



**Ecoplast Ltd.**

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4, Magan Mahal, 215, Sir M.V. Road, Andheri (E), Mumbai - 400 069.

CIN-L25200GJ1981PLC004375

Date: July 24, 2019



ISO 9001, 14001  
& 22000  
Certified Co.

To,  
Market Operation-DCS-CRD  
**BSE LIMITED**  
PhirozeJeejebhoy Towers,  
Dalal Street,  
Mumbai - 400001

Scrip Code: 526703

**Sub: Annual Report for the financial year 2018 -19**

Dear Sirs,

This is with reference to the Thirty Seventh Annual General Meeting of the members of Ecoplast Limited to be held at The Club Resort, At & P.O. Vashier, Valsad - 396 001 on Friday, 6<sup>th</sup> September 2019 at 12.00 noon.

In this Connection, please find enclosed the Annual Report for the financial year 2018 -19 as required under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Thanking you,

Yours faithfully


**FOR ECOPLAST LIMITED**

(Antony Alapat)  
Company Secretary

Encl: as above

Regd.Office : National Highway No.8, Water Works Cross Road, Abrama-Valsad 396002, Gujarat.

Tel.: 91-02632 - 254153 / 226157 / 226560 Fax : 91-02632-226073 E-mail: ecoval@ecoplastindia.com



# **Ecoplast Ltd**

**Thirty Seventh Annual Report and Statement of Accounts for the year ended 31st March 2019**

# **37**





# Ecoplast Limited

## Annual Report 2018-2019

<b>Board of Directors</b>	Mukul B. Desai - Chairman Jaymin B. Desai - Managing Director Jehangir A. Moos - Director Dhananjay T. Desai - Director Bhupendra M. Desai - Director Charulata N. Patel - Director
<b>Company Secretary &amp; Compliance Officer</b>	Antony Alapat
<b>Chief Financial Officer</b>	Mahadev Desai
<b>Chief Operations Officer</b>	Atul Baijal
<b>Bankers</b>	Bank of Baroda Main Branch, Nani Khatriwad, Valsad - 396 001, Gujarat.
<b>Auditors</b>	Y. B. Desai & Associates Chartered Accountants 1/573, Gajanand Chambers, Besides Anand Hospital, Por Mahollo, Nanpura, Surat - 395001.
<b>Share Registrars &amp; Transfer Agent</b>	TSR Darashaw Consultants Private Limited 6-10, Haji Moosa Patrawala Industrial estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
<b>Registered Office</b>	National Highway No.8, Water Works Cross Road, Abrama, Valsad - 396 002. Gujarat. email : investor@ecoplastindia.com
<b>Sales Office</b>	4, Magan Mahal, 215, Sir M. V. Road, Andheri (East), Mumbai : 400 069.
<b>Website</b>	www.ecoplastindia.com
<b>CIN</b>	L25200GJ1981PLC004375

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## NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the members of Ecoplast Limited will be held at The Club Resort, At & P.O.Vashier, Valsad - 396 001 on Friday, 6<sup>th</sup> September 2019 at 12.00 noon to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Report of the Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Ms. Charulata Patel (holding DIN 00233935) who retires by rotation and, being eligible, offers herself for re-appointment

### SPECIAL BUSINESS :

4. Re-appointment of Mr. Mukul B. Desai as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulations 16, 17 and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and the Articles of Association of the Company, Mr. Mukul Desai (DIN : 00015126), Independent Director of the Company, and who has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and SEBI Listing Regulations, and in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as an Independent Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from September 20, 2019 to September 19, 2024”.

5. Re-appointment of Mr. Bhupendra M. Desai as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulations 16, 17 and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and the Articles of Association of the Company, Mr. Bhupendra M. Desai (DIN : 02545003), Independent Director of the Company, who will attain the age of 75 years and who has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and SEBI Listing Regulations, and in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as an Independent Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from September 20, 2019 to September 19, 2024”.

6. Re-appointment of Mr. Jehangir A. Moos as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED** that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulations 16, 17 and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and the Articles of Association of the Company, Mr. Jehangir Moos (DIN : 00020609), Independent Director of the Company, who has attained the age of 75 years and who has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and SEBI Listing Regulations, and in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as an Independent Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director

of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from September 20, 2019 to September 19, 2024”.

