CHEMPLAST CUDDALORE VINYLS LIMITED

Directors' Report

The Directors are pleased to present the Annual Report along with the Accounts for the year ended 31st March 2019.

The name of the Company was changed from Kalamkriya Limited to Chemplast Cuddalore Vinyls Limited and it has come into effect from 17th April 2018.

Under the Scheme of Arrangement approved by National Company Law Tribunal, Chennai Bench vide its certified order dated 26th April 2019, inter alia, the Suspension PVC business of Chemplast Sanmar Limited was demerged as a going concern and vested with this Company, and the Company's (erstwhile) subsidiary SHL Securities (Alpha) Limited was merged with the Company's holding company Sanmar Engineering Services Limited, all with effect from 1st April 2018 being the appointed date.

	2018-19	**2017-18 (Restated)***	2017-18 *
	Rs. Crores	Rs. Crores	Rs. Crores
Sales and Other income	**2059.95**	2060.78	0.33
Profit before interest,depreciation and taxes	**209.21**	254.00	(2.28)
Interest	**63.82**	40.08	0.00
Depreciation	**24.42**	24.04	0.00
Profit / (Loss) before tax	**120.97**	189.87	(2.29)
Reversal/(Provision) for tax			
- Current Tax	**(45.85)**	-	-
- Deferred Tax	**19.25**	(56.84)	0.01
Profit / (Loss) after tax	**94.37**	133.03	(2.28)
Other Comprehensive Income			
- Remeasurement of Defined Benefit Plans	**(0.06)**	(0.30)	0.00
- Income tax expense relating to above items	**0.02**	0.11	0.00
- Revaluation of fixed assets	**680.34**	0.00	0.00
- Income tax expense relating to above item	**(233.96)**	0.00	0.00
Total Other Comprehensive Income for the year	**446.34**	(0.20)	0.00
Total Comprehensive Income for the year	**540.71**	132.84	(2.28)

Pursuant to the scheme of arrangement, the previous period comparatives (2017-18) in the financial statements have been restated to give effect to the scheme in accordance with Indian Accounting Standards. The figures for such prior periods as reported earlier have also been provided as additional information in the Financial Statements

The company earned profit before tax of Rs.120.97 crores for the year ended 31st March 2019, compared to Rs 189.87 crores in the previous year. This was mainly due to reduction in margins and volumes of Suspension PVC. Post taxes, the net profit of the company is Rs.94.37 crores as against Rs 133.03 crores achieved in 2017-18.

With a view to conserve resources, the Directors do not recommend payment of dividend on equity shares for the year 2018-19. The Directors also do not recommend any transfer to reserves.

Fixed assets (Land, Buildings, and Plant & Machinery) were revalued as on 31st March, 2019 based on valuations performed by independent valuers. This resulted in an increase in value of these fixed assets by Rs.680 crores with a corresponding creation of revaluation reserve and appropriate adjustments to deferred tax liability have also been effected.

Operations

PVC Suspension resin Business

The domestic industry for Suspension PVC Resin witnessed a growth of 4.9% during FY18-19. In absolute numbers, the market size stood at 3.20 MMT as against 3.05 MMT during FY17-18. The growth of suspension resin during the year was relatively lower due to diverse factors as tight liquidity, the agrarian distress and slowdown in the construction sector.

Imports surpassed 1.8 MMT, clocking a growth of 9.9% during the year, as supplies by the domestic producers continue to stagnate at 1.4 MMT. With India being an attractive market considering the growth potential coupled with concessional duties from some of the countries in the Far East, producers worldwide with exportable surplus have been pushing their excess volumes at relatively lower prices into the country. Whilst more than two-thirds of the imports into the country are from Asian sources, Europe, the Americas and Middle East/Africa account for the balance one-third of imports of suspension resin.

Prospects

The company is poised to maintain the growth traction. Given the current demand supply gap in the country for Suspension resin coupled with various programs and policy initiatives being implemented at the national level viz. PM Awas Yojana, Nal Se Jal, etc., there is optimism as we move into FY19-20. This coupled with trade barriers like hike in customs duty on PVC resin and final ADD notification on

suspension resin from specified nations, thus ensuring a level playing field for the domestic industry, is likely to result in an improvement in our margins.

Environment

The company continues to place great importance on protecting the environment and managing natural resources responsibly. These principles have been incorporated in all its operational systems, with stringent solid and hazardous waste management processes followed at all plants.

Finance

Your company has established a good track record with the bankers and financial institutions, thereby enjoying their full confidence. Pursuant to the Scheme of Arrangement mentioned hereinabove, the Company has issued and allotted 30,30,303 equity shares of Rs.10 each fully paid to the holding company, Sanmar Engineering Services Limited and this has been given effect to in the financial statements for the year 2018-19.

Change in the Nature of Business

During the year, pursuant to the Scheme of Arrangement mentioned hereinabove, the Company commenced engaging in the business of manufacture and sale of Suspension PVC and other related products. The object clause in the Company's Memorandum of Association was also changed with necessary approval from the Registrar of Companies.

Subsequent to the close of the year, the Company ceased to carry on the business of printing, publishing and artwork.

Risk Assessment and Management

The Company has a well defined Risk Management System. The System ensures that all risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, legal, regulatory, IT, reputational and other risks are identified, impact assessed, mitigation plans are drawn up and these plans are effectively implemented.

Internal Control Systems

Adequate internal controls, systems, and checks are in place, commensurate with the nature of the Company's business and size. The management exercises financial control on the operations through a well defined budget monitoring process and other standard operating procedures.

Internal Financial Control Over Financial Reporting

The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

Deposits

During the year under review, the Company has not accepted any public deposit within the meaning of the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and as on 31st March 2019, the Company did not have any outstanding public deposit.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

The Company has not made any investment or given loans or guarantees under the provisions of Section 186 of the Companies Act, 2013.

Subsidiary/ Associate Companies

Pursuant to the Scheme of Arrangement on merger of the Company's subsidiary SHL Securities (Alpha) Limited with the Company's holding company Sanmar Engineering Services Limited, Sanmar Holdings Limited, Sanmar Speciality Chemicals Limited, Chemplast Sanmar Limited, Sanmar Group International Limited, Sanmar Overseas Investments AG and TCI Sanmar Chemicals S.A.E ceased to be subsidiaries of this Company.

As on date, the Company does not have any subsidiary company.

Particulars of contracts or Arrangement under Section 188 of the Companies Act, 2013

During the year under review, the contracts or arrangements with related parties did not attract the provisions of Section 188 of the Companies Act, 2013.

Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the company

There were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the company and Company's operations in future.

Material Changes and Commitment affecting the financial position of Company that occurred after 31st March 2019

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the Financial Statements relate and on the date of this report.

Directors and Key Managerial Personnel

Ms Lavanya Venkatesh retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

During the financial year 2018-19, Mr K Venkatasubramanian, Mr J Ramdas and Mr M Raman were appointed by the Board of Directors, as Key Managerial Personnel of the Company viz. Chief Executive Officer, Chief Financial Officer and Company Secretary respectively, pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the rules thereunder.

Subsequent to the close of the year Mr N Muralidharan, Director resigned and Mr A Amarnath was appointed in the resultant casual vacancy.

Subsequent to the close of the year, Mr K Venkatasubramanian, Chief Executive Office, Mr J Ramdas, Chief Financial Officer and have resigned. Mr S Krishnan was appointed by the Board of Directors, as Key Managerial Personnel (Chief Financial Officer) of the Company, pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the rules thereunder.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the rules thereunder, the Key managerial Personnel Mr S Krishnan, Chief Financial Officer and Mr M Raman, Company Secretary.

The Company being a wholly owned subsidiary of Sanmar Engineering Services Limited, the provisions of the Companies Act, 2013 relating to the appointment of Independent Directors are not applicable to the Company.

Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013.

a) In the preparation of the annual accounts for the year ended 31st March 2019 the applicable accounting standards have been followed by the company.

b) The Directors have 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 as at 31st March 2019 and of the profit of the company for the year ended that date.

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) The accounts of the company have been prepared on a going concern basis.

e) 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.

f) The Company has laid down internal financial controls to be followed and that such internal financial controls were adequate and operating effectively.

Number of Board Meetings

During the year, the Board of Directors met eight times.

Audit Committee

The Company being a wholly owned subsidiary of Sanmar Engineering Services Limited, is exempted from the provisions of the Companies Act, 2013 relating to the Audit Committee of Directors.

Nomination and Remuneration Committee

The Company being a wholly owned subsidiary of Sanmar Engineering Services Limited, is exempted from the provisions of the Companies Act, 2013 relating to the Nomination and Remuneration Committee of Directors.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out evaluation of its own performance, the directors individually and evaluation of working of the committees of the Board during the financial year 2017-18. As per the criteria laid down by Nomination and Remuneration Committee, the evaluation process contained various aspects of the functioning of the Board and its committees, number of committees and their roles, frequency of meetings, level of participation, and independence of judgement, performance of duties and obligations.

The Board expressed its satisfaction of the performance of all the directors, Board and its committees which reflected the overall engagement of the directors, the Board and its committees with the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Corporate Social Responsibility

The provisions of the Companies Act, 2013 and the rules framed thereunder, relating to Corporate Social Responsibility were not applicable to the Company for the financial year 2018-19.

Auditors

The Company accepted the resignation of the existing statutory auditors of the Company Ramanujam and Boovarahan, Chartered Accountants, Chennai with effect from 24th June 2019 and in accordance with the provisions of Section 139(8) of the Companies Act, 2013 S R Batliboi and Associates LLP, Chartered Accountants, Chennai (Firm Registration No. 101049W/ E300004) were appointed as statutory Auditors of the Company for the financial year 2018-19 in the casual vacancy arising out of resignation of Ramanujam and Boovarahan, Chartered Accountants, Chennai and they hold office upto the conclusion of the ensuing Annual General Meeting.

