31
<b>Total</b>	<b>48,651.40</b>	<b>60,854.99</b>

**50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Exports at FOB Value	29,686.29	32,409.19
<b>Total</b>	<b>29,686.29</b>	<b>32,409.19</b>

**51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Travelling	15.76	11.69
Exhibition	30.08	12.99
Interest	129.62	112.46
Other Matters	438.23	5.74
<b>Total</b>	<b>613.69</b>	<b>142.87</b>

**Notes to the Financial Statements for the year ended 31st March, 2019**

**52 CHANGES IN ACCOUNTING STANDARDS AND RECENT ACCOUNTING PRONOUNCEMENTS**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

Previous year figures have been regrouped/rearranged/ reclassified where necessary to correspond with current year figures.

**For B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 28th May, 2019  
Place : Kolkata

**Narrindra Suranna**  
**(DIN: 00060127)**  
Chairman and Managing Director

**Tanvi Panday**  
**(Membership No. ACS 31176)**  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kothari**  
**(DIN: 02168932)**  
Whole Time Director

**Indar Chand Dakalia**  
Chief Financial Officer

## INDEPENDENT AUDITOR’S REPORT

### TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED

#### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **KKALPANA INDUSTRIES (INDIA) LIMITED** (“the parent company”), its subsidiary and associate (herein after to be referred as “the Group”), which comprises of the consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2019, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor’s Response
<p><b>Information Technology (IT) Systems and Controls</b></p> <p>During the year the parent Company has implemented SAP, a new Enterprise Resource Planning (ERP) System. The new system is fully integrated financial accounting and reporting system.</p>	<p><b>Audit Procedures Performed</b></p> <p>We have performed procedures to ensure the migration of financial data between old system and new system.</p> <p>Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing around the new ERP system. We also performed sufficient test of details as a part of our audit.</p>

Key Audit Matters	Auditor's Response
<p>The implementation of ERP has a risk of loss of integrity of key financial data being migrated and elimination of traditional controls without replacing them with the new effective controls measures, monitoring of IT controls which are relating to critical business processes such as purchase, production, sales, inventory and including recording of transactions, which could lead to financial errors or mis-statements and inaccurate financial reporting and also there is risk that automated accounting procedures and related IT manual controls might not work.</p> <p>We have accordingly designated this as a focus area in the audit.</p>	<p>We have performed the test of details for areas where the Management has implemented manual controls during the year including the continuing manual controls as at the year end.</p> <p>We have performed the test of controls regarding the appropriateness of system access and an effective maker and checker system built in the ERP system for proper authorizations of transactions and posting of accounting entries.</p> <p>The combination of these tests of controls and procedures performed, gave us a sufficient evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the financial statements.</p>

**Information Other than the Consolidated Financial Statements and Auditor's report thereon**

The Group Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

The Group Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.  
In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014
  - d) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements of the Company.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements..
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For B.Mukherjee & Co.,  
Chartered Accountants  
Firm Registration No : 302096E**

**B.Mukherjee  
(Partner)  
Mem No : 002941**

**Place: Kolkata  
Date: 28<sup>th</sup> day of May, 2019**

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

**ANNEXURE "A" REFERRED TO IN PARAGRAPH 2(F) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT TO THE MEMBERS OF THE KKALPANA INDUSTRIES (INDIA) LIMITED OF EVEN DATE:**

**Report on the Internal Financial Controls Over Financial Reporting 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 **KKALPANA INDUSTRIES (INDIA) LIMITED ("the Company")** as of 31<sup>st</sup> March 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Group management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 ('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 group 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 Group internal 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 the Standards on Auditing, issued by 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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 Group internal financial controls system over financial reporting.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 Group 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 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B.Mukherjee & Co.,  
Chartered Accountants  
Firm Registration No : 302096E**

**B.Mukherjee  
(Partner)  
Mem No : 002941**

**Place: Kolkata**

**Date: 28<sup>th</sup> day of May, 2019**

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019**

(Rs in Lacs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>A ASSETS</b>			
<b>1 Non-current Assets</b>			
Property, Plant and Equipment	4	24,565.32	23,315.77
Capital Work-in-Progress	5	24.15	410.14
Investment Property	6	1,281.68	1,281.68
Other Intangible Assets	7	18.98	23.45
Goodwill		71.11	49.60
Financial Assets			
(i) Investments	8	241.56	239.04
(ii) Loans	9	-	-
(ii) Other Financial Assets	10	425.77	271.24
Other Non-Current Assets	11	78.01	578.26
		<b>26,706.58</b>	<b>26,169.18</b>
<b>2 Current Assets</b>			
Inventories	12	16,225.47	15,910.87
Financial Assets			
(ii) Trade Receivables	13	30,133.90	33,360.06
(iii) Cash & Cash Equivalents	14	1,883.84	1,697.49
(v) Loans	9	-	-
(vi) Other Financial Assets	10	246.40	350.94
Other Current Assets	15	5,227.65	6,044.41
		<b>53,717.26</b>	<b>57,363.77</b>
<b>Total</b>		<b>80,423.84</b>	<b>83,532.95</b>
<b>B EQUITY &amp; LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share Capital	16	1,881.46	1,881.46
Other Equity	17	29,891.67	27,576.96
		<b>31,773.13</b>	<b>29,458.42</b>
Non Controlling Interest		-	(19.32)
		<b>31,773.13</b>	<b>29,439.10</b>
<b>2 Non Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	18	5,029.86	6,488.50
Provisions	19	163.88	93.98
Deferred Tax Liabilities (net)	20	2,917.35	2,418.47
		<b>8,111.09</b>	<b>9,000.95</b>
<b>3 Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	21	7,027.95	14,441.10
(ii) Trade Payables	22		
- Micro & Small Enterprises		314.32	-
- Others		28,705.45	26,834.00
(iii) Other Financial Liabilities	23	3,224.59	2,653.11
Other Current Liabilities	24	474.14	461.75
Provisions	25	126.56	88.96
Current Tax Liabilities (net)	26	666.61	613.98
		<b>40,539.62</b>	<b>45,092.90</b>
<b>Total</b>		<b>80,423.84</b>	<b>83,532.95</b>

Significant Accounting Policies and other information 1-3  
Contingent liabilities and Other notes to the financial statements.

The accompanying notes form an integral part of the financial statements  
This is the Balance Sheet referred to in our report of even date.

**For B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

For and on behalf of Board of Directors

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Rajesh Kothari**  
(DIN: 02168932)  
Whole Time Director

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 28th May, 2019  
Place : Kolkata

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

**Indar Chand Dakalia**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019**

(Rs in Lacs)

	Note No.	As at 31st March 2019	As at 31st March 2018
<b>I INCOME</b>			
Revenue from Operations	27	198,252.72	175,578.38
Other Income	28	1,226.63	819.56
<b>Total Income</b>		<b>199,479.35</b>	<b>176,397.94</b>
<b>II EXPENSES</b>			
Cost of Materials Consumed	29	172,684.58	150,204.44
Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	30	(940.33)	(106.28)
Excise Duty		-	3,775.43
Employee Benefits Expense	31	4,586.38	2,799.73
Finance Costs	32	5,994.39	5,526.62
Depreciation & Amortization Expense	4-7	1,667.14	1,732.91
Other Expenses	33	11,387.13	9,189.91
<b>Total Expenses</b>		<b>195,379.30</b>	<b>173,122.76</b>
<b>III PROFIT BEFORE SHARE OF PROFIT/(LOSS) FROM INVESTMENT IN ASSOCIATE AND TAX</b>		<b>4,100.06</b>	<b>3,275.18</b>
<b>IV SHARE OF PROFIT/(LOSS) OF ASSOCIATE</b>		<b>2.52</b>	<b>4.33</b>
<b>V PROFIT BEFORE TAX</b>		<b>4,102.58</b>	<b>3,279.51</b>
Tax expense	34		
Current tax		1,330.95	688.62
Mat Credit Entitlement		(2.53)	-
Deferred tax		172.82	563.97
<b>Total Tax expense</b>		<b>1,501.24</b>	<b>1,252.59</b>
<b>VI PROFIT FOR THE YEAR AFTER TAX</b>		<b>2,601.34</b>	<b>2,026.91</b>
<b>VII OTHER COMPREHENSIVE INCOME</b>	35		
i Items that will not be classified to profit and loss		(25.36)	(27.81)
ii Income tax relating to items that will not be classified to profit and loss		8.78	9.62
<b>Total Other Comprehensive Income For The Year</b>		<b>(16.58)</b>	<b>(18.18)</b>
<b>VI TOTAL COMPREHENSIVE INCOME FOR THE YEAR PROFIT/(LOSS) FOR THE YEAR</b>		<b>2,584.75</b>	<b>2,008.73</b>
<b>Attributable to</b>			
Equity Holders of the Parent		2603.02	2044.38
Non Controlling Interest		(1.69)	(17.47)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,601.34</b>	<b>2,026.91</b>
<b>Attributable to</b>			
Equity Holders of the Parent		2586.44	2026.20
Non Controlling Interest		(1.69)	(17.47)
		<b>2,584.75</b>	<b>2,008.73</b>
<b>EARNING PER EQUITY SHARE</b>			
(Face value of Rs 2/- each)			
Basic (Rs.)		2.77	2.17
Diluted (Rs.)		2.77	2.17

Significant Accounting Policies and other information 1-4  
Contingent liabilities and Other notes to the financial statements

The accompanying notes form an integral part of the financial statements  
This is the Statement of Profit & Loss referred to in our report of even date.

**For B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 28th May, 2019  
Place : Kolkata

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kothari**  
(DIN: 02168932)  
Whole Time Director

**Indar Chand Dakalia**  
Chief Financial Officer

**CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2019**

	As at 31st March, 2019	(Rs. In Lacs) As at 31st March, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	4,100.06	3,275.18
Adjustment for:		
Depreciation & amortization expense	1,667.14	1,732.91
Loss/(Profit) on sale of fixed assets	21.12	10.94
Unwinding of Interest on security deposit	(5.96)	(4.62)
Finance cost	5,994.39	5,526.62
Interest income	(75.89)	(137.78)
(Gain)/Loss on remeasurement of Investment at fair value	-	0.01
Other comprehensive income	(25.36)	(27.81)
Provision for Doubtful debts	12.81	(376.31)
Bad debts written off	3.44	27.57
Notional rent on Security deposit	6.90	5.27
	<u>7,598.61</u>	<u>6,756.79</u>
<b>Operating profit before Working Capital changes</b>	<b>11,698.67</b>	<b>10,031.97</b>
<b>Adjustments for Working Capital changes</b>		
Decrease/(increase) in non current financial assets		
Loans		
Other financial assets	(30.98)	(95.38)
Decrease/(increase) in other non current assets	493.35	(405.16)
Decrease/(increase) in inventories	(314.60)	1,445.45
Decrease/(increase) in current financial assets		
Trade receivables	3,209.91	23.82
Loans	-	(667.86)
Other financial assets	104.54	(88.64)
Decrease/(increase) in other current assets	816.76	(2,554.57)
Increase/(decrease) in non current provisions	69.89	39.57
Increase/(decrease) in current financial liabilities		
Trade payables	2,185.78	13,070.82
Other financial liabilities	412.44	(168.97)
Increase/(decrease) in other current liabilities	12.38	149.91
Increase/(decrease) in short term provisions	37.60	(79.01)
	<u>6,997.07</u>	<u>10,669.97</u>
<b>Cash generated from operations</b>	<b>18,695.74</b>	<b>20,701.94</b>
(Tax paid) / refund received (net)	<u>(940.96)</u>	<u>(780.01)</u>
<b>Net cash from operating activities</b>	<b>17,754.78</b>	<b>19,921.93</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	(2,601.61)	(3,054.79)
Sale proceeds of Property, Plant and Equipment	54.25	104.89
Interest receipt on investments	75.89	137.78
Increase in investment in Term deposit	(117.58)	504.70
Purchase of current investments (net)	(0.50)	0.01
<b>Net cash generated / (used) in investing activities</b>	<b>(2,589.54)</b>	<b>(2,307.41)</b>

**CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2019**

**C. CASHFLOW FROM FINANCING ACTIVITIES**

Proceeds from long term borrowings		
Repayment of long term borrowings	<b>(1,654.57)</b>	(338.95)
Increase/(decrease) in short term borrowings	<b>(7,260.07)</b>	(11,843.59)
Dividend paid	<b>(225.78)</b>	-
Taxes on dividend Paid	<b>(45.96)</b>	-
Finance cost	<b>(5,792.51)</b>	(5,316.25)
Net cash from financing activities	<b><u>(14,978.88)</u></b>	<u>(17,498.79)</u>
Net changes in Cash and Bank balances	<b><u>186.36</u></b>	<u>115.72</u>
Net Increase / (-) Decrease in Cash and Bank balances		
Balance at the end of the year	<b>1,883.84</b>	1,697.49
Balance at the beginning of the year	<b><u>1,697.49</u></b>	<u>1,581.77</u>
Net changes in Cash and Bank balances	<b><u>186.36</u></b>	<u>115.72</u>

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements  
This is the Cash Flow Statement referred to in our report of even date.

**For B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No:302096E

**B. Mukherjee**

Partner

Membership No.002941

Date : 28th May, 2019

Place : Kolkata

**Narrindra Suranna**

**(DIN: 00060127)**

Chairman and Managing Director

**Tanvi Panday**

**(Membership No. ACS 31176)**

Company Secretary

For and on behalf of Board of Directors

**Rajesh Kothari**

**(DIN: 02168932)**

Whole Time Director

**Indar Chand Dakalia**

Chief Financial Officer



KKALPANA INDUSTRIES (INDIA) LIMITED

A. EQUITY SHARE CAPITAL (Refer Note No. 16)

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Balance at the year beginning</b>	<b>1,881.46</b>	1,881.46
Changes in equity share capital during the year	-	-
<b>Balance at the year end</b>	<b>1,881.46</b>	1,881.46

B. OTHER EQUITY (Refer Note No. 17)

For the year ended 31st March, 2019

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2018	852.96	5,322.45	3,400.00	18,144.26	(21.15)	27,698.53
Add : For the Year	-	-	-	2,561.75	(16.58)	2,545.17
Less: Equity Dividend	-	-	-	(225.78)	-	(225.78)
Less: Corporate Dividend Tax	-	-	-	(45.96)	-	(45.96)
<b>Balance as at 31st March, 2019</b>	<b>852.96</b>	<b>5,322.45</b>	<b>3,400.00</b>	<b>20,434.27</b>	<b>(37.73)</b>	<b>29,971.97</b>

The accompanying notes form an integral part of the financial statements  
This is the Statement of Equity referred to in our report of even date.

**For B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

For and on behalf of Board of Directors

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Rajesh Kothari**  
(DIN: 02168932)  
Whole Time Director

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 28th May, 2019  
Place : Kolkata

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

**Indar Chand Dakalia**  
Chief Financial Officer

## Notes to the consolidated financial statements for the year ended 31st March, 2019

### 1. COMPANY INFORMATION

Kkalpana Industries (India) Limited (the Company) was incorporated in India on 03rd of September 1985. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE). The registered office is located at 2B Pretoria Street, Kolkata. Plastic Processors and Exporters Pvt Limited is a subsidiary of the Company. The Parent Company along with subsidiary is engaged in the manufacturing of Plastic Compounds.

The consolidated financial statements of the Company for the year ended 31st March, 2019 were authorised for issue in accordance with a resolution of the Board of Directors as on 28.05.2019.

#### Group Overview

The consolidated financial statements comprise financial statements of Kkalpana Industries (India) Limited, Parent Company and its subsidiary and its associate (herein referred as "The Group"). "It is incorporated under the Indian Companies Act, 1956 and its share are listed on the Bombay Stock Exchange".

#### Group Structure

Name of the Company	Country of Incorporation	% of share held by the parent company as at 31st March 2019
<b><u>Subsidiary</u></b>		
Plastic Processor and Exporter Pvt Ltd.	India	99.99%
<b><u>Associates</u></b>		
Kkalpana Plastick Limited	India	36.23%

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### 2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

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

The consolidated financial statements are presented in Indian Rupees (Rs.), which is the Group's functional currency and transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these consolidated financial statements.

#### 2.2 Basis of Consolidation

##### A ) Investment in Subsidiaries

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its powers over the investee. Specifically, the Group controls an investee if and only if the Group has :

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure or rights to variable returns from its involvement with the investee and,

- The ability to use its power over the investee to affect its return.

The Group re-assesses whether or not it control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance

Consolidation Procedure

a) Combine, on line by line basis like items of assets, liabilities, equity, income, expense and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements of the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. In other words, the excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognized as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profit or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full.)

d) Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(i) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(ii) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

e) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If the member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

**B ) Investment in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. unrealised gains and losses resulting from the transaction between the Group and the associate are eliminated to the extent of the interest in the associate.

**2.3 Basis of Measurement**

The consolidated financial statements have been prepared on a historical cost basis (which includes deemed cost as per Ind AS 101), except for the following assets and liabilities which have been measured at fair value:

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

(iii) Defined benefits plans - Plan assets measured at fair value

**2.4 Key Accounting Estimates And Judgements**

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

**Notes to the consolidated financial statements for the year ended 31st March, 2019****3. SIGNIFICANT ACCOUNTING POLICIES****3.1 Revenue Recognition**

The Group recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Group considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Group considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

**A) Variable Consideration**

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

**B) Sale of goods**

Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

**C) Contract balances****Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required before payment of the consideration is due).

**Contract liabilities**

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

**Interest Income**

Interest income is recognised using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

**Dividend Income**

Revenue is recognised when the right to receive the payment is established by the reporting date.

**Other Claims / Receipts**

Insurance claims and other receipts including export incentives, where quantum of accruals cannot be ascertained with reasonable certainty, these receipts are accounted on receipt basis.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

Commission Income

When the Company Acts in the capacity of an agent rather than as the principal in a transaction the revenue recognised is the net amount of the commission earned by the Company.

**3.2 Property, Plant and Equipment**

Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses (i.e. as per Cost Model), if any. Cost comprises purchase price including import duties and other non-refundable duties and taxes, borrowing cost if capitalization criteria are met and other directly attributable cost for bringing the Assets to its present location and condition.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item only when it is probable that future economic benefits embodied within the part will flow to the Group and the cost of the item/part can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising on retirement or disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Property, Plant and Equipment which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work-in-progress".

Items of Property, Plant and Equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

The Assets which are held for Sale shall be reclassified to Current Assets only if its carrying amount will be recovered principally through a sale transaction (within one year) rather than through continuing use.

***Depreciation and Ammortization:-***

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

<b>Particulars</b>	<b>Years</b>
Factory Building	30
Plant & Machinery	25
Electrical Installation	10
Lab Equipments	10
Furniture and Fixtures	10
Motor Car	8
Air Conditioner	15
Scooter, Moped and Cycle	10
Office Equipment	5
Computer	3

Useful life of Plant and Machinery has been considered 25 years as against 15 years as prescribed in Schedule II of the Companies Act, 2013 which is based on the prevailing practices of the comparable industries and our past experience for last 30 years.

**3.3 Intangible Assets**

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The Tangible Assets are derecognised either when they are being disposed off or no future economic benefit is expected from its use or disposal, the difference net disposal proceeds and the carrying amount of Assets is recognised in the statement of Profit and Loss in the period of derecognition.

***Intangible assets are amortised as follows:***

Technical Know How and Computer Software is amortized over a period of 10 years except SAP, a new Enterprise Resource Planning (ERP) System which has been implemented and amortised during the year.

**Notes to the consolidated financial statements for the year ended 31st March, 2019****3.4 Non Current Assets held for Sale**

Non-current assets or disposal groups comprising assets and liabilities are classified as 'held for sale' when all of the following criteria are met : (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

**3.5 Investment Property**

Investment Property comprises Free-Hold Lands that are held for Capital Appreciation as it has been held for a currently undetermined future use and are recognised at cost.

An Investment Property are derecognised either when they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

**3.6 Lease**

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

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

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

**3.7 Impairment of non-financial assets**

As at each balance sheet date, the Group assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:-

- a) In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use ; and
- b) In the case of cash generating unit (a group of asset that generates identified, independent cash flow), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

**3.8 Financial Instruments**

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

**A) Financial Assets****Initial Recognition and measurement of Financial Assets**

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

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

Financial assets are classified, at initial recognition, in the same manner as described in subsequent measurement.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. Effective Interest Rate (EIR) method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts ) through the expected life of the debt instrument or where appropriate, a shorter period to the net carrying amount on initial recognition

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

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

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

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch') that would otherwise arise from measuring financial assets and financial liabilities or recognising the gains or losses on them on different bases.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

If the Group 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 other comprehensive income to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's financial statement) when:

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

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(i) the Group has transferred substantially all the risks and rewards of the asset, or

(ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Write Off

An entity shall directly reduce the gross carrying amount of a Financial Asset when the entity has no reasonable expectation of recovering a financial asset in its entirety or for a portion thereof.

Impairment of financial assets

The Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(a) Financial assets measured at amortised cost

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected Credit Losses are measured through either 12 month ECL or lifetime ECL and it is assessed as following:

For recognition of impairment loss on financial assets, the Group 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 the subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

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

The Group follows a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

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



**B) Financial liabilities**

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

The Group's financial liabilities include loans and borrowings, trade and other payables and derivative financial instruments.

**Subsequent measurement**

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

**(a) 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.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

**(b) Loans and borrowings**

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

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

**(c) Financial Guarantee Contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

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

**Offsetting of financial instruments**

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

**Derivative financial instruments and hedge accounting**

The Group enters into derivative contracts such as forward currency contract, option contract and cross currency and interest rate swaps to hedge foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit or loss.

**3.9 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprises cash in hand, cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cash at banks and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the cash management.

**Notes to the consolidated financial statements for the year ended 31st March, 2019****3.10 Foreign currency Transactions**

The Group's consolidated financial statements are presented in Indian Rupee (Rs.) which is also Group's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rates prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange rate differences that arise on settlement of monetary items or on translating of monetary items at each balance sheet reporting date at the closing rate are recognised as income or expense in the period in which they arise except exchange difference on monetary items that qualify as a hedging instrument in a cash flow hedge are recognised initially in OCI to the extent the hedge is effective.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are reported using the exchange rates prevailing at the date when fair value is determined.