7. Payment of Commission to Non-Executive Directors of the Company

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

“RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors

and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing April 1, 2019.”

By Order of the Board  
For Ecoplast Limited

**Antony Alapat**  
**Company Secretary**

**Registered Office:**

National Highway No. 8,  
Water Works Cross Road,  
Abrama, Valsad – 396002,  
Gujarat  
CIN: L25200GJ1981PLC004375  
Tel: (02632) 226157  
E-mail : Antony@ecoplastindia.com,  
Website : www.ecoplastindia.com  
Mumbai, 27<sup>th</sup> May, 2019

**NOTES:**

- a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting are also annexed.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND IN HOLDING NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HERewith. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**
- c) The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 31<sup>st</sup> August 2019 to Friday, 7<sup>th</sup> September, 2019 (both days inclusive).
- d) Members seeking any information with regard to the Accounts are requested to write to the Company at least seven days prior to the meeting, so as to enable the Management to keep the information ready at the Meeting.
- e) All correspondence relating to transfer of shares, change of address, dividend mandates etc. should be sent to the Registrar & Share Transfer agents quoting their folio numbers only at the following address:
- M/s TSR Darashaw Ltd. ("TSRD"), 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011.
- f) In terms of Section 124 of the Companies Act, 2013 dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to sub-section (1) of Section 125 of the Companies Act, 2013. In terms of Section 124(6) of the Companies Act, 2013, all shares in respect of which dividend has not been claimed for seven consecutive years or more shall also be transferred by the company to the demat account of Investor Education and Protection Fund Authority. Any claimant of shares transferred as above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund Authority in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2017. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No.IEPF-5(available on [www.iepf.gov.in](http://www.iepf.gov.in)).
- g) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Shareholders holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding share in physical form can submit their PAN details to the Company.
- h) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, TSR Darashaw Limited ("TSRL") for assistance in this regard.
- i) The Notice of the AGM along with the Annual Report for the FY 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless the Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with TSRDL/Depositories.
- j) Members may also note that this Notice of the 37th Annual General meeting and the Annual report for the year 2018-2019 will be also available on the Company's Website: [www.ecoplastindia.com](http://www.ecoplastindia.com) for download.
- k) All documents referred to in the notice of the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.

- l) A route map giving directions to reach the venue of the 37<sup>th</sup> Annual General Meeting is given at the end of the Notice.
- m) Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended, the Company is pleased to provide members facility to exercise their right to vote at the 37<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting.

The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). As the voting would be through electronic means, the Members who do not have access to remote e-voting, may send their assent or dissent in writing on the Ballot Form enclosed with the Annual Report. You are required to complete and sign the Ballot Form and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, at the Registered Office of the Company not later than Thursday, 5<sup>th</sup> September, 2019 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

- I. The facility for voting through Ballot shall also be made available at the AGM and Members attending the meeting who have not cast their vote by remote e-voting/physical ballot shall be able to exercise their right to vote at the meeting.
- II. The process and manner for remote e-voting are as under:

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

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

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

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

#### **How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

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

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

#### General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer

by e-mail to [eco.scrutinizer@gmail.com](mailto:eco.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- III. The remote e-voting period commences on Tuesday, 3<sup>rd</sup> September, 2019 (9:00 am) and ends on Thursday, 5<sup>th</sup> September, 2019 (5:00pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30<sup>th</sup> August, 2019, may cast their votes electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30<sup>th</sup> August, 2019.
- V. If a Member casts votes by remote e-voting/Physical Ballot and at the AGM through Ballot, then vote cast through remote e-voting/Physical Ballot shall prevail and vote cast through Ballot at the AGM shall be treated as invalid. The members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- VII. Mr. P.N. Parikh (Membership No FCS: 327 CP: 1228) and failing him Mr. Mitesh Dhaliwala (Membership No FCS : 8331, CP : 9511) of Parikh & Associates., Practicing Company Secretaries, (Address : 111, 11<sup>th</sup> Floor, Sai Dwar CHS Ltd., Sab TV Lane, Opp. Laxmi Indl Estate, Off Link Road, Andheri (West), Mumbai - 400053.) has been appointed as the Scrutinizer to scrutinize the remote e-voting process (including the physical ballots

received from members who don't have access to the remote e-voting process) and votes cast through Ballot at the AGM in a fair and transparent manner.