The Company has received confirmation from the Auditor Firm regarding their consent and eligibility under Section 139 and 141 of the Companies Act, 2013 (Accounts) and rules framed thereunder for appointment as the Auditors of the Company for a period of 4 (four) more years from the conclusion of the forthcoming Annual General Meeting (AGM) until the conclusion of the 32nd AGM of the Company.

Cost Records, Audit and Auditor:

Pursuant to Section 148(1) of the Companies Act, 2013 and rules thereunder, the Company is required to maintain cost records/ accounts as specified therein in respect of its products and the Company maintains cost records/ accounts in the prescribed format.

As per the provisions of Section 148(3) of the Companies Act, 2013, cost audit is not applicable to the company for the financial year 2018-19.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules 2014, the cost audit records maintained by the Company in respect of Suspension PVC are required to be audited. The Board of Directors had appointed M/s Geeyes & Co., Cost & Management Accountants, Chennai (Firm Registration No. 00044) to audit the cost accounts of the Company for the financial year 2019-20.

The Cost Auditors have given a Certificate to the effect that the appointment, if made, will be within the prescribed limits specified under Section 141 of the Companies Act, 2013.

The Company had obtained a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is placed before the Members for their ratification.

Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your company engaged the services of B Ravi & Associates, Company Secretaries, Chennai to conduct the Secretarial Audit of the Company. The Report is annexed herewith as Annexure 3 and forms part of this Report.

Secretarial Standards

The Board confirms compliance with the Secretarial Standards notified by the Institute of Company Secretaries of India, New Delhi and applicable to the Company.

Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on 31st March 2019 is attached as Annexure to this Report and forms part of this Report.

Other Particulars

Additional information on conservation on energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 134(3)(m) of the Companies Act, 2013, read with Rule 9 of the Companies (Accounts) Rules 2014 is set out in Annexure 1 and forms part of this Report.

For and on behalf of the Board

Chennai
August 28, 2019

P S Jayaraman
Director
DIN: 00011108

Lavanya Venkatesh
Director
DIN: 07191585

ANNEXURE 1

Information under Section 134(3)(m) of the Companies Act, 2013 forming part of the Directors' Report for the year ended March 31, 2019.

1. CONSERVATION OF ENERGY

a. Measures Taken:
The company continues to accord high priority to conservation of energy.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a.	Efforts, in brief, made towards technology absorption, adaptation and innovation	:	The Technology transferred to the company has been fully absorbed. Developments, where required, have been carried out by adapting to Indian conditions.
b.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, import substitution, etc.	:	The technology absorption has contributed to substantial savings in foreign exchange by way of import substitution.
c.	In case of imported technology, (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.		Not Applicable

RESEARCH AND DEVELOPMENT (R&D)

The Company's R&D laboratory is engaged in carrying out process/product improvement program. In particular, the areas of focus have been on import substitution, optimizing the utilization of available resources, evolving alternative and more economic processes for the existing range of products and environment conservation.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. Lakhs)
a. Foreign exchange outgo	1,62,701.64
b. Foreign exchange earnings	Nil

Annexure

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U22121TN1991PLC020589
2	Registration Date	09-April-1991
3	Name of the Company	Chemplast Cuddalore Vinyls Limited (Formerly Kalamkriya Limited)
4	Category/Sub-category of the Company	Public Limited Company having share capital
5	Address of the Registered office & contact details	9 Cathedral Road Chennai 600086 TEL: 044 2812 8722 EMAIL: mr1@sanmargroup.com
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N A

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Polyvinyl Chloride	201	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sanmar Engineering Services Limited No.9 Cathedral Road, Chennai 600 086	U65993TN1995PLC030445	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity - Equity Shares of face value of Rs.10 each)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corporate*	299,999,994		299,999,994	100.00%	303,030,297		303,030,297	100.00%	100.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	299,999,994	-	299,999,994	100.00%	303,030,297	-	303,030,297	100.00%	100.00%
** 6 Equity Shares held by 6 nominees of a body corporate*									
(2) **Foreign**									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	299,999,994	-	299,999,994	100.00%	303,030,297	-	303,030,297	100.00%	100.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
	-	-			-	-			
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%

2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas		-	-	0.00%		-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh*		6	6	0.00%		6	6	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	6	6	0.00%	-	6	6	0.00%	0.00%
Total Public (B)	-	6	6	0.00%	-	6	6	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	299,999,994	6	300,000,000	100.00%	303,030,297	6	303,030,303	100.00%	100.00%

** 6 Equity Shares held by 6 nominees of a body corporate*

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Sanmar Engineering Services Limited*	300,000,000	100.00%	100.00%	303,030,303	100.00%	99.00	0%

** Includes 6 equity shares held as nominees of Sanmar Engineering Services Limited*

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sanmar Engineering Services Limited*						
	At the beginning of the year			300,000,000	100.00%		
	Changes during the year		Allotment #	3,030,303	100.00%	303,030,303	100.00%
	At the end of the year			303,030,303	100.00%	303,030,303	100.00%

* Includes 6 equity shares held as nominees of Sanmar Engineering Services Limited

Shares allotted pursuant to Scheme of Arrangement sanctioned by NCLT, Chennai vide its certified copy of the order dated 26.04.2019. This has been given effect to from the appointed date i.e. 01.04.2018.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	NIL			-	0.00%	-	0.00%
	At the beginning of the year						
	Changes during the year						
	At the end of the year						
				-	0.00%	-	0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative	
				No. of shares	% of total shares	No. of shares	% of total shares
1	N Muralidharan, Director*						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			1	0.00%		0.00%
	At the end of the year			1	0.00%	1	0.00%
2	M Raman, Company Secretary*						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			1	0.00%		0.00%
	At the end of the year			1	0.00%	1	0.00%

* Holding 1 equity share each as nominees of Sanmar Engineering Services Limited. They have no beneficial shareholding interest in these shares.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31,418.00	-	-	31,418.00
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	88.04	-	-	88.04
Total (i+ii+iii)	31,506.04		-	31,506.04
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(23,184.28)	-		(23,184.28)
Net Change	(23,184.28)	-	-	(23,184.28)
Indebtedness at the end of the financial year				
i) Principal Amount	8,321.76	-	-	8,321.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	8,321.76	-	-	8,321.76

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	NIL	
	Designation		
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) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others (Contribution to PF and Gratuity)		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs/Lac)
1	Independent Directors	NOT APPLICABLE			
	Fee for attending board/ committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)				-
2	Other Non-Executive Directors	NIL			
	Fee for attending board/ committee meetings				-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount
	Name	NIL	
	Designation		
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) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others (contribution to PF and Gratuity)		
	Total -		

VII. 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)
A. COMPANY : N.A.					
Penalty					
Punishment					
Compounding					
B. DIRECTORS : N.A.					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT : N.A.					
Penalty					
Punishment					
Compounding					

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Chemplast Cuddalore Vinyls Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1.2.2 to the financial statements which describes a composite Scheme of arrangement and the accounting for a common control business combination in accordance with the certified order of the National Company Law Tribunal dated April 26, 2019 approving the same involving the Company with effect from an appointed date of April 1, 2018 with restatement of comparative periods for the effect of this combination in accordance with Ind AS 103. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report and director's report, but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibility of Management for the Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 39 to the Ind AS financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

Arvind.K

per Aravind K
Partner
Membership Number: 221268
UDIN: 19221268AAAABF4068
Place of Signature: Chennai
Date: August 28, 2019

S.R. Batliboi & Associates LLP ★ Chennai ★ Chartered Accountants

Annexure 1 referred to in paragraph 1 of the section on report on other legal and regulatory requirements in our report of even date

Re: Chemplast Cuddalore Vinyls Limited ('the Company')

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

(b) Property, plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

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

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

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

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

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

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause 148(1) of the Act related to the manufacture of the Company's products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the same.

(vii) (a)Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of dues	Amount in Rs. Lakhs	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs Duty	215.80	2011-12 to 2012-13	CESTAT
Central Excise Act, 1944	Excise Duty/ Service tax/ Penalty	46.29	2011-12 to 2014-15	CESTAT

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding debentures or loans from government during the year.

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

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS Financial Statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

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

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, there are no transactions with the related parties which attract the provisions of Sections 177 and 188 of Companies Act, 2013.