When a gain or loss on non-monetary items is recognised in OCI any exchange component of that gain / loss shall be recognised in OCI, conversaly when a gain or loss on a non-monetary item is recognised in Profit / loss any exchange component of that gain/loss shall be recognised in Profit / Loss.

**3.11 Fair Value Measurement**

The Group 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:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

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

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

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

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

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

**3.12 Inventories****Raw materials**

Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by using the Weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**Finished Goods and Traded Goods**

Inventories are valued at lower of cost and net realisable value. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition and Traded Goods includes purchase price and other cost incurred for bringing the inventories to their present location and condition.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

Stores & Spareparts

Store and Spare Parts are valued at Cost.

**3.13 Employee Benefits**

Short Term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be settled wholly before twelve months after the year end, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. It includes Salary, wages, paid annual leave.

Post Employment Benefits

Defined Contribution Plan

Retirement benefits in the form of contribution to Provident fund are defined contribution plans. The contributions are charged to the statement of profit and loss as and when due monthly and are paid to the Government administered Provident Fund towards which the Group has no further obligation beyond its monthly contribution. Superannuation benefit scheme is not existing in the Group.

Defined benefit plans

The Group operates defined benefit plan viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method.

Defined benefit costs are comprised of:

- a ) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b ) Net interest expense or income; and
- c) Re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

**3.14 Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which it is incurred. Borrowing costs include interest expense calculated using the effective interest rate method as described in Ind AS 109- Financial Instruments, finance charges in respect of finance leases are recognised in accordance with Ind AS 17- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

**3.15 Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax

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

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

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

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

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

Deferred tax assets and liabilities are offset only if:

- (i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or directly in equity. In this case, 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 Group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal tax during the specified period.

**3.16 Provisions, Contingent Liabilities and Contingent Assets**General

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

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

Contingent Liabilities and Assets

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the consolidated financial statements when economic inflow is probable.

**3.17 Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period after deducting any attributable tax thereto for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**3.18 Current and Non-current Classification**

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

An asset is current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle (twelve months),
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period,
- It is cash or cash equivalents 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 (twelve months),
- 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.

All other liabilities are classified as non-current.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**3.19 Business Combination**

Business combinations, if any, are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the Goodwill computed as per IND AS 103 is negative, the acquirer needs to reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If negative goodwill remains, this is recognised immediately in OCI and accumulated in equity as Capital Reserve. The Group recognises any non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the statement of Profit and Loss.

If there is an acquisition of an asset or a group of assets that does not constitute a business. In such cases the Group shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

**Consolidated Schedules for the year ended 31st March, 2019**

**04. Property Plant and Equipment**

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Sales/ Disposals	As at 31-03-2019	As at 01-04-2018*	For the Period	Sales/ Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018*
<b>TANGIBLE ASSETS:</b>										
Free hold land	1,608.30	-	-	1,608.30	-	-	-	-	1,608.30	1,608.30
Factory Building	6,809.87	524.76	15.38	7,319.24	1,158.41	236.93	3.27	1,392.07	5,927.17	5,651.45
Plant & Machinery	15,207.47	1,897.13	66.12	17,038.47	1,189.84	867.79	4.78	2,052.85	14,985.62	14,017.63
Furniture & Fixture	241.61	6.12	-	247.73	52.53	24.86	-	77.38	170.35	189.09
Motor Car	227.71	44.09	-	271.80	60.91	44.54	-	105.45	166.35	166.80
Scooter, Moped & Cycle	1.01	0.65	-	1.66	0.12	0.18	-	0.30	1.36	0.89
Laboratory Equipment	703.51	89.51	-	793.02	110.49	77.52	-	188.01	605.02	593.02
Electrical Installation	1,353.13	180.84	2.28	1,531.68	388.03	182.01	0.36	569.68	962.00	965.10
Office Equipment	59.19	27.82	-	87.01	14.12	14.73	-	28.84	58.16	45.07
Air Conditioner	67.51	3.59	-	71.09	15.15	4.10	-	19.24	51.85	52.36
Computer	36.68	16.54	-	53.22	10.62	13.47	-	24.09	29.14	26.06
<b>Total</b>	<b>26,315.98</b>	<b>2,791.04</b>	<b>83.79</b>	<b>29,023.24</b>	<b>3,000.22</b>	<b>1,466.11</b>	<b>8.41</b>	<b>4,457.92</b>	<b>24,565.32</b>	<b>23,315.77</b>
Previous Year	22,431.98	4,039.01	156.01	26,314.97	1,310.37	1,727.86	40.18	2,998.04	23,316.93	21,121.61

**05. Capital Work In Progress**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Adjustments	As at 31-03-2019	As at 01-04-2018*	For the Period	Adjustments	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018*
Capital Work-in-Progress	410.14	754.41	1,140.40	24.15	-	-	-	-	24.15	410.14
<b>Total</b>	<b>410.14</b>	<b>730.26</b>	<b>1,140.40</b>	<b>24.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.15</b>	<b>410.14</b>
Previous Year	1,401.00	418.75	1,409.61	410.14	-	-	-	-	410.14	1,401.00

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**06. Investment Property**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Sales/ Disposals	As at 31-03-2019	As at 01-04-2018*	For the Period	Sales/ Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018*
Free Hold Land	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
<b>Total</b>	<b>1,281.68</b>	-	-	<b>1,281.68</b>	-	-	-	-	<b>1,281.68</b>	<b>1,281.68</b>
Previous Year	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68

**07. Other Intangible Assets**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2018	Addition during the year	Sales/ Disposals	As at 31-03-2019	As at 01-04-2018*	For the Period	Sales/ Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018*
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	31.56	196.56	-	228.12	8.31	201.03	-	209.34	18.78	23.25
<b>Total</b>	<b>31.77</b>	<b>196.56</b>	-	<b>228.33</b>	<b>8.31</b>	<b>201.03</b>	-	<b>209.34</b>	<b>18.98</b>	<b>23.45</b>
Previous Year	25.12	6.65	-	31.77	4.42	5.05	-	9.48	22.29	20.69

**Other Notes to Note No 04 to 07**

**A Disclosures for Property, Plant & Equipment (PPE), Capital Work-in-Progress (CWIP) and Intangible Assets**

- A1. Refer Note No. 47 for information on property, plant and equipment and Intangible Assets pledged as security by the Company.  
A2. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for the year ended 31st March, 2019 is Rs. 76.07 lacs ( 31st March, 2018: Rs. 70.65Lac)  
A3. There has been no impairment loss on above assets during the year.  
A4. The Company has implemented SAP, a new Enterprise Resource Planning (ERP) System which has been implemented and ammortised during the year.  
A5. \* Refer Note No. 53

**B Disclosures for Investment Property**

- B1. The Company has identified and reclassified Land at West Bengal amounting Rs 1281.67 Lacs. immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use.  
B2. No amount of Income / Expenses has been recognised in Profit and Loss in relation to the above Investment Property.  
B3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.  
B4. The Company has elected optional exemption under Ind AS 101 to measure Investment Property at previous GAAP carrying value.  
B5. Since the Land at West Bengal are partial agricultural in natrue, the management has not determined the Fair Market Value of these properties from the accredited independent valuer and hence the disclosure requirement of fair value has not been furnished.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

(Rs. In Lacs)

**8 FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS**

Face Value Rs.	No. of Shares / Units		Amount	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018

**Equity Instruments - Fully paid up**

Unquoted

(A) Others-At Fair Value Through Profit and Loss					
(i) Panchawati Holiday Resorts Ltd.	10	9,400	9,400	-	-

Quoted

(a) Associate-At Cost					
(i) Kkalpana Plastick Limited	10	2,002,920	2,002,920	241.56	239.04
(b) Others-At Fair Value Through Profit and Loss					
(i) Dena Bank/Bank of Baroda	10	-	14	-	-
(ii) Nicco Corporation Ltd.	2	826,194	826,194	-	-

**Total Investments**

Less: Provision for diminution in the value of Investments				241.56	239.04
				-	-

**Net Investments**

				<b>241.56</b>	<b>239.04</b>
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**Notes:**

Aggregate amount of Quoted Investments and market value thereof

241.56 239.04

Aggregate amount of Unquoted Investments

- -

Aggregate amount of Impairment in the value of Investments

- -

**Total Investment (net)**

241.56 239.04

**9. FINANCIAL ASSETS - LOANS**

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018

(a) Unsecured, considered good Loan to Related Party	-	-	-	-
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**Total**

	-	-	-	-
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There are no loans/ advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or loans/ advances to firms or private companies respectively in which any director is a partner or a director or a member.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

(Rs. In Lacs)

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>10. FINANCIAL ASSETS - OTHERS</b>				
<b>Unsecured, considered good</b>				
(a) Security Deposit	144.37	106.85	65.95	101.70
(b) Investment in Term Deposits (with remaining maturity of more than 12 months)	281.40	163.82	-	-
(c) Derivative Instruments				
Foreign Exchange Forward Contracts	-	-	-	64.74
Foreign Currency Options	-	-	-	22.12
(d) Others - Advances Recoverable from				
Employees	-	-	116.76	82.00
Others	-	-	24.70	49.21
(e) Interest Accrued	-	0.58	38.99	31.17
<b>Total</b>	<b>425.77</b>	<b>271.24</b>	<b>246.40</b>	<b>350.94</b>

	As at 31st March, 2019	As at 31st March, 2018
<b>11. OTHER NON CURRENT ASSETS</b>		
(a) Capital Advances		
(i) Unsecured - considered good	57.53	546.40
(b) Other Advances		
(i) Unsecured, considered good		
- Balance With Government Authorities	-	-
(c) Prepaid Rent	20.48	31.86
<b>Total</b>	<b>78.01</b>	<b>578.26</b>

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>12. INVENTORIES</b>		
(As taken valued and certified by the management) At Cost or NRV whichever is lower		
<b>(a) Raw materials</b>		
- In Stock	11,729.31	12,492.34
- In Transit	447.53	222.40
<b>(b) Finished goods</b>		
- In Stock	3,718.60	2,778.27
<b>(c) Stores and spares- at Cost</b>		
- In Stock	330.02	417.86
<b>Total</b>	<b>16,225.47</b>	<b>15,910.87</b>

- During the year ended 31st March, 2019 and year ended 31st March, 2018 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No - 47 for details of Carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.



**Notes to the consolidated financial statements for the year ended 31st March, 2019**

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>13. TRADE RECEIVABLES</b>		
(a) Unsecured, considered good		
(i) Others	30,765.76	33,979.12
(ii) Related Parties	-	-
	<u>30,765.76</u>	<u>33,979.12</u>
Less: Allowance for bad and doubtful debts	631.86	619.06
<b>Total (Net of Provision)</b>	<u><u>30,133.90</u></u>	<u><u>33,360.06</u></u>

- There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

- The Company has done the Impairment Assessment for Trade Receivables based on expected credit loss model considering the credit risk as significantly low. The Company has used a simplified approach based on a 12 months ECL. A provision matrix has been prepared based on historical credit loss experience adjusted as appropriate to reflect the current conditions and supportable forecast of future economic conditions.