- VIII. The Scrutinizer shall after the conclusion of voting at the Annual General meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting/physical ballots in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or director authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- IX. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ecoplastindia.com](http://www.ecoplastindia.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited. The results shall also be placed on the notice board at the Registered Office of the Company.

By Order of the Board  
For Ecoplast Limited

**Antony Alapat**  
**Company Secretary**

**Registered Office:**

National Highway No. 8,  
Water Works Cross Road,  
Abrama, Valsad – 396002,  
Gujarat  
CIN: L25200GJ1981PLC004375  
Tel: (02632) 226157  
E-mail : [Antony@ecoplastindia.com](mailto:Antony@ecoplastindia.com),  
Website : [www.ecoplastindia.com](http://www.ecoplastindia.com)  
Mumbai, 27<sup>th</sup> May, 2019

## **ANNEXURE TO NOTICE**

### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“ACT”)**

**The following Statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice:**

**Item No. 4 to 6:**

The members at the 32<sup>nd</sup> Annual General Meeting held on 20<sup>th</sup> September 2014 approved the appointment of Mr. Jehangir A. Moos (holding DIN 00020609), Mr. Mukul B. Desai (holding DIN 00015126) and Mr. Bhupendra M. Desai (holding DIN 02545003)

as Independent Directors of the Company for a period of 5 years from 20<sup>th</sup> September 2014 to 19<sup>th</sup> September 2019.

Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the Re-appointment of Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai as Independent Directors is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Directors to be appointed is given below:

Mr. Jehangir Moos is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 1989. He was at one time a practicing lawyer, and later a legal advisor to a large multinational pharmaceutical Company.

Mr. Mukul B. Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2007. He is a Chartered Accountant by profession and having varied experience in the field of Audit, Taxation, Corporate Law, Corporate Finance Structuring for more than 32 years.

Mr. Bhupendra M. Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2009. He is a B. Tech from the Indian Institute of Technology (I.I.T) and an MBA from the Indian Institute of Management (I.I.M.). He joined Larsen & Toubro Ltd. In 1972, as post graduate trainee in Central Planning Department and subsequently transferred to Tractor Engineers Ltd. (a wholly owned subsidiary of L&T Ltd) in 1973. He retired from L & T Ltd; in 2005. After retirement he has worked as supply chain management consultant with L & T Ltd for two years and subsequently has worked as business consultant to various companies for three years.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of above named Independent Directors. Accordingly, the Board recommends the Resolutions as set out in Item Nos. 4, 5 and 6 of the Notice for approval of the Members.

Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai, respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

**Item No. 7:**

At the Annual General Meeting of the Company held on 20<sup>th</sup> September, 2014, the Members had approved of the payment of commission to non-whole-time Directors of the Company not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from April 1, 2014. It is proposed to continue with the payment of commission to non-whole-time Directors of the Company. Accordingly, it is proposed that in terms of Section 197 of the Act, the Directors (apart from the Managing Director and Whole-time Directors) be paid, for each of the five consecutive financial years of the Company commencing April 1, 2019, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

All the Directors of the Company except the Managing Director are concerned or interested in the Resolution at Item No. 7 of the

Notice to the extent of the remuneration that may be received by them.

By Order of the Board  
For Ecoplast Limited

**Antony Alapat**  
Company Secretary

**Registered Office:**

National Highway No. 8,  
Water Works Cross Road,  
Abrama, Valsad – 396002,  
Gujarat