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

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

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

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

Arvind.K
per **Aravind K**
Partner
Membership Number: 221268
UDIN: 19221268AAAABF4068
Place of Signature: Chennai
Date: August 28, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CHEMPLAST CUDDALORE VINYLS LIMITED

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

We have audited the internal financial controls over financial reporting of Chemplast Cuddalore Vinyls Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

Aravind K

per **Aravind K**
Partner
Membership Number: 221268
UDIN: 19221268AAAABF4068
Place of Signature: Chennai
Date: August 28, 2019

S.R. Batliboi & Associates LLP ★ Chennai ★ Chartered Accountants

Chemplast Cuddalore Vinyls Limited
Balance Sheet as at March 31, 2019
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2019	As at March 31, 2018 (Restated)*	As at March 31, 2018*
ASSETS				
Non-current assets				
Property, plant and equipment	10	110519.20	44491.54	0.07
Capital work-in-progress		208.44	20.27	-
Financial Assets				
(i) Investments	15	60.00	60.00	265400.55
(ii) Other Financial Assets	16	254.03	213.55	-
Deferred Tax Assets (Net)	29	-	-	2.31
Other non-current assets	17	160.06	216.44	-
		111201.73	45001.80	265402.93
Current assets				
Inventories	18	18736.29	19492.70	-
Financial Assets				
(i) Investments	19	31552.77	-	-
(ii) Trade Receivables	20	499.15	1507.77	1.56
(iii) Cash and cash equivalents	21	5025.43	3024.64	24.30
(iv) Other Bank balances	22	4.10	3.57	3.57
(v) Other Financial Assets	23	457.69	420.17	1.57
Other current assets	24	477.32	390.32	0.61
		56752.75	24839.17	31.61
Total assets		**167954.48**	**69840.97**	**265434.54**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	25	30303.03	30303.03	30000.00
Instruments entirely equity in nature	25b	235630.50	235630.50	235630.50
Other Equity	26	(263929.96)	(318001.41)	(203.60)
Total Equity		2003.57	(52067.88)	265426.90
Liabilities				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	27	8321.76	7653.67	-
(ii) Other Financial Liabilities	28	442.24	509.84	6.18
Deferred Tax Liabilities (Net)	29	30655.98	9186.70	-
Other non-current liabilities	30	865.87	215.79	-
		40285.85	17566.00	6.18
Current liabilities				
Financial Liabilities				
(i) Borrowings	31	-	23764.33	-
(ii) Trade Payables	32	114120.90	76412.35	-
(iii) Derivative liabilities	33	4800.73	138.42	-
(iv) Other financial liabilities	34	3427.40	2179.11	0.24
Other current liabilities	35	1449.45	1848.64	1.22
Current Tax Liability		1866.58	-	-
		125665.06	104342.85	1.46
Total liabilities		165950.91	121908.85	7.64
Total equity and liabilities		**167954.48**	**69840.97**	**265434.54**

*** Refer Note 1.2 & Note 46**

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

per Aravind K
Partner
Membership No: 221268
Place: Chennai
Date: August 28, 2019

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

P S Jayaraman
Director
DIN : 00011108

Lavanya Venkatesh
Director
DIN: 07191585

M Raman
Company Secretary

S Krishnan
Chief Financial Officer

Chemplast Cuddalore Vinyls Limited
Statement of Profit and Loss for the year ended March 31, 2019

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018 (Restated) *	Year ended March 31, 2018 *
Revenue				
Revenue from operations	4	205229.34	205613.86	31.77
Other income	5	766.02	464.06	1.14
Total Income		**205995.36**	**206077.92**	**32.91**
Expenses				
Cost of materials consumed	6	164911.69	145224.93	-
Changes in inventories of finished goods and work-in-progress	7	(3662.98)	3792.82	-
Excise Duty		-	6874.63	-
Employees' benefit expense	8	3319.37	2757.50	21.78
Other expenses	9	20505.90	22028.05	239.40
Depreciation expense	10	2442.11	2404.28	0.02
Finance costs	11	6382.42	4008.39	0.35
Total Expenses		**193898.51**	**187090.60**	**261.55**
Profit / (Loss) before tax		**12096.85**	**18987.32**	**(228.64)**
Tax expense:				
Current Tax	12	(4584.58)	-	-
Deferred Tax		1925.00	(5684.09)	0.68
Profit / (Loss) after tax		**9437.27**	**13303.23**	**(227.96)**
Other Comprehensive Income:	13			
Items that will not be reclassified to Profit or Loss in subsequent periods				
- Remeasurement of Defined Benefit Plans		(5.51)	(30.06)	-
- Income tax expense relating to above item		1.93	10.50	-
- Revaluation of fixed assets		68033.98	-	-
- Income tax expense relating to above item		(23396.21)	-	-
Total Other Comprehensive Income		**44634.19**	**(19.56)**	**0.00**
Total Comprehensive Income for the year		**54071.46**	**13283.67**	**(227.96)**
Basic and Diluted Earnings per share (equity shares, par value Rs 10/- each)	14	**1.75**	**292.53**	**(15.02)**

*** Refer Note 1.2 & Note 46**

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss
This is the Statement of Profit and Loss referred to in our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Aravind K
Partner
Membership No: 221268
Place: Chennai
Date: August 28, 2019

P S Jayaraman
Director
DIN : 00011108

Lavanya Venkatesh
Director
DIN: 07191585

M Raman
Company Secretary

S Krishnan
Chief Financial Officer

S.R. Batliboi & Associates LLP * Chartered Accountants * Chennai

Chemplast Cuddalore Vinyls Limited

Statement of Cash Flows for the year ended March 31, 2019

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

		Year Ended March 31, 2019	Year Ended March 31, 2018 (Restated) *	Year Ended March 31, 2018*
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	12096.85	18987.32	(228.64)
	Adjustments for:			
	Depreciation	2442.11	2404.28	0.02
	Interest and finance charges	6382.42	4008.39	0.35
	(Profit) / Loss on sale of Property, Plant & Equipment (net)	5.52	(4.02)	-
	Share of income from partnership firm	(0.11)	(0.79)	(0.79)
	Provision no longer required written back	168.20	-	-
	Interest Income	(133.17)	(238.51)	(0.31)
	Difference in fair value of derivative instruments	4800.73	(4154.47)	-
	Unrealised (gain) / loss of foreign exchange transactions	(3493.52)	1125.80	-
	Government Grant Income	(434.71)	(13.68)	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	21834.32	22114.32	(229.36)
	Adjustments for changes in:			
	Trade and other receivables	899.99	1300.66	(0.27)
	Inventories	756.41	654.42	-
	Trade and other payables	41369.66	(9257.92)	0.89
	CASH GENERATED FROM OPERATIONS	64860.39	14811.48	(228.75)
	Income taxes paid (net)	(2718.00)	-	(0.57)
	NET CASH FROM OPERATING ACTIVITIES	62142.39	14811.48	(229.32)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase towards Property, Plant & Equipment	(622.55)	(418.05)	-
	Margin Deposits placed/withdrawn with/from bank	(0.53)	-	-
	Share of income from partnership firm	0.11	0.79	0.79
	Interest Income	133.17	238.51	0.31
	Investments (made) / redeemed in Current Instruments	(31552.77)		-
	Investments (made) / redeemed in Non - Current Instruments	-	(265400.55)	(265400.55)
	Proceeds from sale of Property, Plant & Equipment	(5.52)	32.10	-
	NET CASH FROM / USED IN INVESTING ACTIVITIES	(32048.09)	(265547.21)	(265399.45)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**			
	Proceeds from long term borrowings	1747.00	-	-
	Proceeds from Issue of equity shares	-	29995.00	29995.00
	Proceeds from Issue of Debentures	-	235630.50	235630.50
	Proceeds / (Repayment) from/of short term borrowings	(23458.09)	10230.84	-
	Interest and finance charges paid	(6382.42)	(4008.39)	(0.35)
				-
	NET CASH USED IN FINANCING ACTIVITIES	(28093.51)	271856.96	265625.15
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2000.79	21121.23	(3.62)
	Cash and cash equivalents at the beginning of the year	3024.64	136.45	27.95
	Adjustment pursuant to scheme of arrangement (Refer Note 1.2)	-	18233.03	-
	Cash and cash equivalents at the end of the year	5025.43	3024.64	24.30

Notes: Figures in brackets indicate cash outflow

The accompanying notes are an integral part of the financial statements

This is the Statement of Cash Flows referred to in our report of even date

*** Refer Note 1.2 & Note 46**

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Aravind K
Partner
Membership No: 221268
Place: Chennai
Date: August 28, 2019

S.R. Batliboi & Associates LLP * Chartered Accountants * Chennai

P S Jayaraman
Director
DIN : 00011108

Lavanya Venkatesh
Director
DIN: 07191585

M Raman
Company Secretary

S Krishnan
Chief Financial Officer

Chemplast Cuddalore Vinyls Limited
Statement of changes in equity for the year ended March 31, 2019

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	Equity	Other Equity				
	Share Capital	Capital Reserve	Retained earnings	Asset Revaluation Reserve	Capital Redemption Reserve	Total
Balance at April 1, 2017	5.00	(331309.45)	17.26	-	7.10	(331285.09)
Profit for the year	-	-	13303.23	-	-	13303.23
Add: Other Comprehensive Income (Refer Note 13)	-	-	(19.56)	-		(19.56)
Equity shares issued during the year	29995.00	-	-	-	-	-
Balance at March 31, 2018	30000.00	(331309.45)	13300.93	-	7.10	(318001.42)
Adjustment pursuant to scheme (Refer note 1.2)	303.03	-	-	-	-	-
Balance at March 31, 2018 (Restated)	30303.03	(331309.45)	13300.93	-	7.10	(318001.42)
Profit for the year	-	-	9437.27	-	-	9437.27
Add: Other Comprehensive Income (Refer Note 13)	-	-	(3.58)	44637.77	-	44634.19
Balance at March 31, 2019	**30303.03**	**(331309.45)**	**22734.62**	**44637.77**	**7.10**	**(263929.96)**

Statement on Significant Accounting Policies and Notes to the
Financial Statements are an integral part of this Statement of Changes in Equity
This is the Statement of changes in equity referred to in our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

per Aravind K
Partner
Membership No: 221268
Place: Chennai
Date: August 28, 2019

S.R. Batliboi & Associates LLP ★★ Chartered Accountants ★★ Chennai

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

1.1 Corporate Information

Chemplast Cuddalore Vinyls Limited ("the Company") is a public limited company incorporated and domiciled in Chennai. The registered office is located at Cathedral Road, Chennai. As of March 31, 2019, Sanmar Engineering Services Limited owns 100.00% of Chemplast Cuddalore Vinyls Limited's equity share capital and has the ability to control its operating and financial policies.