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>14. CASH &amp; CASH EQUIVALENTS</b>		
(a) Balance with banks:		
(i) In Current Accounts	510.39	349.18
(ii) In EEFC Account	310.19	25.03
(ii) In Deposit with Original Maturity of less than 3 months	371.35	58.00
(b) Cash in hand (As certified by the management)	33.14	26.38
(c) Other Bank Balance		
(i) Unpaid Dividend account	22.21	24.58
(ii) Deposits with more than 3 months initial maturity	636.56	1,214.33
<b>Total</b>	<u><u>1,883.84</u></u>	<u><u>1,697.49</u></u>

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>15. OTHER CURRENT ASSETS</b>		
(a) Other Advances		
Unsecured, considered good		
(i) Balances with government departments	4,918.22	5,731.22
(ii) Advance to Suppliers	67.96	100.87
(b) Prepaid Expenses	241.42	212.27
(c) Prepaid Rent	0.04	0.05
Total Other Current Assets	<u>5,227.65</u>	<u>6,044.41</u>
Less: Total Provision for Doubtful Advances/ Debts		
<b>Total (Net of Provision)</b>	<u><u>5,227.65</u></u>	<u><u>6,044.41</u></u>

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

## Notes to the consolidated financial statements for the year ended 31st March, 2019

(Rs. In Lacs)

### 16. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity )

**Authorised Shares**

153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each

**Issued, Subscribed and Paid Up**

940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each

As at 31st March, 2019	As at 31st March, 2018
<b>3,060.00</b>	3,060.00
<b>3,060.00</b>	3,060.00
<b>1,881.46</b>	1,881.46
<b>1,881.46</b>	1,881.46

#### (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)
Equity Shares outstanding at the beginning of the year	<b>94,072,930</b>	<b>1881.4586</b>	94,072,930.00	1,881.46
Equity Shares issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	<b>94,072,930</b>	<b>1,881.46</b>	94,072,930.00	1,881.46

#### (b) Terms/ Rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 2 per share. Each equity shareholder is entitled to one vote per share. The Company had declared and paid dividends in Indian rupee.

In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

#### (c) Details of shareholders holding more than 5% shares in the Company

Sl. No.	Name of the Shareholders	As at 31st March 2019		As at 31st March, 2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Sri Ram Financial Consultants Pvt Ltd	-	-	44,785,170.00	47.61
2	Shyam Baba Trexim Pvt Ltd	-	-	15,551,680.00	16.53
3	Almond PolyTraders Pvt Ltd	<b>7,750,000</b>	<b>8.24</b>	7,750,000.00	8.24
4	Inbara holdings Pvt Ltd.	-	-	7,250,000.00	7.71
5	Bbigplas Poly Pvt Ltd.	<b>69,641,685</b>	<b>74.03</b>	-	-

Note - During the FY 2018-19 Sri Ram Financial Consultants Pvt Ltd, Shyam Baba Trexim Pvt Ltd and Inbara holdings Pvt Ltd. has been merged in Bbigplas Poly Pvt Ltd vide scheme of amalgamation dated 18th December 2018 which is binding with effect from 1st April '2018.

#### (d) Aggregate number of bonus shares issued, shares allotted as fully paidup pursuant to contract without payment being received in cash and shares bought back during the period of five years immediately preceding the reporting date: Nil

### 17. OTHER EQUITY (Refer Statement of Changes in Equity )

(Rs. In Lacs)

#### (a) Security Premium

This reserves are used to record the premium on issue of shares. The reserve would be utilized in accordance with the provisions of the Act.

As per Last Financial Statement  
Add: During the year

As at 31st March, 2019	As at 31st March, 2018
<b>5,322.45</b>	5,322.45
<b>5,322.45</b>	-
<b>5,322.45</b>	5,322.45

#### (b) Capital Reserve and Amalgamation Reserve

As per Last Financial Statement  
Add: During the year

As at 31st March, 2019	As at 31st March, 2018
852.96	852.96
<b>852.96</b>	-
<b>852.96</b>	852.96

Notes to the consolidated financial statements for the year ended 31st March, 2019

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>(c) General Reserve</b>		
As per Last Financial Statement	3,400.00	3,400.00
Add: During the year		
	<b>3,400.00</b>	<b>3,400.00</b>
<b>(d) Retained Earnings</b>		
As per Last Financial Statement	18,022.70	15,978.32
Less: Equity Dividend	(225.78)	-
Less: Corporate Dividend Tax	(45.96)	-
Add: During the year	2,603.02	2,044.38
	<b>20,353.98</b>	<b>18,022.70</b>
<b>(e) Other Comprehensive Income</b>		
As per Last Financial Statement	(21.15)	(2.96)
Add: During the year	(16.58)	(18.18)
	<b>(37.73)</b>	<b>(21.15)</b>
<b>Total Reserves (a+b+c+d+e+f)</b>	<b>29,891.67</b>	<b>27,576.96</b>

	(Rs. In Lacs)			
	Non Current		Current *	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>18. LONG TERM BORROWINGS</b>				
<b><u>Secured</u></b>				
<b>(a) Term Loans</b>				
<b>I From Banks</b>				
(i) Rupee Loan	3022.36286	4626.23047	1,626.58	1,501.58
<b>II From Others</b>				
(i) From Banks - Vehicle Loan	30.3989855	82.0022932	28.08	-
<b>Total (Net) (a)</b>	<b>3,052.76</b>	<b>4,708.23</b>	<b>1,654.66</b>	<b>1,501.58</b>
<b><u>Unsecured</u></b>				
<b>(b) Long term loan</b>				
-Related Party	1977.097892	1780.269282	-	-
<b>Total (Net) (b)</b>	<b>1,977.10</b>	<b>1,780.27</b>	<b>-</b>	<b>-</b>
<b>Grand Total (Net) (a+b)</b>	<b>5,029.86</b>	<b>6,488.50</b>	<b>1,654.66</b>	<b>1,501.58</b>

\* Refer Note No.23

## Notes to the consolidated financial statements for the year ended 31st March, 2019

### Details of terms of repayment of long term borrowings

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
<b><u>Secured</u></b>				
<b>a) Term Loans</b>				
<b>I From Banks</b>				
(i) Rupee Loan-IDFC	1 Year moratorium from the date of 1st disbursement & thereafter payable in 20 equal quarterly installments.	13th Feb 2021	<b>10.20%</b>	01st April 2017
(ii) Rupee Loan-HDFC	Repayable in 15 equal quarterly installments starting from 30th June 2017.	31st Dec 2020	<b>9.00%</b>	24th March 2017
(iii) Rupee Loan-SBI	Will start after completing moratorium period of 2 years. 24 quarterly installment starting from 31st December 2016 in a structured way .	31st Dec 2021	<b>11.50%</b>	31st Dec 2014
(iv) Rupee Loan-HDFC	Repayable in 20 equal quarterly installments after 12 months of moratorium from the date of first disbursement. Repayments to start from 31st March 2018 till 31st December 2022.	31st Dec 2022	<b>9.75%</b>	06th Jan 2017
<b>II From Others</b>				
(i) Vehicle Loan-	60 equal monthly instalment			
<b><u>Unsecured</u></b>				
<b>(b) Long term loan/deposits</b>				
<b>RELATED PARTY</b>				
Bbigplas Poly Pvt. Ltd.	Repayable on Demand after 30th March 2022		<b>4.00%</b>	

### Details of terms of security for long term borrowings

- a) Rupee Loan from SBI, HDFC and IDFC are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvasa, Surangi, Daman and Bhasa Units and movable fixed assets at Dhulagarh Unit and 2nd pari passu charge by way of hypothecation over entire current assets, stock and book debts of the company both present and future.
- b) The unsecured loan from Promoter group Companies namely Sri Ram Financial Consultants Pvt Ltd, Shyambaba Trexim Pvt Ltd, Krishna Commodities Pvt Ltd and Inbara Holdings Pvt Ltd, all of which merged with Bbigplas Poly Pvt Ltd vide NCLT order dated 18th December, 2018 (filed with ROC on 4th Feb 2019), having effect from 1st April, 2018, is subordinated to State Bank of India for their Term Loan outstanding of INR 2123.69 Lacs as on 31.03.2019.
- c) Vehicle Loan are secured by hypothecation against Motor Car.

Notes to the consolidated financial statements for the year ended 31st March, 2019

19. LONG TERM PROVISIONS	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Employee benefits</b>		
(i) Gratuity (Refer Note No. 39(b))	163.88	93.98
<b>Total</b>	<b>163.88</b>	<b>93.98</b>

20. DEFERRED TAX LIABILITIES (NET)	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Liabilities :</b>		
Depreciation and amortization expenses	3,104.58	2,846.93
Items under financial assets and financial liabilities giving temporary differences	322.43	387.89
<b>Total (a)</b>	<b>3,427.00</b>	<b>3,234.82</b>
<b>(b) Assets :</b>		
Items under financial assets and financial liabilities giving temporary differences	41.85	18.57
Provision for doubtful debts & obsolescence	220.80	215.94
MAT Credit Entitlement	247.00	581.84
<b>Total (b)</b>	<b>509.65</b>	<b>816.35</b>
<b>Net Liability (a-b)</b>	<b>2,917.35</b>	<b>2,418.47</b>

Reconciliation of Deferred Tax Assets/ Liabilities (Net):	As at 31st March, 2019	As at 31st March, 2018
	Opening balance as at the beginning of the Year	2,418.47
Tax (benefit) / expense during the period recognised in profit or loss	172.82	563.97
MAT Credit Entitlement	334.84	(581.84)
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	(8.78)	(9.62)
Closing balance as at the end of the Year	<b>2,917.35</b>	<b>2,418.47</b>

21. SHORT TERM BORROWINGS	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Secured</b>		
(a) Loans repayable on demand		
Cash credits from bank *	2,527.95	12,090.36
Working Capital Demand Loan from Bank	4,500.00	-
(b) Other Loans and advances		
Buyer's credit from bank *	-	2,350.74
<b>Total</b>	<b>7,027.95</b>	<b>14,441.10</b>

\* These Loans are repayable on demand and carries interest as applicable from time to time.

\* Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066 and by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and 2nd pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvasa, Surangi, Daman and Bhasa Units and movable fixed assets at Dhulagarh Unit.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>22. TRADE PAYABLES</b>		
(a) Micro & Small Enterprises	314.32	-
(b) Others		
Acceptances secured *	26,834.51	22,781.90
Sundry Creditors for goods	928.39	2,803.20
Sundry Creditors for expenses	942.55	1,248.90
<b>Total</b>	<b>29,019.77</b>	<b>26,834.00</b>

\* Secured by way of hypothecation of stocks and book debts in favor of the Company's banker.

Micro enterprises and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent to the suppliers. Interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 due and remaining unpaid as at March 31, 2019 – Rs 2.53 lacs.