CIN: L25200GJ1981PLC004375

Tel: (02632) 226157

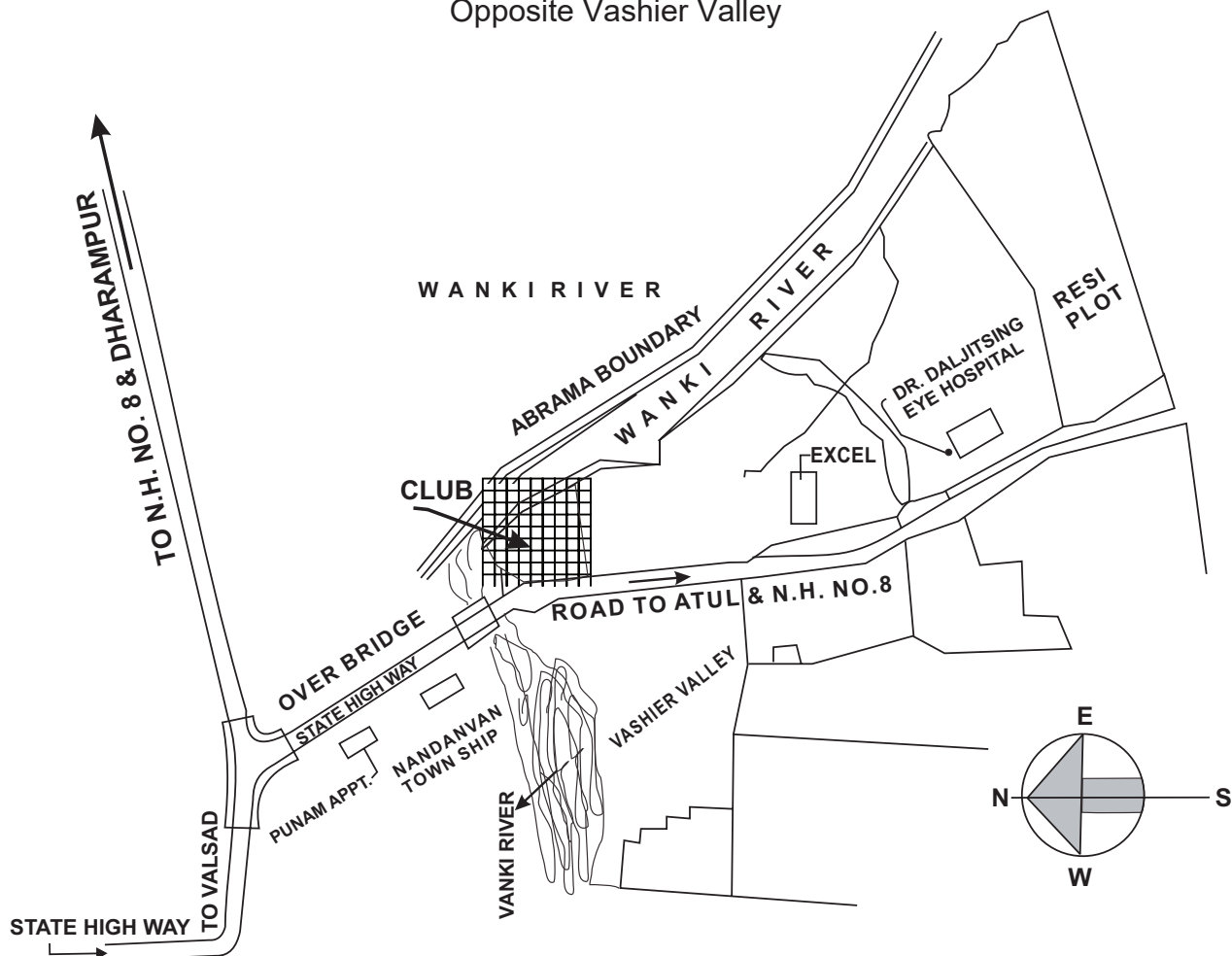
E-mail : Antony@ecoplastindia.com,

Website : www.ecoplastindia.com

Mumbai, 27<sup>th</sup> May, 2019

**Route Map of the Venue of AGM**

The Club Resort is located on the bank of River Wanki,  
Opposite Vashier Valley



## ECOPLAST LTD

(₹ '000)