1.2 Scheme of Arrangement

The Composite Scheme of Arrangement ("Scheme") between the Company, Chemplast Sanmar Limited Limited ("Demerged Company" or "Transferee Company 1"), Sanmar Speciality Chemicals Limited ("Transferor Company 1"), Sanmar Engineering Services Limited ("Transferee Company 2") and SHL Securities (Alpha) Limited ("Transferor Company 2") and their shareholders under section 230 to 232 and other applicable provisions of the Companies Act 2013, was approved by the Board of Directors of all the Companies on December 21, 2018.

The Demerged Company was engaged, inter alia, in the business of manufacture and sale of PVC Resins (Suspension PVC and Speciality PVC resins) and Chlorochemicals.

The Resulting Company was engaged, inter alia, in the business of printing, designing and artwork.

The Scheme, inter alia provided for, with effect from 1st April 2018, being the Appointed Date, the demerger, transfer and vesting of the Demerged Undertaking from Demerged Company to the Resulting Company on a going concern basis, and the consequent issue of shares by the Resulting Company (as defined hereinafter) in the manner set out in the Scheme ("Demerger").

The salient features of the Scheme are as under:

(a) "Demerged Undertaking" means, inter alia, the undertaking of the Demerged Company engaged in Suspension PVC business as a going concern, including the entire business of such undertaking;

(b) The Demerged Company and the Resulting Company made composite applications and / or petitions under Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013 and rules thereunder to the National Company Law Tribunal, Chennai ("Tribunal / NCLT") for sanction of this Scheme and all matters ancillary or incidental thereto;

(c) The Demerged Undertaking along with all its assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. shall, without any further act, instrument or deed, shall be demerged from Demerged Company and transferred to and be vested in or be deemed to have been vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in the Scheme;

(d) The Scheme of Arrangement with regard to the Demerger has become effective from the Appointed Date i.e. 1st April 2018 but operative from the Effective Date i.e. 20th May 2019 being the date of filing of a certified copy of the Order of NCLT by the Demerged Company and the Resulting company with the Registrar of Companies, Tamil Nadu, Chennai.

(e) The shares held by the Resulting Company in Transferror Company 2 SHL Securities (Alpha) Limited on the Effective Date shall stand cancelled and the amount of such investment cancelled shall be adjusted to Capital Reserve.

(f) Equity Share Capital of the Resulting Company:

The Resulting Company has issued and allotted 250 Fully Paid-up Equity Shares of Rs.10 each for every 66 Fully Paid-up Equity Shares of Rs.10 each of the Demerged Company held by the Shareholders as at the record date of the Demerged Company other than Transferor Company 1

1.2.1 ***Capital Reserve***

i) Merger of Transferor Company 2 into the Company: The difference of Rs.279215.22 lakhs being the net assets transferred to the Company as reduced by Reserves recorded in the Company and as reduced by the share capital issued pursuant to the scheme and after giving effect to inter-company balances, shall be adjusted to the Capital Reserve of the Company.

ii) Demerger of Suspension PVC Undertaking : The difference of Rs.52094.23 lakhs being the excess of Carrying value of assets over liabilities of the Demerged Undertaking shall be adjusted to the Capital Reserve of the Company.

1.2.2 Accounting for Business Combination

The Composite Scheme of Arrangement ("Scheme") as referred to in Note 1.2 of the financial statements was approved by the National Company Law Tribunal on April 29, 2019 and filed with the Registrar of Companies on May 22, 2019. The scheme has become effective from the appointed date i.e., April 1, 2018. Accordingly, the financial information pertaining to the Demerged Undertaking of the Demerged Company have been included in all reporting periods presented. The Comparative figures pertaining to the Demerged Undertaking of the Demerged Company for the year ended March 31, 2018 are included in the financial statements based on their audited financials for the same period.

Accounting Treatment:
The Company has followed the accounting treatment prescribed in the said approved Scheme of Arrangement (to the extent applicable to it) as follows:

The merger has been accounted under the 'pooling of interest' method in accordance with Appendix C of Ind AS 103 'Business Combinations'. Accordingly, the Company has recorded all the assets and liabilities pertaining to the Demerged Undertaking of the Demerged Company at their respective book values as appearing in the financial statements of the Demerged Company as on April 1, 2017.

Pursuant to the scheme of arrangement in Note 1.2 the previous period comparitives have been restated to give effect to the scheme in accordance with Ind AS 103.

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2 Basis of Preparation

2.1 Changes in accounting policies

2.1.1 *Revaluation of property, plant and equipment*

The Company re-assessed its accounting for Property, Plant and Equipment with respect to measurement of a certain classes of property, plant and equipment after initial recognition. The Company had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the assets were carried at cost less accumulated depreciation and accumulated impairment losses.

On 31 March 2019, the Company had elected to change the method of accounting for land, buildings and plant and equipment classified as property, plant and equipment, as the Company believes that the revaluation model provides more relevant information to the users of its financial statements. In addition, available valuation techniques provide reliable estimates of the land, buildings and plant and equipment's fair value. The Company applied the revaluation model prospectively. After initial recognition, these assets are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses

2.1.2 *Revenue from Contracts with Customers*

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

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers

The Company adopted Ind AS 115 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1st April 2018. Other amendments and interpretations were also applied for the first time during the current year, but do not have an impact on the financial statements of the Company.

2.2 Statement of Compliance:

These financial statements of the Company have been prepared and presented from April 1, 2018 to March 31, 2019 ("year") in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value (also refer accounting policy regarding financial instruments):
a. Derivative financial instruments
b. Investment in unquoted equity shares
c. Property, Plant and Equipment under revaluation model

The financial statements are presented in INR and are rounded off to the nearest lakh, except when otherwise indicated. These financial statements were authorised for issue by the Company's Board of Directors on August 28, 2019

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

All other assets and liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
Based on the nature of products/activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

3 Significant Accounting Policies

3.1 Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing as on the date of the respective transactions. Monetary assets and liabilities denominated in foreign currency are converted at year end rates. Exchange differences arising on settlement / conversion are adjusted in the Statement of Profit and Loss.

3.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability
• 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.
The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
► Disclosures for valuation methods, significant estimates and assumptions (Note 44)
► Quantitative disclosures of fair value measurement hierarchy (Note 36.9)
► Investment in unquoted equity shares (Note 15)

3.3 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. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.
Initial recognition and measurement:
Financial assets and financial liabilities are initially measured at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.
Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3.1 Financial Assets

i. Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
ii. Subsequent measurement
For purposes of subsequent measurement, financial assets are classified as:
a. Debt instruments at amortised cost;
b. Derivatives and equity instruments at fair value through profit or loss (FVTPL);
c. Investments at cost.

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a. Debt instruments at amortised cost;
A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) 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. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 36.2.2.

b. Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.
All equity investments in scope of Ind AS 109 are measured at fair value Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies 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.
Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement. Fair value is determined in the manner described in Note 36.9.

C. Investments at cost:
Investment in jointly-controlled entities and associates are carried at cost in the Separate Financial Statements as permitted under Ind AS 27.

3.3.1.1 Impairment of financial assets

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

• Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance :
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. For recognition of impairment loss on other 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 a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically 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.

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

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

3.3.1.2 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3.3.2 Financial liabilities and equity instruments

3.3.2.1 Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument as per Ind-AS 32.

3.3.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.3.2.3 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings:

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or 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.

This category generally applies to borrowings. For more information refer Note 36.2.2.

3.3.2.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of profit and loss. Fair value is determined in the manner described in Note 36.9.

3.3.2.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.3.3 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.

3.3.4 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense / income over the relevant period. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) but does not consider the expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.3.5 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts,. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately

3.4 Property, plant and equipment

3.4.1 Recognition and measurement

As detailed in Note 2.1.1, effective March 31, 2019, the Company has changed its method of acounting for certain categories of Property plant and equipmentProperty, Plant & Equipment are initially recognised at cost.

After recognition land is measured at revaluation model. Buildings and plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in statement of profit or loss. A revaluation deficit if any, is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The gross carrying amount was restated with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. The accumulated depreciation at the date of the revaluation was eliminated against the gross carrying value of the assets and the net amount restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Cost includes purchase price, including duties and non-refundable taxes, costs that are directly relatable in bringing the assets to the present condition and location. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Apart from the above,the Company follows the cost model for Motor cars, Office equipments, Furniture & Fittings.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.
Depreciation is calculated on the useful lives stipulated under Schedule II of the Companies Act, 2013, on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Useful life
Buildings	30 years
Plant and equipment	1 year - 25 years
Vehicles	3 years - 6 years
Computers and peripherals and motor cars	3 years
Office equipments	3 years - 5 years
Furniture and fixtures	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all applicable costs incurred for bringing the inventories to their present location and condition and include appropriate overheads wherever applicable.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.6 Retirement and Employees benefits

Short term employees' benefits including accumulated compensated absence are recognized as an expense as per the Company's Scheme based on expected obligations on undiscounted basis. The present value of other long-term employees benefits are measured on a discounted basis as per the requirements of Ind AS 109.

Post-Retirement benefits comprise of employees' provident fund and gratuity which are accounted for as follows:

Provident Fund:
This is a defined contribution plan and contributions made to the fund are charged to revenue. The Company has no further obligations for future provident fund benefits other than annual contributions.

Gratuity:
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company make annual contributions to gratuity funds administered by Life Insurance Corporation of India. The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.
Remeasurement comprising actuarial gains and losses and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of profit or loss.