	As at 31st March, 2019	As at 31st March, 2018
<b>23. CURRENT FINANCIAL LIABILITIES-OTHER</b>		
(a) Current maturities of long-term debts (Refer Note No.18 )	1,654.66	1,501.58
(b) Interest payable on Unsecured Loan	233.35	253.06
(c) Interest accrued but not due on borrowings	25.67	-
(d) Unpaid dividends #	22.21	24.59
(e) Derivative Instruments		
(i) Foreign Exchange Forward Contracts	101.58	-
(ii) Foreign Currency Options	5.46	-
(f) Others		
(i) Creditors for Capital Goods	210.91	296.91
(ii) Other Liability	970.76	576.97
<b>Total</b>	<b>3,224.59</b>	<b>2,653.11</b>

# There is no amount due & outstanding to be credited to the Investor Education & Protection Fund.

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>24. OTHER CURRENT LIABILITIES</b>		
(a) Advance payments from customers	357.83	386.39
(b) Other payables		
(i) Statutory dues	116.31	74.75
(ii) Others	-	0.62
<b>Total</b>	<b>474.14</b>	<b>461.75</b>

	As at 31st March, 2019	As at 31st March, 2018
<b>25. SHORT TERM PROVISIONS</b>		
(a) Employee benefits		
Leave encashment (unfunded)	126.56	88.96
<b>Total</b>	<b>126.56</b>	<b>88.96</b>

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>26. CURRENT TAX LIABILITIES</b>		
Income Tax (Net of Payments)	666.61	613.98
	<b>666.61</b>	<b>613.98</b>
<b>27. REVENUE FROM OPERATIONS</b>		
	(Rs. In Lacs)	
	For the Year 2018-19	For the Year 2017-18
<b>(a) Sale of Products</b>		
(i) Polyethylene	122,807.20	88,372.83
(ii) Poly Vinyl Chloride	48,310.54	43,326.23
(iii) Others	27,134.98	43,367.25
<b>(c) Sale of Services</b>		
(i) Commission Received (Refer Note below:-)	-	512.08
Commission relates to sale of Products in which the Company Acts as an agent in the transaction rather than as a Princial in assessing the Companies role to be that of an agent rather than as a principal, the management considered the following factors:-		
a) The Company does not take tittle to the goods and has no responsibility in respect of goods sold.		
b) The Company cannot vary the selling prices set by the supplier.		
c) Credit risk is born by the supplier.		
<b>Total</b>	<b>198,252.72</b>	<b>175,578.38</b>
<b>28. OTHER INCOME</b>		
	For the Year 2018-19	For the Year 2017-18
(a) Interest income	75.89	137.78
(b) Exchange difference other than considered as finance cost (net)	953.55	400.67
(c) Export Incentive	98.99	19.63
(d) Unwinding of Interest on security deposit	5.96	4.62
(e) Fair Value gain or (losses) on derivatives	(107.04)	86.86
(f) Insurance Claim Received	34.38	97.37
(g) Other Miscellaneous Income	164.88	72.62
<b>Total</b>	<b>1,226.63</b>	<b>819.56</b>
<b>29. COST OF MATERIALS CONSUMED</b>		
	(Rs. In Lacs)	
	For the Year 2018-19	For the Year 2017-18
Inventory at the begining of the year	12,714.74	14,437.00
Add: Purchases during the year	172,146.69	148,482.18
Add: Stock In Transit	-	-
Less: Raw Material at the end of the Year	12,176.85	12,714.74
<b>Total Cost of Material Consumed</b>	<b>172,684.58</b>	<b>150,204.44</b>
<u>Details of Raw Material Consumed</u>		
LLDPE/ LDPE	99,244.99	69,469.99
PVC Resin	32,952.14	27,859.59
Plastic Scrap	2,582.33	4,942.43
Other items	37,905.12	47,932.44
	<b>172,684.58</b>	<b>150,204.44</b>

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

	(Rs. In Lacs)	
	For the Year 2018-19	For the Year 2017-18
30. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE		
(a) Stocks at the beginning of the year Finished goods	2,778.27	2,671.99
(b) Less: Stocks at the end of the year Finished goods	3,718.60	2,778.27
<b>Total</b>	<b>(940.33)</b>	<b>(106.28)</b>

	(Rs. In Lacs)	
	For the Year 2018-19	For the Year 2017-18
31. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries, Wages, Bonus and Gratuity	4,395.17	2,649.30
(b) Contribution to Provident and other funds	66.23	53.61
(c) Workmen and staff welfare expenses	124.98	96.82
<b>Total</b>	<b>4,586.38</b>	<b>2,799.73</b>

	(Rs. In Lacs)	
	For the Year 2018-19	For the Year 2017-18
32. FINANCE COSTS		
(a) Interest expense		
(i) To Banks	4,050.40	3,847.47
(ii) To Others	119.17	371.83
(b) Other borrowing costs	1,628.89	1,130.81
(c) Unwinding of Interest	195.93	176.51
<b>Total</b>	<b>5,994.39</b>	<b>5,526.62</b>

	(Rs. In Lacs)	
	For the Year 2018-19	For the Year 2017-18
33. OTHER EXPENSES		
(a) Consumption of Stores and Spare Parts.	221.08	113.55
(b) Power & Fuel	2,941.93	2,261.04
(c) Rent	699.70	613.67
(d) Repair & Maintenance - Building	148.22	91.23
(e) Repair & Maintenance - Machinery	676.26	329.01
(f) Repair & Maintenance - Others	238.84	158.43
(g) Insurance Charges	202.33	173.33
(h) Rates & Taxes	103.65	44.84
(i) Payments to Auditors (Refer Note (i) below)	3.85	6.10
(j) Directors' Fees	3.70	3.20
(k) Bad debts / Advances Written off	3.44	27.57
(l) Loss on sale of fixed assets	21.12	10.94
(m) Selling & Distribution Expenses	4,764.48	4,460.29
(n) Net (gain)/loss on Fair value of Financial Assets through Profit & Loss	-	0.01
(o) Provision for doubtful debts	12.81	(376.31)
(p) CSR expenses (Refer Note No. 38)	83.08	135.50
(q) Miscellaneous expenses	1,262.64	1,137.50
<b>Total</b>	<b>11,387.13</b>	<b>9,189.91</b>

Refer Note :- 1

**Auditors' remuneration and expenses**

Audit fees	3.20	3.20
Tax audit fees	0.65	0.65
Fees for other services	-	2.25
	<b>3.85</b>	<b>6.10</b>



**Notes to the consolidated financial statements for the year ended 31st March, 2019**

	(Rs. In Lacs)	
	For the Year 2018-19	For the Year 2017-18
<b>34. Income Tax</b>		
<b>I Income tax related to items charged or credited directly to profit or loss during the year:</b>		
<b>(a) Statement of profit and loss</b>		
(i) Current Income Tax	1,330.95	688.62
(ii) Mat Credit Entitlement	(2.53)	-
(iii) Deferred Tax expense/ (benefit)	172.82	563.97
	<u>1,501.24</u>	<u>1,252.59</u>
<b>(b) Other Comprehensive Income</b>		
(i) Deferred Tax related to items recognised in OCI during the year:		
- Net expense/(benefit) on remeasurements of defined benefit plans	8.78	9.62
	<u>8.78</u>	<u>9.62</u>
<b>Total (a+b)</b>	<u><u>1,510.02</u></u>	<u><u>1,262.22</u></u>
<b>II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2019 and 31st March, 2018:</b>		
Accounting profit before income tax as per Ind AS	4,102.58	3,279.51
At Income tax rate of 34.944% (31st March, 2018: 34.608%)	1,433.60	1,134.97
Tax effect of items that are not deductible for tax purpose	47.02	59.00
Change in Rate Impact	28.87	-
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	(16.67)	(9.95)
Differential Tax Impact in Subsidiary and Associates	(0.35)	(1.50)
Tax effect of loss from share of subsidiary	-	60.44
At the effective income tax rate of 36.40% (31st March 2018: 37.95%)	<u>1,492.47</u>	<u>1,242.97</u>
Income tax expense reported in the statement of profit and loss	1,492.47	1,242.97
Difference	<u>0.00</u>	<u>(0.00)</u>
<b>35. Other Comprehensive Income</b>	<b>For the Year 2018-19</b>	<b>For the Year 2017-18</b>
<b>i Items that will not be classified to profit and loss</b>		
- Remeasurement gain/ (losses) on defined benefit plans		
Balance as at year beginning	(27.81)	(4.53)
Add: Created during the year	(2.45)	(23.27)
Less: Adjustments		
Balance as at year end	<u>(25.36)</u>	<u>(27.81)</u>
<b>ii Income tax relating to items that will not be classified to profit and loss</b>		
- Remeasurement gain/ (losses) on defined benefit plans		
Balance as at year beginning	9.62	1.57
Add: Created during the year	-	8.05
Less: Adjustments	0.85	-
Balance as at year end	<u>8.78</u>	<u>9.62</u>
<b>Total</b>	<u><b>(16.58)</b></u>	<u><b>(18.18)</b></u>

**Notes to the consolidated financial statements for the year ended 31st March, 2019**  
**OTHER CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rs. In Lacs)

**36 Contingent liabilities & Commitments**

	As at 31st March, 2019	As at 31st March, 2018
A Not Provided for:-		
(a) Claims against the Company not acknowledged as debts - Demand raised by following authorities in dispute:		
(i) Income tax matters	338.77	338.77
<b>B Bank Gurantee</b>	<b>807.88</b>	658.44
<b>C Capital Commitments</b>		
Estimated Value of contracts in Capital account remaining to be executed and not provided for (Net of advances)	76.07	70.65
<b>D Other Commitments</b>		
Letter of Credit	2,572.16	23,185.05

**37 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013**

- A. Loan Given**  
There is no loan given during the year.
- B. Investment Made**  
There are no investments by the Group other than those stated under Note No. 8 in the financial statements.
- C. Securities Given**  
There is no security given during the year.

**38 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

- (a) Gross amount required to be spent by the Group during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. 73.08 lacs (PY Rs. 72 lacs).
- (b) Amount unspent as at 31.3.2019 Rs. Nil (P.Y 31.3.2018 Rs. Nil)
- (c) Amount spent during the year 2018-19 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

	(Rs. In Lacs)	
<b>Sl. Particulars</b>	As at 31st March 2019	As at 31st March 2018
(i) Spent during the year	83.08	135.50
(ii) Yet to Spend	-	-
<b>Total</b>	<b>83.08</b>	135.50

**39 DISCLOSURES AS REQUIRED BY IND AS 19, EMPLOYEE BENEFITS**

	(Rs. In Lacs)	
<b>(a) Defined contribution plans:</b>	As at 31st March 2019	As at 31st March 2018
Contribution to defined contribution plan, recognised as expense for the year as under:		
(i) Employer's contribution to Government Provident Fund, Pension Fund & ESI	63.70	53.04
Total	<b>63.70</b>	53.04

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**(b) Defined benefit plan:**

**Gratuity**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and Other Comprehensive Income accordingly as per Actuarial Valuation Report.. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days' salary for each completed year of service . Vesting occurs upon completion of five continuous years of service in accordance with Indian law. The gratuity fund is separately administered by a Gratuity Fund Trust.