Termination benefits are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

3.7 Revenue recognition

Revenue from contracts with customers:
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks

Sale of goods:
Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Service Income:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Share of income from partnership firm
Share of income from partnership firm is recognized on receipt of the partnership firm's audited statement of profit and loss account for the year, disclosing the respective share of income after income tax.

Interest income
Interest income is recognized using the effective interest rate (EIR) method.

3.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessor:
A lease is classified at the inception date as a finance lease or an operating lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee.

Company as a lessee:
Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in Finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease charges are charged to Statement of Profit and loss on straight line basis over the lease term.

3.9 Taxes

Income Tax
Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is accounted for using the liability method by computing the tax effect on the tax bases of temporary differences at the reporting date. Deferred tax is calculated at the tax rates enacted or substantively enacted by the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
• when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of any unused tax losses and unabsorbed depreciation. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
• when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised only if there is a reasonable certainity, with respect to unabsorbed depreciation and business loss, that they will be realised.

Current tax / deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax / deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

Minimum Alternate Tax (MAT)
MAT paid in a year is charged to the statement of profit and loss as current tax for the year. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax during the specified period. i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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3.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with anoriginal 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 and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.11 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

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

3.12 Government grants

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

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets owned by the company are assessed as finite.

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

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

3.14 Borrowing costs:

Borrowing costs 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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.15 Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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3.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

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	Year ended March 31, 2019	Year ended March 31, 2018 (Restated) *	Year ended March 31, 2018
Note : 4			
Revenue			
Revenue from the sale of goods *	205150.10	205551.61	-
Artwork and designing charges	19.15	17.33	17.33
Agency commission	12.03	12.86	12.86
Advertisement charges received	3.79	1.58	1.58
Other operating revenue			
Revenue from sale of scrap	44.27	30.48	-
	205229.34	205613.86	31.77
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:			
Revenue as per Contracted Price	209043.05	210779.03	31.77
Adjustments towards:			
Volume Rebates	2035.85	2774.34	-
Other discounts	1857.10	2453.88	-
Revenue as per statement of profit and loss	**205150.10**	205551.61	31.77

* 1. The entire revenue is recognised at a point in time coinciding with the transfer of control over goods and services as per Ind AS115

2. Revenue from operations for the period up to June 30, 2017 includes excise duty. From July 1, 2017 excise duty and most Indirect taxes have been replaced with Goods and Service Tax (GST). GST is not includible in revenue from operations (Refer Note 3.6 of Accounting Policy). In view of aforesaid changes in indirect taxes, revenue from operations for the period ended March 31, 2019 is not comparable with March 31, 2018

Note : 5			
Other income			
Share of income from partnership firm	0.11	0.79	0.79
Gain on disposal of property, plant and equipment (net)	-	4.02	-
Provisions no longer required written back	168.20	-	-
Amortization of government grant	434.71	13.68	-
Interest Income on financial assets at amortised cost	133.17	238.51	0.31
Miscellaneous income	29.83	207.06	0.04
	766.02	464.06	1.14
Note : 6			
Cost of materials consumed			
Inventories of materials at the beginning of the year	16577.57	12656.10	-
Add: Purchases	160780.69	149146.40	-
Less: Inventories of materials at the end of the year	12446.57	16577.57	-
	164911.69	145224.93	-
Note : 7			
Changes in inventories of finished goods and work in progress			
Inventories at the beginning of the year			
Work in progress	244.95	136.05	-
Finished goods	934.63	5552.24	-
	1179.58	5688.29	-
Inventories at the end of year			
Work in progress	152.67	244.95	-
Finished goods	4689.89	934.63	-
	4842.56	1179.58	-
Excise duty on closing stock of finished goods	-	-	
Less: Excise duty on opening stock of finished goods	-	(715.89)	-
	-	(715.89)	-
	(3662.98)	3792.82	-
Note : 8			
Employees' benefit expense			
Salaries and wages	3128.16	2602.50	20.12
Contribution to provident and other funds	79.46	71.05	0.86
Gratuity Expense	16.97	0.79	0.72
Staff welfare expenses	94.78	83.17	0.09
	3319.37	2757.51	21.78

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	Year ended March 31, 2019	Year ended March 31, 2018 (Restated) *	Year ended March 31, 2018
Note : 9			
Other expenses			
Power and fuel	5036.61	5088.66	-
Stores consumed	4424.07	4033.34	-
Rent	319.60	341.38	1.20
Insurance	269.59	244.74	-
Rates and taxes	97.42	300.74	226.06
Repairs and maintenance			
- Machinery	784.89	873.45	-
- Building	76.91	108.31	-
- Others	409.25	560.60	1.54
Freight and handling	1559.39	1717.35	-
Difference in foreign exchange (net) *	4008.49	5349.92	-
Operation & Maintenance expenses	963.65	813.89	-
Payment to auditor ^	36.89	34.74	0.11
Miscellaneous expenses	2439.14	2540.93	10.49
	20505.90	22028.05	239.40

*Net of fair value gain on derivative instruments at FVTPL of Rs. 4662.31.74 lakhs (2017-18:Loss Rs. 4346.45 Lakhs)

^ Payment to auditor			
For Statutory Audit	29.37	27.06	0.06
For Tax Audit	4.91	4.59	-
For Other Services	2.19	2.71	0.05
For Reimbursement of Expenses	0.42	0.38	-
	36.89	34.74	0.11

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	Year ended March 31, 2019	Year ended March 31, 2018 (Restated) *	Year ended March 31, 2018
Note : 11			
Finance costs			
Interest on bank overdrafts and loans	3024.52	1933.62	-
Other finance costs	3301.99	1995.22	-
Bank charges	55.91	79.55	0.35
	6382.42	4008.39	0.35
Note: 12			
Income tax expenses			
Current Tax:			
Current Income tax charge	4584.58	-	-
Deferred tax:			
Relating to origination and reversal of temporary differences	(1925.00)	5684.09	(0.68)
Income tax expense reported in statement of profit and loss	2659.58	5684.09	(0.68)
Other comprehensive income (OCI):			
Net loss/(gain) on remeasurements of defined benefit obligations	(1.93)	(10.50)	-
Net loss/(gain) on remeasurements of revaluation of fixed assets	23396.21	-	-
Income tax charged to OCI	23394.28	(10.50)	-

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

The tax on the company's profit before tax differs from the theoritical amount that would arise using the standard rate of corporation tax in India (29.12%) as follows:			
Accounting profit before tax	12096.85	18987.32	-
Profit before Income tax multiplied by standard rate of corporate tax in India (29.12%) as follows:	3522.60	5529.11	-
Effects of:			-
Impact of Government grant being recognised on below-par loan from Government	(126.59)	(3.98)	-
Leashold land rent charges claimable under Income Tax	(350.84)	-	-
Others	(385.60)	158.96	-
Net effective Income tax	2659.58	5684.09	-

Note 13

Components of Other Comprehensive Income (OCI)

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

	Retained Earnings	Revaluation surplus	Total
During the year ended 31 March 2019			
Re-measurement gains/(losses) on defined benefit obligations	(3.58)	44637.77	44634.19
During the year ended 31 March 2018 (Restated)			
Re-measurement gains/(losses) on defined benefit obligations	(19.56)	-	(19.56)
During the year ended 31 March 2018			
Re-measurement gains/(losses) on defined benefit obligations	-	-	-

Note 14

Earnings per share [EPS]:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

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

Earnings per share :			
Profit/(Loss) after tax	9437.27	13303.23	(227.96)
Earnings used in the calculation of earnings per share	9437.27	13303.23	(227.96)
Weighted average number of Equity shares for EPS	538660803	4547647	1517344
Basic and diluted earnings per share			
Basic earnings per share	1.75	292.53	(15.02)
Diluted earnings per share	1.75	292.53	(15.02)

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2019 - continued

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note : 10

Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Cost or valuation								
Balance at April 01, 2017	-	-	-	12.09	0.32	0.23	-	12.64
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance at March 31, 2018	-	-	-	12.09	0.32	0.23	-	12.64
Adjustments *	5521.35	667.12	3322.33	39582.81	98.17	44.67	74.80	49311.25
Balance at March 31, 2018 (Restated)	5521.35	667.12	3322.33	39594.90	98.49	44.90	74.80	49323.89
Additions	-	336.88	-	79.54	1.43	0.09	27.34	445.28
Disposals	-	-	-	-	-	-	11.83	11.83
Adjustments towards revaluation	194.09	3047.56	3269.40	54332.35	-	-	-	60843.40
Balance As at March 31, 2019	5715.44	4051.56	6591.73	94006.79	99.92	44.99	90.31	110600.75
Accumulated depreciation and impairment								
Balance at April 01, 2017	-	-	-	12.00	0.32	0.23	-	12.55
Depreciation expense	-	-	-	0.02	-	-	-	0.02
Eliminated on disposals of assets	-	-	-	-	-	-	-	-
Balance at March 31, 2018	-	-	-	12.02	0.32	0.23	-	12.57
Adjustments *	-	15.03	583.78	4173.04	21.08	11.99	14.86	4819.78
Balance at March 31, 2018 (Restated)	-	15.03	583.78	4185.06	21.40	12.22	14.86	4832.35
Depreciation expense	-	7.80	292.81	2118.15	13.25	3.77	6.33	2442.11
Eliminated on disposals of assets	-	-	-	-	-	-	2.34	2.34
Adjustments towards revaluation**	-	(22.82)	(876.59)	(6291.16)	-	-	-	(7190.57)
Balance As at March 31, 2019	-	-	-	12.05	34.65	15.99	18.85	81.55
Balance As at March 31, 2019	5715.44	4051.56	6591.73	93994.75	65.27	29.00	71.46	110519.20
Balance As at March 31, 2018 (Restated)	5521.35	652.09	2738.55	35409.84	77.09	32.68	59.94	44491.54
Balance As at March 31, 2018	-	-	-	0.07	-	-		0.07

* Adjustment pursuant to the Scheme of Arrangement (Refer Note 1.2)

** This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued assets

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Note : 10
Property, plant and equipment (continued)

Revaluation of Property, Plant and Equipment

Fair value of property, plant and equipment was determined by using the market value method for Freehold land and Depreciable Replacement Cost method (DRC) for Buildings and Plant & Equipment.This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation of 31 March 2019 , the properties' fair values are based on valuations performed by RBSA Valuation Advisors LLP an accredited independent valuer who has relevant valuation experience in India.

Information of revaluation model:

If Property, plant and equipment were measured using the cost model, the carrying amounts would be as follows:

Net book value	**31-Mar-19**	**31-Mar-18**
	INR lacs	INR lacs
Cost	49757.35	49323.89
Accumulated depreciation and impairment	7272.12	4832.35
Net carrying amount	**42485.23**	**44491.54**

Fair Value Hierarchy for Property, Plant and Equipment under revaluation model:

The Company uses the following hierarchy for determining and disclosing the fair value of its freehold land,buildings and plant and equipment:

		Fair value measurement using		
	Total	**Quoted prices in active markets Level 1**	**Significant observable inputs Level 2**	**Significant unobservable inputs Level 3**
	Rs Lakhs	***Rs Lakhs***	***Rs Lakhs***	***Rs Lakhs***
Assets measured at fair value:				
Revalued Property, Plant and Equipment				
Freehold Land	5715.44	-	5715.44	-
Leasehold Land	3722.47	-	3722.47	-
Buildings	6884.54	-	-	6884.54
Plant and Machinery	96033.35	-	-	96033.35
	112355.80	**-**	**9437.91**	**102917.89**

"Significant Observable and unobservable Valuation Inputs :

The value of land was determined based on condition, location, demand, supply in and around and other infrastructure facility available at and around the said plot of land. Land which was based on government promoted industrial estates, was measured on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.

The valuation of Buildings and Plant and equipment was based on its present fair market value after allowing for the depreciation of the particular assets, as well as the present condition of the assets (Depreciated Replacement Cost Method). The replacement value of the said assets as well as its maintenance up-keep is considered while working out its present fair value."

	As at March 31, 2019	As at March 31, 2018 (Restated)	As at March 31, 2018
Note : 15			
Investments at FVTPL			
Investments in the shares of bodies corporate			
Unquoted fully paid equity shares			
Sai Regency Power Corporation Private Limited (600000 Equity shares)	60.00	60.00	-
Investments at Cost			
Investment in equity shares of subsidiary company SHL Securities (Alpha) Limited	-	-	265400.55
	60.00	60.00	265400.55
Note : 16			
Other non-current financial assets			
(Unsecured, considered good)			
Security deposits	254.03	191.91	-
Non-current bank deposits	-	0.50	-
Sundry receivables	-	21.14	-
	254.03	213.55	-
Note : 17			
Other non-current assets			
Security Deposit - Government Authorities	137.06	198.03	-
Capital Advances	23.00	18.41	-
	160.06	216.44	-
Note : 18			
Inventories			
Raw materials	450.41	291.76	-
Work-in-progress	152.67	244.95	-
Finished goods	4689.89	934.63	-
Stores and spares	1447.17	1735.55	-
Intermediates	11996.15	16285.81	-
	18736.29	19402.70	-
Note :			
Inventories includes Goods in transit			
Intermediaries	8642.70	10124.90	-
Stores and Spares	2.23	181.60	-
	8644.93	10306.50	-
Note : 19			
Current Investments at cost			
(Non-trade - Unquoted)			
Investment in partnership firm *	31552.77	-	-
	31552.77	-	-

* Refer Note 38 for details of Investments

Note : 20			
Trade receivables			
Unsecured, considered good**			
Receivable from others	499.15	1507.77	1.56
	499.15	1507.77	1.56

** Trade Receivables are non interest bearing and are generally on terms of 0-60 days

	As at March 31, 2019	As at March 31, 2018 (Restated)	As at March 31, 2018
Note : 21			
Cash and cash equivalents			
Bank balances			
-in current account	5025.13	3024.28	24.28
Cash on hand	0.30	0.36	0.02
	5025.43	3024.64	24.30
Note : 22			
Other bank balances			
Margin deposits	4.10	3.57	3.57
	4.10	3.57	3.57
Note : 23			
Other current financial assets			
Security deposits	4.96	3.59	-
Sundry receivable	3.42	30.62	-
Claims receivables	431.34	371.58	-
Unbilled revenue	1.82	1.03	1.03
Interest receivable	16.15	13.35	0.54
	457.69	420.17	1.57
Note : 24			
Other current assets			
Prepaid expenses	83.39	74.17	0.61
Balances with Government authorities	-	123.93	-
Advances given to suppliers	393.93	192.22	-
	477.32	390.32	0.61

Note : 25	As at March 31, 2019	As at March 31, 2018 (Restated)*	As at March 31, 2018
Equity Share capital			
Authorised			
34,080,000 Equity shares of Rs.10 each (Previous year 30,00,00,000 Equity shares of Rs.10 each)	30408.00	30408.00	30000.00
8000 4% cumulative redeemable preference shares of Rs. 100/- each	8.00	-	8.00
	30416.00	30408.00	30008.00
Issued Share Capital			
30,30,30,300 equity shares of Rs.10/- each (30,00,00,000 equity shares of Rs.10/- each)	**30303.03**	30303.03	30000.00
Subscribed and fully paid-up			
30,30,30,300 equity shares of Rs.10/- each (30,00,00,000 equity shares of Rs.10/- each)	30303.03	30303.03	30000.00
	30303.03	30303.03	30000.00

25 a Rights, Preferences and Restrictions attached to shares

The Company's share capital comprises of ordinary share capital having face value of Rs.10 per share. Each holder is entitled to receive dividends as and when declared, a right to vote in proportion to holding and other rights, preferences and restrictions are governed by the statutory provisions.

25b Rights, Preferences and Restrictions attached to Zero Coupon Compulsorily Convertible Debentures

(i) The Zero Coupon Compulsorily Convertible Debentures (CCD) shall not carry any interest.

(ii) The CCD are compulsorily convertible into equity shares of the company, at par, anytime as may be decided by the Company, but not later than 9 years from the date of allotment.

(iii) The application for CCD shall be deemed to be the application for Shares when the conversion takes place.

(iv) The CCD being unsecured shall rank pari passu with all other unsecured borrowings, existing and future.

(v) The CCD are not marketable securities and can be transferred only at the discretion of the Company.

(vi) The equity shares to be issued on conversion shall rank pari passu in all respects with the equity shares existing on the date of conversion.

A: Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	No. of Shares	Share Capital
Balance at April 01,2017	50000	5.00
Issued during the year	299950000	29995.00
Balance at March 31, 2018	**300000000**	**30000.00**
Adjustment pursuant to scheme - Refer Note 1.2	3030303	303.03
Balance at March 31, 2018 (Restated)	**303030303**	**30303.03**
Issued during the year	-	-
Balance at 31 March 2019	**303030303**	**30303.03**

B. Reconciliation of CCD outstanding at the beginning and at the end of the period

	No. of CCD	Amount
Balance at 1 April 2017	-	-
Issued during the year	235631	235630.50
Balance at 31 March 2018	**235631**	**235630.50**
Issued during the year	-	-
Balance at 31 March 2019	**235631**	**235630.50**

B: Details of Share holders holding more than 5% shares in the company

	As at March 31, 2019		As at March 31, 2018 (Restated)	
	No. of shares	% of holding	No. of shares	% of holding
Sanmar Engineering Services Limited (Holding Company) & its nominees of face value of Rs.10 each	3030303030	100%	3030303030	100%

Rights, Preferences and Restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each share holder is eligible for one vote per share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note: 26	As at March 31, 2019	As at March 31, 2018 (Restated)	As at March 31, 2018
Other Equity			
Asset Revaluation reserve	44637.77	-	-
Retained earnings (Refer A below)	22734.63	13300.94	(210.70)
Capital Reserve (Refer B below)	(331309.45)	(331309.45)	-
Capital Redemption Reserve	7.10	7.10	7.10
	(263929.94)	(318001.41)	(203.60)
(A) Retained Earnings			
Balances at the beginning of the year	13300.94	17.26	17.26
Profit for the year	9437.27	13303.24	(227.96)
Other Comprehensive Income	(3.58)	(19.56)	-
Balances at the end of the year	**22734.63**	13300.94	(210.70)
(B) Capital Reserve			
Balances at the beginning of the year	(331309.45)	(331309.45)	-
Balances at the end of the year	**(331309.45)**	(331309.45)	-
Note : 27			
Non Current Borrowings			
Secured – at amortized cost			
SIPCOT Soft Loan	8321.76	7653.67	-
	8321.76	7653.67	-

Summary of borrowing arrangements

Term loans from SIPCOT amounting to Rs. 8321.76 Lakhs (Previous year Rs. 7653.67 Lakhs), is secured by first pari passu charge on specific land, buildings and plant and machinery. The loan drawn is repayable in the 10th year of eligibility.