	Gratuity (Funded)	
	As at 31st March 2019	As at 31st March 2018
<b>I Following information are based on report of actuary for employee benefit expenses</b>		
(A) Change in present value of the obligation during the year		
(1) Present value of obligation at year beginning	219.85	172.44
(2) Current service cost	37.54	24.75
(3) Interest cost	16.79	12.73
(4) Benefits paid	(3.70)	(16.40)
(5) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(6) Actuarial (gain) / loss arising from changes in financial assumptions	5.10	(4.48)
(7) Actuarial (gain) / loss arising from changes in experience adjustments	18.05	30.81
(8) Present value of obligation at year end	293.63	219.85
(B) Change in fair value of plan assets during the year		
(1) Fair value of plan assets at year beginning	125.87	118.04
(2) Interest income on plan assets	9.69	9.15
(3) Expected return on plan assets other than interest income	(2.21)	(1.48)
(4) Contribution made by the Employer *	0.10	16.56
(5) Benefits paid	(3.70)	(16.40)
(6) Fair value of plan assets at year end	129.75	125.87
(C) Reconciliation of obligation and fair value of assets		
(1) Present value of the obligation at year end	293.63	219.85
(2) Fair value of plan assets at year end	129.75	125.87
(3) Funded status [surplus / (deficit)]	(163.88)	(93.98)
(D) Expense recognised in the Statement of Profit and Loss		
(1) Current service cost	37.54	24.75
(2) Interest cost	16.79	12.73
(3) Interest income on plan assets	(9.69)	(9.15)
<b>Net cost recognised in Profit or Loss</b>	44.64	28.33
(E) Recognised in Other Comprehensive Income		
(1) Expected return on plan assets other than interest income	2.21	1.48
(2) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(3) Actuarial (gain) / loss arising from changes in financial assumptions	5.10	(4.48)
(4) Actuarial (gain) / loss arising from changes in experience adjustments	18.05	30.81
<b>Net (gain)/ loss recognised in Other Comprehensive Income</b>	25.36	27.81
(F) Net Defined benefit liability/(Asset) Reconciliation		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	93.98	54.41
(2) Defined benefit cost included in P/L	44.64	28.33
(3) Total remeasurement included in OCI	25.36	27.81
(4) Employers contribution*	(0.10)	(16.56)
<b>Net Defined benefit liability/(Asset) at the end of the year</b>	163.88	93.98

\*Note - As per actuarial valuation report contribution made by employer is Rs. 70,000. The difference of Rs. 60,000 is due to the refund pertaining to last financial year adjusted in current financial year by Life Insurance Corporation of India.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**II Maturity profile of defined benefit obligations:**

Year 1	<b>29.52</b>	15.55
Year 2	<b>30.48</b>	72.57
Year 3	<b>43.95</b>	120.18
Year 4	<b>19.60</b>	64.41
Year 5	<b>15.21</b>	24.76
Year 6	<b>53.78</b>	82.98
Year 7	<b>23.03</b>	117.62
Year 8	<b>20.41</b>	85.74
Year 9	<b>18.72</b>	34.12
Year 10	<b>25.64</b>	43.53
Above 10 years	<b>398.08</b>	-
<b>Total expected payments</b>	<b>678.44</b>	661.46

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.17 Years  
(31st March, 2018: 5.52 years).

The best estimate contribution for the company during the next year would be Rs 47.55 lacs  
(31st March, 2018: Rs. 55.61 lacs).

Amount payable upon discontinuance of all employment is INR 339.97 lacs.  
(31st March, 2018: Rs. 263.82 lacs).

**III Experience Adjustments on Present Value of DBO and Plan Assets**

	(Rs. In Lacs)	
	As at 31st March 2019	As at 31st March 2018
(Gain)/Loss on Plan Liabilities	<b>18.05</b>	30.81
% of Opening Plan Liabilities	<b>8.21%</b>	17.87%
(Gain)/Loss on Plan Assets	<b>2.21</b>	1.48
% of Opening Plan Assets	<b>1.75%</b>	1.25%

**IV Quantitative sensitivity analysis for significant assumptions considered for defined benefit obligation (Gratuity):**

Sensitivity analysis presented below represents expected change in present value of defined benefit obligation based on reasonably possible changes in the assumptions occurring at the year end.

	As at 31st March 2019	As at 31st March 2018
Defined Benefit Obligation (Base)	<b>293.63</b>	219.85
(1) One percentage increase in discount rate	<b>271.41</b>	203.04
(2) One percentage decrease in discount rate	<b>319.31</b>	239.31
(3) One percentage increase in rate of salary escalation	<b>319.16</b>	238.79
(4) One percentage decrease in rate of salary escalation	<b>270.99</b>	203.06
(5) One percentage increase in rate of withdrawal rate	<b>296.10</b>	222.09
(6) One percentage decrease in rate of withdrawal rate	<b>290.74</b>	217.28

Notes to the consolidated financial statements for the year ended 31st March, 2019

	As at 31st March 2019	As at 31st March 2018
<b>V Actuarial Assumptions</b>		
(1) Discount rate	7.70%	7.75%
(2) Mortality Rate	IALM (2006-08) Table	
(3) Salary Escalation - First 5 years	6% p.a	6% p.a
(4) Salary Escalation - After 5 years	6% p.a	6% p.a
(5) Expected Rate of Return on Plan Assets	7.70%	7.75%
(6) Disability Rate	5% of Mortality Rate	5% of Mortality Rate
(7) Retirement Age	60 years	60 years
(8) Average Future Service	21.66	21.97
(9) Withdrawal rates , based on age: (per annum)		
Up to 25 years	8.00%	8.00%
26 - 30 years	7.00%	7.00%
31 - 35 years	6.00%	6.00%
36 - 40 years	5.00%	5.00%
41 - 45 years	4.00%	4.00%
46 - 50 years	3.00%	3.00%
51 - 55 years	2.00%	2.00%
Above 56 years	1.00%	1.00%
<b>VI Weighted average Asset allocation (as percentage of total plan assets)</b>		
(1) Equities	-	-
(2) Bonds	-	-
(3) Gilts	-	-
(4) Insurance Policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**40 DISCLOSURES AS REQUIRED BY IND AS 108, OPERATING SEGMENTS**

**(a) Identification of Operating Segments:**

The Company Operate in a Single Reportable Operating Segment i.e. manufacturing and sale of Poly Vinyl Chloride, Polyethylene, Antifab and EP Compound which have similar risk and returns and are of similar nature.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

**(b) Business Segment wise revenue/results/assets/liabilities**

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable.

**(c) Geographical Information**

	(Rs. In Lacs)	
	As at 31st March 2019	As at 31st March 2018
(i) <b>Segment revenue by location of Customers:</b>		
India	168,566.43	143,169.19
Overseas	29,686.29	32,409.19
<b>Total</b>	<b>198,252.72</b>	<b>175,578.38</b>
(ii) <b>Segment Assets by location</b>		
<b>India</b>		
East	7,464.26	6,805.65
West	18,086.37	17,579.37
Others	315.35	235.88
<b>Overseas</b>	-	-
<b>Total</b>	<b>25,865.98</b>	<b>24,620.90</b>

(d) The Group does not have material amount of tangible, intangible assets and non current operating assets located outside India.

(e) Product wise revenue from external customers has been detailed in Note No 27.

(f) Revenue from three customers is INR 21,247.51 (P.Y Rs. 19,471.97) Lacs which is more than 10% of the total revenue of the Group.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**41 DISCLOSURE ON RELATED PARTY TRANSACTIONS**

**(A) Related parties and their relationship with the Group :**

(i)	<b><u>Name of the Related Party</u></b> Mr. Narrindra Suranna Mr. Rajesh Kothari Dr. P.R.Mukherjee Mr. I.C Dakalia Ms. Tanvi Panday Mrs. Tara Devi Surana Mr. Surendra Kumar Surana Mr. Dev Krishna Surana	<b><u>Relationship with the Group</u></b> CEO, Chairman and Managing Director and Promoter (KMP) Whole Time Director (KMP) Whole Time Director (KMP) Chief Financial Officer (KMP) Company Secretary (KMP) Promoter Promoter Promoter & Director
(ii)	<b><u>Relative of Key Management Personnel (KMP) of the Group</u></b> <b><u>Name of the Relative</u></b> Mrs. Tara Devi Surana Mrs. Sarla Devi Surana Mr. Surendra Kumar Surana Mr. Dev Krishna Surana	<b><u>Relationship with KMP</u></b> Mother of Chairman and Managing Director Wife of Chairman and Managing Director Brother of Chairman and Managing Director Son of Chairman and Managing Director
(iii)	Bbigplas Poly Pvt Ltd (refer note below)	Promoter and Holding Company Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the Financial Year 2018-19
(iv)	Sri Ram Financial Consultants Pvt Ltd. Shyambaba Trexim Pvt Ltd. Inbara Holdings Pvt Ltd Krishna Commodeals Pvt. Ltd. (refer note below)	Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the Financial Year 2017-18

Note - During the FY 2018-19 Kkalpana had also entered into transaction with Sri Ram Financial Consultants Pvt Ltd, Shyambaba Trexim Pvt Ltd, Krishna Commodeals Pvt Ltd and Inbara holdings Pvt Ltd (Promoters of the Company) all of which merged with Bbigplas Poly Pvt Ltd vide NCLT order dated 18th December, 2018 (filed with ROC on 4th Feb 2019), having effect from 1st April, 2018.

<b>(B) <u>Disclosure of transactions with Related Parties as on 31.03.2019</u></b>		(Rs. In Lacs)	
<b><u>Nature of transactions</u></b>	<b>Ref. to Note (A) above</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b><u>Remuneration to KMP</u></b>			
Mr Narrindra Surana	(i)	70.00	42.00
Mr Rajesh Kothari	(i)	40.00	40.00
Mr P.R. Mukherjee	(i)	19.00	18.00
Mr I.C. Dakalia	(i)	22.96	20.91
Ms Tanvi Panday*	(i)	7.23	5.50
Mr. A.B Chakraborty **		-	1.93
		<b>159.19</b>	<b>128.33</b>

\* Effective date of joining 1st July 2017. This remuneration is proportionate CTC for period of her service.

\*\* Former Company Secretary of Kkalpana Industries (India) Ltd. resigned at 1st June 2017.