Note : 28			
Other non-current financial liabilities			
Trade Deposits	196.43	90.00	-
Accrued salaries and benefits	95.16	279.31	6.18
Other Payables	150.65	140.53	-
	442.24	509.84	6.18

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	As at March 31, 2019	As at March 31, 2018 (Restated)	As at March 31, 2018
Note : 29			
Deferred tax liabilities / (Assets) (Net)			
A. Deferred tax liability			
Difference between book and tax written down value of depreciable Property, Plant & Equipment	32051.53	9299.25	-
B. Deferred tax assets			
Expenses allowable on payment basis	(289.92)	(102.98)	-
MTM/Forward Premium claimable in future	(1083.43)	-	-
Others	(22.19)	(9.57)	(2.31)
	30655.99	9186.70	(2.31)
Note : 30			
Other non-current liabilities			
Government grant*	865.30	215.79	-
Other liabilities	0.57	-	-
	865.87	215.79	-

* Note: Government Grant have been received for investment in property, plant & equipments. Grants are initially recognised where there is a reasonable assurance that the Company will comply with all attached conditions.

Note : 31			
Current Borrowings			
Secured – at amortized cost			
Buyer's credit	-	23764.33	-
	-	23764.33	-

Security Particulars

Working capital limits from banks are secured by a first pari passu charge on inventories and book debts. Second paripassu charge on Property, Plant & Equipment of the company (excluding specifically charged land and buildings).

	As at March 31, 2019	March 31, 2018 (Restated)*	As at March 31, 2018
Note : 32			
Trade payables			
Trade payables*	114120.90	76412.35	-
	114120.90	76412.35	-

* General Terms: The average credit period varies for each product between 180 to 270 days. No interest is charged for the initial period of 60 days. Thereafter interest is charged at LIBOR + Spread on the outstanding balance.

* The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

* Refer Note 41 for dues related to Micro and Small enterprises.

Note : 33			
Derivative Instruments			
Derivative liabilities#	4800.73	138.42	-
	4800.73	138.42	-

While the company entered into foreign exchange forward contracts with the intention of reducing foreign exchange risk of purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss

Note : 34			
Other current financial liabilities			
Interest accrued but not due on loans	-	88.04	-
Trade Deposits	-	50.00	-
Payable / Accrual towards Capital Expenditure	1.41	-	-
Accrued salaries and benefits	1517.00	625.14	-
Other Payables	1908.99	1415.93	0.24
	3427.40	2179.11	0.24
Note : 35			
Other current liabilities			
Government grant	58.85	13.68	-
Other Liabilities	490.00	652.27	0.93
Advance from customers	900.14	1182.40	-
Withholding and other tax payables	0.46	0.29	0.29
	1449.45	1848.64	1.22

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Note:36
Financial instruments

36.1 ***Capital management***

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings (Note 28, 31 and 34), cash and cash equivalents (Note 21) and equity attributable to equity holders of the Company, comprising issued capital, premium, capital redemption reserve and retained earnings.

Gearing ratio

During the year 2018-19, the Company's strategy was to reduce the dependency on debt. The gearing ratios at March 31, 2019. March 31, 2018 were as follows*:

	As at March 31, 2019	As at March 31, 2018 Restated	As at March 31, 2018
Borrowings	8321.76	31418.00	-
Cash and Cash Equivalents	5025.43	3024.64	24.30
Net debt	3296.33	28393.36	(24.30)
Equity (Refer ii below)	2003.57	(52067.88)	265426.90
Gearing Ratio	1.65	(0.55)	(0.00)

(i) Debt is defined as long- and short-term borrowings (excluding derivatives)
(ii) Equity includes all capital and reserves of the Company that are managed as capital.

36.2 ***Categories of financial assets and liabilities carried at amortised cost***

	As at March 31, 2019	As at March 31, 2018 Restated	As at March 31, 2018
36.2.1 ***Financial assets at amortised cost***			
Cash and bank balances (Note 21)	5025.43	3024.64	24.30
Other Bank Balances (Note 22)	4.10	3.57	3.57
Trade receivables (Note 20)	499.15	1507.77	1.56
Other financial assets (Note 16 & 23)	711.72	633.72	1.57
Total	**6240.40**	**5169.70**	**31.00**
36.2.2 ***Financial liabilities- At amortised cost***			
Borrowings (Note 27, 31)	8321.76	31418.00	-
Trade payables (Note 32)	114120.90	76412.35	-
Other financial liabilities (Note 29 & 34)	3869.64	2688.95	6.42
Total	**126312.30**	**110519.30**	**6.42**

36.3 ***Financial risk management objectives***

The company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilties is to finance the company's operations. The Company's principal financial asset include investment, loans, trade and other receivables, cash & cash equivalents that derive directly from its operations.

The Company's activities expose it primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance

There has been no change to the Company's exposure to market risk or the manner which these risk are managed and measured.

36.4 ***Market risk***

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

36.5 ***Foreign currency risk management***

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The currencies, in which these transactions primarily are denominated in American Dollars (USD). The Company may use forward exchange contract towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirement and risk management strategy of the company. Exchange rate exposures are managed with in approved policy parameters.

36.5.1 ***Foreign currency sensitivity analysis***

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

Particulars	Change in currrency exchange rate	Effect on Profit before Tax and Pre Tax Equity		
		March 31, 2019	March 31, 2018 Restated	March 31, 2018
USD	1%	1193.27	9931.76	-

36.6 ***Commodity price risk***

The Company imports Vinyl Chloride Monomer (VCM) and converts the same into PVC Resins

Prices of PVC manufactured by the Company are monitored by Company's management and adjusted to respond to change in import parity price of PVC in Indian market. The prices of VCM (Input) and PVC (Output) generally move in the same direction thereby maintaining the margins more or less at the same levels over a period of time. Therefore the Company is not significantly exposed to the variation in commodity prices over a period for the above products.

36.7 ***Interest rate risk management***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no exposure to borrowing arrangements with variable interest rates & consequently expects no effect on profit before tax

36.8 ***Credit risk management***

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across various industries and geographical areas.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

None of the Companys' cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2019, that defaults in payment obligations will occur.

36.7.1 Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed economically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 180 days	More than 180 days	
Trade Receivables as of March 31, 2019	499.15	-	-	**499.15**
Trade Receivables as of March 31, 2018- restated	1230.14	277.63	-	**1507.77**
Trade Receivables as of March 31, 2018	1.56	1.56	-	**3.12**

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36.7.2 Financial instruments and cash deposits

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process.

36.8 ***Liquidity risk management***

The company has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for their financial liabilities. The contractual maturities of the financial instruments have been determined on the basis of earliest date on which the Company can be required to pay.

March 31, 2019	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	261.44	442.24	703.68
Interest bearing (excluding interest accrual)	113859.46	8321.76	122181.22
			122884.90
March 31, 2018- Restated	Less than a year	More than a year	
Non-interest bearing (including derivatives)	11942.19	509.84	12452.03
Interest bearing (excluding interest accrual)	64470.16	7653.67	72123.83
			84575.86
March 31, 2018	Less than a year	More than a year	
Non-interest bearing (including derivatives)	-	-	-
Interest bearing (excluding interest accrual)	-	-	-
			-

36.9 ***Fair value hierarchy for Financial Instruments***

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Compiled into Level 1 to Level 3, as described below.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value hierarchy as at March 31,2019		
	Level 1	**Level 2**	**Level 3**
Financial Assets measured at fair value			
Investments	-	-	60.00
Financial liabilities measured at fair value			
Derivative liabilities	-	4800.73	-
	Fair value hierarchy as at March 31,2018- restated		
	Level 1	**Level 2**	**Level 3**
Financial Assets measured at fair value			
Investments	-	-	60.00
Financial liabilities measured at fair value			
Derivative liabilities	-	138.42	-
	Fair value hierarchy as at March 31,2018		
	Level 1	**Level 2**	**Level 3**
Financial Assets measured at fair value			
Investments			265400.55
Financial liabilities measured at fair value			
Derivative liabilities		-	

36.10 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value			Fair value		
	As at March 31, 2019	As at March 31, 2018- Restated	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018- Restated	As at March 31, 2018
Financial assets						
Investments	31612.77	60.00	265400.55	31612.77	60.00	265400.55
Other financial assets:						
Deposits	263.09	199.57	-	263.09	199.57	-
Sundry receivables	3.42	51.76	-	3.42	51.76	-
Claims receivable	431.34	371.58	-	431.34	371.58	-
Trade receivables	499.15	1507.77	1.56	499.15	1507.77	1.56
Cash and cash equivalents	5025.43	3024.64	24.30	5025.43	3024.64	24.30
Total	**37835.20**	**5215.32**	**265426.41**	**37835.20**	**5215.32**	**265426.41**
Financial liabilities						
Borrowings:						
Fixed rate borrowings	8321.76	7653.67	-	8321.76	7653.67	-
Trade payables	114120.90	76412.35	-	114120.90	76412.35	-
Other financial liabilities:						
Accrued salaries and benefits	1612.16	904.45	6.18	1612.16	904.45	6.18
Other payables	2257.48	1696.46	0.24	2257.48	1696.46	0.24
Derivatives not designated as hedge						
Foreign exchange forward contracts	4800.73	138.42	-	4800.73	138.42	-
Total	**131113.03**	**86805.35**	**6.42**	**131113.03**	**86805.35**	**6.42**

i. The management assessed that cash and cash equivalents, short-term investments, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to their short-term nature.
ii. The fair value of the financial assets and liabilities is 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.

iii. Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Note: 37
Related party transactions

List of parties where control exists

Sanmar Engineering Services Limited	Ultimate Holding Company
SHL Securites (Alpha) Limited	Subsidiary Company (19.09.2017 to 01.04.2018)

Fellow Subsidiaries

Chemplast Sanmar Limited (w.e.f 01-04.2018)

SCL Property Holdings Limited (upto 18-09-2017)

Sanmar Speciality Chemicals Limited (Division of Chemplast Sanmar Limited w.e.f 01.04.2018)

Key Management Personnel

Terms and conditions of transactions with related parties:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are interest free, unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: Rs. Nil).