**Interest Expenses**

Bbigplas Poly Pvt Ltd	(iii)	119.17	
Sri Ram Financial Consultants Pvt Ltd.	(iv)		74.75
Shyambaba Trexim Pvt Ltd.	(iv)		35.67
Krishna Commodeals Pvt. Ltd.	(iv)		4.89
Inbara Holdings Pvt Ltd	(iv)		4.03
		<b>119.17</b>	<b>119.34</b>

**Rent**

Sri Ram Financial Consultants Pvt Ltd.	(iv)	76.56	76.56
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**Notes to the consolidated financial statements for the year ended 31st March, 2019**

	Ref. to Note (A) above	(Rs. In Lacs)	
		As at 31st March 2019	As at 31st March 2018
<b><u>Loan Taken &amp; Outstanding at year End</u></b>			
Bbigplas Poly Pvt Ltd*	(iii)	1,977.10	-
Sri Ram Financial Consultants Pvt Ltd.*	(iv)	-	1,124.05
Shyambaba Trexim Pvt Ltd.*	(iv)	-	524.98
Krishna Commodeals Pvt. Ltd.*	(iv)	-	71.87
Inbara Holdings Pvt Ltd*	(iv)	-	59.37
*(Note- After giving effect of IND AS)			
<b><u>Interest Payable</u></b>			
Bbigplas Poly Pvt Ltd	(iii)	233.35	253.06

**42 FAIR VALUE MEASUREMENT**

The fair value 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 following methods and assumptions were used to estimate the fair values:

- (1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.
- (2) Financial instruments with fixed and variable interest rate are evaluated by the Group based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

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

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

**The following tables provides classification of financial instruments and the fair value hierarchy of the Group's assets and liabilities.**

**(a) Disclosure for the year ended 31st March, 2019**

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Trade Receivables	30,133.90	30,133.90	-	-	30,133.90
Loans	-	-	-	-	-
Other Financial assets excluding derivative financial instruments	672.17	672.17	-	-	672.17
Cash & cash equivalents	1,883.83	1,883.83	-	-	1,883.83
	<b>32,689.90</b>	<b>32,689.90</b>	<b>-</b>	<b>-</b>	<b>32,689.90</b>
<b>Assets for which fair values are disclosed</b>					
Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
<b>Total</b>	<b>32,689.90</b>	<b>32,689.90</b>	<b>-</b>	<b>-</b>	<b>32,689.90</b>

## Notes to the consolidated financial statements for the year ended 31st March, 2019

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
<b>(2) Financial Liability</b>					
<b>Financial Liabilities at amortised cost</b>					
Borrowings from Banks and Financial Institutions	13,712.47	13,712.47			13,712.47
Trade Payables	29,019.77	29,019.77			29,019.77
Other Financial liabilities excluding derivative financial instruments	1,462.90	1,462.90			1,462.90
<b>Total</b>	<b>44,195.14</b>	<b>44,195.14</b>	<b>-</b>	<b>-</b>	<b>44,195.14</b>
<b>Financial Liability at fair value through profit or loss</b>					
Derivative financial instruments	107.04	107.04	-	107.04	-
<b>Total</b>	<b>44,302.17</b>	<b>44,302.17</b>	<b>-</b>	<b>107.04</b>	<b>44,195.14</b>

## (b) Disclosure for the year ended 31st March, 2018

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Trade Receivables	33,360.06	33,360.06	-	-	33,360.06
Loans	-	-	-	-	-
Other Financial assets excluding derivative financial instruments	535.32	535.32	-	-	535.32
Cash & cash equivalents	1,697.51	1,697.51	-	-	1,697.51
<b>Total</b>	<b>35,592.89</b>	<b>35,592.89</b>	<b>-</b>	<b>-</b>	<b>35,592.89</b>
<b>Financial Asset at fair value through profit or loss</b>					
Derivative financial instruments	86.86	86.86	-	86.86	-
<b>Total</b>	<b>86.86</b>	<b>86.86</b>	<b>-</b>	<b>86.86</b>	<b>-</b>
<b>Assets for which fair values are disclosed</b>					
Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
<b>Total</b>	<b>35,679.75</b>	<b>35,679.75</b>	<b>-</b>	<b>86.86</b>	<b>35,592.89</b>
<b>(2) Financial Liability</b>					
<b>Financial Liabilities at amortised cost</b>					
Borrowings from Banks and Financial Institutions	22,431.18	22,431.18			22,431.18
Trade Payables	26,834.00	26,834.00			26,834.00
Other Financial liabilities excluding derivative financial instruments	1,151.54	1,151.54			1,151.54
<b>Total</b>	<b>50,416.71</b>	<b>50,416.71</b>	<b>-</b>	<b>-</b>	<b>50,416.71</b>



**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**(c) Description of significant unobservable inputs to valuation:**

Financial Asset/ Liability	Valuation Technique	Significant unobservable input
Trade Receivables	ECL	Realisation pattern or past experience
Loans	DCF using EIR method	Discount rate
Other Financial assets excluding derivative financial instruments	DCF using EIR method	Discount rate
Borrowings from banks and financial institutions	DCF using EIR method	Discount rate

**43 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and advances from customers. The main purpose of these financial liabilities is to finance the Group's operations, projects under implementation and to provide guarantees to support its operations. The Group's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes to be undertaken. The Board of Directors reviews and finalises policies for managing each of these risks, which are summarised below.

**A. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Interest rate risk, Currency risk and Commodity price risk. Financial instruments affected by market risk include investments and deposits, foreign currency receivables, payables, loans and borrowings and derivative financial instruments.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	2018-19	2017-18
	(+/-) 50	(+/-) 50
	Basis Points	Basis Points
<b>Effect on profit before tax due to interest rate sensitivity</b>	<b>92.98</b>	91.43

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

Foreign Currency Exposure		As at 31st March, 2019		As at 31st March, 2018	
		Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
<b>I Hedged</b>					
Forward contracts for Imports	USD	10,900,940	7,540.18	5,550,000	3,609.72
	EURO	155,925	121.15	-	-
Forward contracts for Exports	USD	1,500,000	1,037.55	4,000,000	2,601.60
Option contracts for Exports	USD	400,000	276.68	-	-
<b>II Not hedged</b>					
Trade receivables	USD	4,182,895	2,893.31	3,446,685	2,241.72
	EURO	1,572,616	1,221.92	2,826,250	2,278.52
Trade payables	USD	1,756,303	1,214.83	2,780,438	1,808.40
	EURO	19,280	14.98	405,075	326.57
Foreign currency loan availed under buyers' credit	USD	-	-	3,615,852	2,350.74

**Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of unhedged monetary assets and liabilities.

	(Rs. In Lacs)	
	2018-19 (+/-) 5%	2017-18 (+/-) 5%
<b>Effect on profit before tax</b>		
USD	83.92	(95.92)
Euro	60.35	97.60
	<b>144.27</b>	<b>1.68</b>

**Derivative Financial Instrument**

The group holds Derivative financial instrument such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for this contract is generally a Bank. Although the group believes that these derivatives constitute hedges from an economic perspective these do not qualify for hedge accounting as per IND AS 109, Financial instrument. Since the above derivatives are not designated as hedges, such derivatives are categorised as financial asset or financial liability at fair value through profit & loss.

		As at 31st March, 2019		As at 31st March, 2018	
		Foreign Currency	Fair Value as on 31.03.2018	Foreign Currency	Fair Value as on 31.03.2018
<b>Derivatives not designated as hedges</b>					
Forward Contracts	USD	12,400,940.00	(99.87)	5,550,000.00	64.74
	EURO	155,925.00	(1.71)	-	-
Option Contracts	USD	400,000.00	(5.46)	4,000,000.00	22.12

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

(iii) Commodity price risk

Principal Raw Material for Group's products is variety of plastic polymers which are primarily Derivatives of Crude Oil. Group sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability of polymers for the Group. Group effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy and
4. Prudent hedging policy on foreign currency exposure

Risk committee of the Group comprising members from Board of Directors and operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

**B. Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

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

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Less than 6 months	29,515.31	33,815.94
6 to 12 months	738.08	107.56
more than 12 months	512.37	55.61
<b>Total</b>	<b>30,765.76</b>	<b>33,979.12</b>

(ii) Financial Instruments and Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Credit limits of all authorities are reviewed by the Management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to these entities.

**C. Liquidity Risk**

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, letter of credit, factoring, bill discounting and working capital limits.

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

	(Rs. In Lacs)			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>31st March, 2019</b>				
Borrowings				
Term Loans from Banks	1,626.58	3,022.36		4,648.94
Long Term Loans from Others	28.08	2,007.50		2,035.58
Cash credit from Banks	2,527.95			2,527.95
Buyers credit from Banks	-			-
WCDL from Bank	4,500.00			4,500.00
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,569.93			1,569.93
Trade Payables	29,019.77			29,019.77
	<b>39,272.31</b>	<b>5,029.86</b>	<b>-</b>	<b>44,302.17</b>

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

31st March, 2018	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	1,501.58	4,626.23		6,127.81
Long Term Loans from Others	-	1,862.27		1,862.27
Cash credit from Banks	12,090.36			12,090.36
Borrowing from Bank-Factoring/Bill discounting				-
Buyers credit from Banks	2,350.74			2,350.74
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,151.54			1,151.54
Trade Payables	26,834.00			26,834.00
				-
	43,928.20	6,488.50	-	50,416.71

**44 CAPITAL MANAGEMENT**

A. For the purpose of the Group's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders, including capital reserve and net debt includes interest bearing loans and borrowings except cash and cash equivalents. The primary objective of the Group's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Borrowings	13,712.47	22,431.18
Less: Current investments	-	-
Less: Cash and cash equivalents	1,883.83	1,687.83
<b>(a) Net Debt</b>	<b>15,596.30</b>	24,119.01
<b>(b) Equity</b>	<b>31,773.13</b>	29,579.99
<b>(c) Equity and Net Debt (a+b)</b>	<b>47,369.43</b>	53,698.99
<b>Gearing Ratio (a/c)</b>	<b>32.92%</b>	44.92%

**B. Proposed Dividend**

The Board of directors in its Board meeting held on 28th May 2018 have recommended the payment of a final dividend of Rs 0.12 paise per fully paid up equity share (March 31,2018 - Rs 0.24 paise), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

		(Rs. In Lacs)	
		As at 31st March 2019	As at 31st March 2018
(a) Face value of equity shares	Rs.	2.00	2.00
(b) Profit attributable to equity shareholders	Rs. (in Lacs)	2,561.75	2,197.24
(c) Weighted average number of equity shares outstanding	Nos.	940.73	940.73
(d) Weighted average Earning Per Share (Basic and Diluted)	Rs.	2.72	2.34

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**46 RESEARCH & DEVELOPMENT EXPENSES**

The Group has in-house R&D centre. The details of revenue/capital expenditure incurred by the said R&D Centre during the year are as follows:-

	(Rs. In Lacs)	
	As at 31st March 2019	As at 31st March 2018
(a) Revenue expenditure charged to Statement of Profit and Loss		
Other Expenses	36.93	16.08
(b) Capital expenditure shown under fixed assets schedule	89.51	102.17
Grand Total	<b>126.45</b>	118.26

**47 ASSETS PLEDGED AS SECURITY**

The carrying amount of Assets pledged as security for current and non current borrowings are :-

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>A. Current</b>		
<u>Financial Assets</u>		
Trade Receivables	30,133.90	33,360.06
Other Current Assets	5,474.05	6,395.35
Cash and Cash Equivalents	1,883.83	1,697.51
<u>Non Financial Assets</u>		
Inventories	16,225.47	15,910.87
Total Current Assets Pledged as Security	<b>53,717.25</b>	57,363.78
<b>B. Non Current</b>		
Movable and immovable properties located at Surangi Unit	14,592.81	14,220.24
Movable and immovable properties located at Daman Unit	1,937.92	1,645.17
Movable and immovable properties located at Silvassa Unit	1,535.01	1,511.87
Movable and immovable properties located at Bhasa Unit	611.36	631.70
Movable properties located at Dhulagarh Unit	3,607.22	-
Property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai - 400066		
<u>Exclusive Charge</u>		
Immovable properties located at Bhasa Unit.	-	131.99

Notes -

- 1 Rupee Loan from SBI, HDFC and IDFC are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvassa, Surangi, Daman and Bhasa Units and movable fixed assets at Dhulagarh Unit and 2nd pari passu charge by way of hypothecation over entire current assets, stock and book debts of the company both present and future.
- 2 Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066 and by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and 2nd pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvassa, Surangi, Daman and Bhasa Units and movable fixed assets at Dhulagarh Unit.