This assessment is undertaken in each financial year through examing the financial position of related party and the market in which the related party operates

Description	Parties where control exists			Jointly Controlled Entities / Fellow Subsidiaries			Key Management Personnel	
Transactions during the year	2018-19	2017-18 Restated	2017-18	2018-19	2017-18 Restated	2017-18	2018-19	2017-18
Sales								
Chemplast Sanmar Limited				**52.65**	11.60	11.87		
Sanmar Engineering Services Limited				**0.77**	0.40	0.40		
Sanmar Speciality Chemicals Limited					-	0.34		
Chemplast Sanmar Limited						-		
Purchases								
Chemplast Sanmar Limited				**758.03**	-	-		
Share of Income from partnership firm								
Mowbrays Corporate Finance				**0.11**	-	-		
Rent paid								
SCL Property Holdings Limited			-	-	-	0.50		
Investment made during the year								
Mowbrays Corporate Finance				**31552.77**	-			
Investment in Equity Share during the year								
of SHL Securities (Alpha) Limited			265400.55					
Issue of Zero coupon convertible debentures								
Sanmar Engineering Services Limited		235630.50	235630.50					
Issue of equity shares								
to Sanmar Engineering Services Limited		**29995.00**	29995.00					
Balances as at the year end								
Investments				**31552.77**				
Sundry Receivables								
Trade Receivables	-	-	0.87	**8.23**	**0.87**	-	-	-
Trade Payables								
Deposit								

(Amount in INR)

	As at March 31, 2019	As at March 31, 2018 restated	As at March 31, 2018
Note:38			
Details of Investment			
Partners' Name			
Chemplast Sanmar Limited	118022.95	-	-
Sanmar Speciality Chemicals Limited (Division of Chemplast Sanmar Limited - Pursuant to the scheme of Demerger (Refer Note 1.2)	1849.92	-	-
Chemplast Cuddalore Vinyls Limited (Pursuant to scheme of arrangement referred to in Note 1.2)	31552.77	-	-
Sanmar Engineering Services Limited	683.25	-	

Note: Profits of the partnership firm are shared by the partners with positive aggregate daily balances in the proportion of such balances. Losses are shared

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2019 - continued

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note:39

Contingent liabilities and contingent assets:

Contingent liabilities *

Particulars	As at March 31,2019	As at March 31,2018 Restated	As at March 31, 2018
A. Claims against the company not acknowledged as debts :			
- On account of Direct Taxes	-	-	-
- On account of Indirect Taxes	1327.31	1626.17	-
- On account of other disputes	-	-	-
Total	**1327.31**	**1626.17**	-

*

-The Company is of the opinion that the above demands are not sustainable and expects to suceed in its appeals.

-It is not practicable for the Company to estimate the timing of the cash flows, if any, in respect of above, pending resolution of the respective appellate proceedings with various forums / authorities.

-The Company does not expect any reimbursement in respect of the above contingent liabilities.

Note 40

Capital commitments :			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**297.90**	**321.61**	-
	297.90	**321.61**	-

Note 41

Dues to micro and small enterprises

As at March 31, 2019, there is no interest paid or payable to Micro and Small Enterprises as defined under The Micro, Small and Medium Enterprises Act, 2006. This information and that disclosed in Note 32 have been determined to the extent such parties have been identified on the basis of information available with the Company.

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Note:42
Employee benefit cost
Defined benefit plans

Gratuity:

This is a defined benefit plan and the Company's Scheme is administered by Life Insurance Corporation of India (LIC). The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by LIC of India.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Valuation at		
	March 31, 2019	March 31, 2018 Restated	March 31, 2018
	%	%	%
Discount rate(s)	7.50%	7.50%	-
Expected return on plan assets	8.00%	8.00%	-
Expected rate(s) of salary increase	7.50%	7.50%	-
Attrition rate	1% - 3%	1% - 3%	-

Cost of defined benefit plans are as follows.

	Year ended March 31, 2019	Year ended March 31, 2018 Restated	Year ended March 31, 2018
Current service cost	16.53	15.41	-
Interest on obligation	25.06	21.47	-
Expected return on plan assets *(to the extent it represents an adjustment to interest cost)*	(26.34)	(26.80)	-
Net cost recognised in the Income Statement	15.25	10.08	-
Expected return on plan assets *(to the extent it does not represent an adjustment to interest cost)*	(1.05)	1.17	-
Actuarial (gains)/losses recognized in the year	6.56	28.89	-
Net (gain)/loss recognised in the Other Comprehensive Income	5.51	30.06	-

The amount included in the financials arising from the entity's obligation in respect of its defined benefit plans is as follows.

	As at March 31, 2019	Year ended March 31, 2018 Restated	As at March 31, 2018
Present value of funded defined benefit obligation	382.23	334.09	-
Fair value of plan assets	361.47	334.09	-
Net Liability / (Asset)	20.75	-	-

Movements in the present value of the plan assets in the current year were as follows.

	Year ended March 31, 2019	Year ended March 31, 2018 Restated	Year ended March 31, 2018
Opening fair value of plan assets	334.08	308.46	-
Expected return on plan assets	27.39	25.63	-
Actuarial (gains)/losses	-	-	-
Contributions from the employer	-	-	-
Benefits paid	-	-	-
Closing fair value of plan assets	361.47	334.09	-

Movements in the present value of the defined benefit obligation in the current year were as follows.

	Year ended March 31, 2019	Year ended March 31, 2018 Restated	Year ended March 31, 2018
Opening defined benefit obligation	334.08	268.32	-
Current service cost	16.53	15.41	-
Interest cost	25.06	21.47	-
Actuarial (gains)/losses	6.56	28.89	-
Transfer of obligations	-	-	-
Benefits paid	-	-	-
Closing defined benefit obligation	382.23	334.09	-
Actuarial (gain)/loss on obligations attributable to change in financial assumptions			
Actuarial (gain)/loss on obligations attributable to change in demographic assumptions			
Actuarial (gain)/loss on obligations attributable to experience adjustments			
Projected Undiscounted Expected Benefit Outgo [Mid Year Cash Flows]			
Year 1	2.34	-	
Year 2	0.00	2.34	
Year 3	4.12	-	
Year 4	21.41	4.12	
Year 5	24.98	21.41	
Years 6 through 10	131.18	156.16	

Notes:

I. The entire plan assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC)

II. The expected / actual return on Plan assets is as furnished by LIC

III. The estimate of future salary increase takes in to account inflation, likely increments, promotions and other relevant factors.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation.

The Company expects to make a contribution of Rs.2.35 Lakhs to the defined benefit plans during the next financial year.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate and salary escalation:

Change in assumption	Impact on service cost	Impact on interest cost	Impact on defined benefit obligation
Increase in discount rate by 1 %	(2.34)	1.14	(28.07)
Decrease in discount rate by 1 %	2.83	(1.36)	32.59
Increase in salary escalation by 1 %	2.84	1.97	32.68
Decrease in salary escalation by 1 %	(2.39)	(1.73)	(28.67)

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Standards issued but not effective:

Certain new standards, interpretations and amendments to existing standards have been notified by the Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 that are not yet effective up to the date of issuance of the Company's financial statements. Those which are considered to be relevant to our operations are set out below:

1) Ind AS 116-Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.
Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.
The Company intends to adopt these standards from 1 April, 2019. While the Company is in the process of performing a detailed evaluation of the impact on adoption of Ind AS 116, it does not expect to have any significant impact upon such adoption.

2) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.
The Interpretation specifically addresses the following:
- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.
The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company does not expect any significant impact of the amendments on its financial statements.

3) Amendments to Ind AS 109: Prepayment Features with Negative Compensation
Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the financial statements of the Company.

4) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:
- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.
An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.
The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

5) Annual improvement to Ind AS (2018):
These improvements include:

(a) Amendments to Ind AS 12: Income Taxes
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

(b) Amendments to Ind AS 23: Borrowing Costs
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.
An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. The Company does not expect any effect on its financial statements.

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Significant accounting judgements, estimates and assumptions

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

a. Judgements

In the process of applying the Company's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the financial statements.

b. Estimates and assumptions

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

Fair Value measurement of Property,Plant and equipment

Fair value of property, plant and equipment was determined by using the market value method for Freehold land and Depreciable Replacement Cost method (DRC) for Buildings and Plant & Equipment. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation of 31 March 2019 , the properties' fair values are based on valuations performed an accredited independent valuer who has relevant valuation experience in India. The Key assumptions used to determine the fair value of Property, Plant and equipment are provided in Note 10

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

Taxes

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

Defined benefit plans

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

Further details about defined benefit obligations are given in Note 45

Note 45 Employees' benefits obligations

a. Defined contribution plan

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employees' salary. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions.

b. Defined benefit plan

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. Fund is maintained with Life Insurance Corporation of India.

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Additional Information

Pursuant to the scheme of arrangement in Note 1.2 the previous period comparitives have been restated to give effect to the scheme in accordance with Ind AS 103. The Figures for such prior periods as reported earlier have also been provided as additional information in the Financial Statements

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Aravind K
Partner
Membership No: 221268
Place: Chennai
Date: August 28, 2019

S.R. Batliboi & Associates LLP ★ Chennai ★ Chartered Accountants

P S Jayaraman
Director
DIN : 00011108

Lavanya Venkatesh
Director
DIN: 07191585

M Raman
Company Secretary

S Krishnan
Chief Financial Officer