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED**

(Rs. In Lacs)

Particulars	As at 31st March, 2019	%age of Total Con- sumption	As at 31st March, 2018	%age of Total Con- sumption
<b>Raw Materials</b>				
i Imported	56,477.94	32%	66,497.29	44%
ii Indegeneous	119,955.11	68%	84,575.41	56%
<b>Total</b>	<b>176,433.05</b>	<b>100%</b>	151,072.69	100%
<b>Store, Spare parts and Components</b>				
i Imported	181.19	30%	149.02	35%
ii Indegeneous	432.73	70%	277.65	65%
<b>Total</b>	<b>613.92</b>	<b>100%</b>	426.67	100%

**49 VALUE OF IMPORTS ON CIF BASIS**

(Rs. In Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	47,869.71	60,564.17
Stors, Spare parts and Components	181.19	150.51
Capital Goods	600.50	140.31
<b>Total</b>	<b>48,651.40</b>	60,854.99

**50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)**

(Rs. In Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Exports at FOB Value	29,899.27	32,409.19
<b>Total</b>	<b>29,899.27</b>	32,409.19

**51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

(Rs. In Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Travelling	15.76	11.69
Exhibition	30.08	12.99
Interest	129.62	112.46
Other Matters	438.23	5.74
<b>Total</b>	<b>613.69</b>	142.87

**Notes to the consolidated financial statements for the year ended 31st March, 2019**

**52 CHANGES IN ACCOUNTING STANDARDS AND RECENT ACCOUNTING PRONOUNCEMENTS**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Group is evaluating the impact of the issued Ind AS 116 on its financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

Previous year figures have been regrouped/rearranged/ reclassified where necessary to correspond with current year figures.

**For B. Mukherjee & Co.**

Chartered Accountants  
Firm Registration No:302096E

**B. Mukherjee**

Partner  
Membership No.002941  
Date : 28th May, 2019  
Place : Kolkata

For and on behalf of Board of Directors

**Narrindra Suranna**  
**(DIN: 00060127)**

Chairman and Managing Director

**Rajesh Kothari**  
**(DIN: 02168932)**

Whole Time Director

**Tanvi Panday**  
**(Membership No. ACS 31176)**  
Company Secretary

**Indar Chand Dakalia**  
Chief Financial Officer

**BUREAU VERITAS**  
Certification

*Kalpna*  
**Kalpna Industries (India) Limited**

SURANGI : SURVEY NO. 32011022, VILLAGE SURANGI, CHIKHALI ROAD, SILVASSA – 396 240 U.T. DADRA & NAGAR HAVELI, INDIA.  
MUMBAI : 106, LAXMI PLAZA, LAXMI INDUSTRIAL ESTATE, NEW LINK ROAD, ANDHERI (WEST), MUMBAI – 400 053, MAHARASHTRA, INDIA.

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System standard detailed below.

Standard  
**ISO 9001:2015**  
Scope of certification

**SURANGI : DESIGN, DEVELOPMENT, MANUFACTURE AND DISPATCH OF COMPOUNDS BASED ON POLYOLEFIN**  
**MUMBAI : MARKETING OF COMPOUNDS BASED ON POLYOLEFIN**

Original cycle start date: 16 November 2008  
Expiry date of previous cycle: 16 November 2017  
Recertification Audit date: 19 September 2017  
Recertification cycle start date: 15 November 2017  
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: 16 November 2020  
Certificate No. IND17.5935UQ Version: 1 Revision date: 15 November 2017

Signed on behalf of BVQC SAS UK Branch  
**Ramesh KOREGAYE**  
Director, CERTIFICATION  
South Asia Region

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**BUREAU VERITAS**  
Certification

*Kalpna*  
**Kalpna Industries (India) Limited**

Appendix to the certification

Standard  
**ISO 9001:2015**  
Scope of certification

**HEAD OFFICE & WORKS: DEVELOPMENT, MANUFACTURE AND SUPPLY OF PVC, PE, EVA BASED COMPOUNDS FOR CABLE, PIPE AND ALLIED INDUSTRIES & PE, PP BASED FILLER MASTER BATCHES FOR PACKAGING AND INJECTION MOULDING**

SITE	ADDRESS	SCOPE
KALPANA INDUSTRIES (INDIA) LIMITED, ANDHERI	106, LAXMI PLAZA, LAXMI INDUSTRIAL ESTATE, NEW LINK ROAD, ANDHERI (W), MAHARASHTRA, INDIA.	MARKETING OF PVC & EVA BASED COMPOUNDS FOR CABLE, PIPE AND ALLIED INDUSTRIES & PE, PP BASED FILLER MASTER BATCHES FOR PACKAGING AND INJECTION MOULDING

Certificate No. IND18.7520UQ Version: 1 Revision date: 06 September 2018

Signed on behalf of BVQC SAS – UK Branch  
**Ramesh KOREGAYE**  
Director, CERTIFICATION  
South Asia Region

UKAS  
0008

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0008

**TEST REPORT N° 114901 - 628815**

Issued to : **KALPENA INDUSTRIES LIMITED**  
106, Laxmi Plaza,  
Laxmi Industrial Estate  
New Link Road, Andheri (West),  
Mumbai – 400 053, India

Item tested : Dumb-bell specimens of compound

Reference : LT-XLPE GRADE :  
1) KI-XL 0304 ABC-SC  
2) KI-XL 0307 04 ABC-SC-1  
3) KI-XL 0304A(ABC-MB)

Date of receipt : July 25<sup>th</sup> 2012

Purpose of the tests : Tests according to the requirements of NF C 33-209: 1996 - 2<sup>nd</sup> publication September 2005, clause 6.2.

Date or period of test : August – October 2012

This test report comprises : 4 pages

Fontenay-Aux-Roses, October 29, 2012  
The Technical Manager,  
**LABORATOIRE CENTRAL DES INDUSTRIES ELECTRIQUES**  
1, Allée de Général Leduc  
F-92400 FONTENAY-AUX-ROSES

Accreditation  
N° 12011  
Pré-accréditation  
Disponible sur  
www.cofrac.fr

**BUREAU VERITAS**  
Certification

*Kalpna*  
**Kalpna Industries (India) Limited**

HEAD OFFICE & WORKS: SURVEY NO. 24 / 3, DEMNI ROAD, VILLAGE – DEMNI, DADRA, DADRA NAGAR HAVELI – 396 193, U.T. INDIA.

This is a multi-site certificate, additional site details are listed in the appendix to this certificate.  
Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System standard detailed below.

Standard  
**ISO 9001:2015**  
Scope of certification

**DEVELOPMENT, MANUFACTURE, MARKETING AND SUPPLY OF PVC, PE, EVA BASED COMPOUNDS FOR CABLE, PIPE AND ALLIED INDUSTRIES & PE, PP BASED FILLER MASTER BATCHES FOR PACKAGING AND INJECTION MOULDING**

Original cycle start date: 04 December 2009  
Expiry date of previous cycle: 14 September 2018  
Recertification Audit date: 23 July 2018  
Recertification cycle start date: 06 September 2018  
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: 03 December 2021  
Certificate No. IND18.7520UQ Version: 1 Revision date: 06 September 2018

Signed on behalf of BVQC SAS UK Branch  
**Ramesh KOREGAYE**  
Director, CERTIFICATION  
South Asia Region

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**KEMA** **TIC 1002-14**

**TYPE TEST CERTIFICATE OF COMPLETE TYPE TESTS**

OBJECT : Single-core power cable  
TYPE : AZXS(F)12Y  
Rated voltage, U<sub>0</sub>/U (U<sub>0</sub>) : 18/30 (36) kV  
Conductor cross-section : 1x185 mm<sup>2</sup>  
Conductor material : AL  
Insulation material : XLPE

MANUFACTURER : FKN DOOEL, Negotino, Macedonia  
CLIENT : FKN DOOEL, Negotino, Macedonia  
TESTED BY : KEMA Nederland B.V., Arnhem, The Netherlands  
DATE(S) OF TESTS : 13 January to 27 February 2014

The object, constructed in accordance with the description, drawings and photographs incorporated in this Certificate, has been subjected to the series of proving tests in accordance with  
**IEC 60502-2 (2005)**  
This Type Test Certificate has been issued by KEMA following exclusively the STL Guides.  
The results are shown in the record of Proving Tests and the oscillograms attached hereto. The values obtained and the general performance are considered to comply with the above Standard and to justify the ratings assigned by the manufacturer as listed on page 4.

This Certificate applies only to the object tested. The responsibility for conformity of any object having the same type references as that tested rests with the manufacturer.  
This Certificate consists of 36 pages in total.  
Copyright: Only integral reproduction of this Certificate is permitted without written permission from KEMA, Eindhoven copies in a .g. PDF format or scanned version of this Certificate may be available and have the status "for information only". The stated and formal version of the Certificate is the only valid version.

KEMA Nederland B.V.  
**S.J.M. Verhoeven**  
Deputy Testing, Inspections & Certification The Netherlands  
Arnhem, 26 March 2014

**KEMA** **TIC 1002-14**

**Insulation**  
- material : XLPE  
- nominal thickness : 8,0 mm  
- material designation : KI-XL-8503  
- manufacturer of the material : Kalpna Industries Limited-India

**Conductor screen**  
- material : Semi-conducting XLPE  
- nominal thickness : 0,6 mm  
- material designation : KI-XLC-09  
- manufacturer of the material : Kalpna Industries Limited-India

**Insulation (core) screen**  
- material : Semi-conducting XLPE  
- strippable : No  
- nominal thickness : 0,7 mm  
- material designation : KI-XLC-09  
- manufacturer of the material : Kalpna Industries Limited-India

**Metal foil or tape, longitudinally applied, Yes**  
**bonded to the oversheath**  
- material : Aluminium  
- nominal thickness : 0,3 mm

**Oversheath**  
- material : PE, type ST  
- nominal thickness : 3,0 mm  
- nominal overall diameter of the cable (D) : 44,5 mm  
- material designation : KT-8502-0366  
- manufacturer of the material : Kalpna Industries Limited-India  
- colour : Black  
- graphite coating applied : No

**Fire retardant (according to IEC 60332-1) : No**

**Manufacturing details insulation system**  
- location of manufacturing : Negotino, Macedonia  
- type of extrusion line : CCV  
- type of extrusion : Triple common extrusion  
- factory identification of extrusion line : 130199  
- manufacturer of the extrusion line : Royle Systems Group  
- curing means : Dry cure (nitrogen)  
- cooling means : Water  
- manufacturing length (where cable sample for testing has been taken from) : 3000 m  
- length markings on cable sample sent to KEMA : Begin: 0088 m, end: 0148m



# BOOK POST



If undelivered, please return to :

**Kkalpana Industries (India) Limited**

(Formerly : Kalpena Industries Limited)

2B, Pretoria Street, Kolkata - 700 071,

Tel : +91-33-2282 3744 /45/3671/99, Fax : +91-33-2282 3739

E-mail : [kolkata@kkalpana.co.in](mailto:kolkata@kkalpana.co.in)

[www.kkalpanagroup.com](http://www.kkalpanagroup.com)