FINANCIAL HIGHLIGHTS		31-03-2019	31-03-2018	31-03-2017	31-03-2016	31-03-2015
<b>OPERATION</b>						
Sales (Net)		927,259	959,348	961,406	930,827	941,018
Other Income		10,812	16,144	10,352	3,359	3,560
Operating Profit [Before Depreciation)		59,983	65,179	50,522	53,530	41,116
Profit before tax		39,222	46,968	32,665	36,746	22,832
Profit after Tax (including prior period items)		31,198	30,084	21,191	23,274	15,090
Dividend and Corporate Tax thereon		5,425	4,333	-	5,416	4,320
Retained earnings		25,773	25,751	21,191	17,858	10,770
Earnings per Share (₹) [On Face Value of ₹ 10/-]		11.30	9.91	7.69	7.76	5.03
<b>ASSETS</b>						
Gross Block		356,549	342,293	331,717	292,319	277,648
Net Block		118,587	123,869	126,635	105,418	107,531
Net Current Assets		136,793	110,484	94,904	175,149	87,735
Non Current Investments		21,166	23,025	22,923	8,176	8,176
Long Term Loans & Advances		28,295	42,653	36,966	47,793	43,238
Total Assets		304,840	300,031	281,429	336,536	246,680
<b>NET WORTH</b>						
Equity Capital		30,000	30,000	30,000	30,000	30,000
Reserves and Surplus		262,870	237,096	211,345	190,019	172,161
Net worth		292,870	267,096	241,345	220,019	202,161
Book value per share (₹) [On Face Value of ₹10/-]		97.62	89.03	80.45	73.34	67.39
<b>BORROWINGS</b>						
Long Term		8,415	18,706	30,573	22,608	32,262
Short Term		72,589	74,117	98,267	72,555	84,517
		<b>81,004</b>	<b>92,823</b>	<b>128,840</b>	<b>95,163</b>	<b>116,780</b>
<b>RATIOS</b>						
Profit before tax to Sales and other Income	%	4.18	4.81	3.36	3.93	2.42
Profit before tax to Net Worth	%	13.39	17.58	13.53	16.70	11.29
Dividend to Equity Capital	%	15	15	12	15	12
Dividend to Net Worth [Yield]	%	2	2	-	2	2
Return on Capital Employed	%	21	26	26	26	21
Dividend cover	Times	5.75	6.94	-	4.30	3.49
Current Ratio	Ratio	1.81:1	1.61:1	1.45:1	1.54:1	1.45:1
Long Term Debt : Equity	Ratio	0.03:1	0.07:1	0.13:1	0.10:1	0.16:1

## BOARD'S REPORT

To  
The Members,

The Directors are pleased to present their Thirty-Seventh Annual Report and Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL SUMMARY

(In ₹)

	31-03-2019	31-03-2018
Net Sales	92,72,59,073	95,93,47,716
Other Income	10,812,432	1,61,43,679
Sales and Other Income	938,071,505	97,54,91,395
Operating Profit (before Depreciation and Tax)	59,983,052	65,178,976
Less: Depreciation	20,760,802	18,210,873
Profit before tax	39,222,250	4,69,68,103
Less: Provision for tax		
Current Tax	10,833,539	1,67,57,000
Deferred Tax Credit	-5,501,595	4,73,288
Profit after Tax	33,890,306	2,97,37,815

### 2. OPERATIONS/STATE OF COMPANY'S AFFAIRS

During the year under review, while sales value Reduced by 6.38 % to ₹ 92,72,59,073 /- from ₹ 99,04,97,480/- in the previous year.

The profit before tax reduced by 16.49% to ₹ 3,92,22,250/- from ₹ 4,69,68,101/- in the previous year.

The Company as a strategy has been focusing on value added products which enjoys higher margin. Company is investing ₹ 5.7 Crores in new plant & machinery to replace old plant & machinery which will enable the Company to manufacture wider films & increase in efficiency of manufacturing.

No material changes have occurred from the end of the financial year till the date of this report affecting the financial position of the Company.

No significant and material orders have been passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future during the year under review.

### 3. DIVIDEND

The Board of Directors have recommended a dividend of ₹ 1.5 per equity share (15 %) for the year 2018-19.(Previous year ₹ 1.5 per equity share 15 %) for approval at the Annual General Meeting. The dividend if approved, will result in a cash outflow of ₹ 54.25 lacs (including dividend distribution

tax of ₹ 9.25 Lacs) as compared to ₹ 54.25 lacs including dividend distribution tax of 9.25 lacs in previous year.

### 4. BOARD MEETINGS:

The Board of Directors met Six times during the Financial Year 2018-19.

### 5. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Mrs. Charulata Patel, Director of the Company, would retire by rotation, at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

The members at the 32<sup>nd</sup> Annual General Meeting held on 20<sup>th</sup> September 2014, approved the appointment of Mr. Jehangir A. Moos (holding DIN 00020609), Mr. Mukul B. Desai (holding DIN 00015126) and Mr. Bhupendra M. Desai (holding DIN 02545003) as Independent Directors of the Company for a period of 5 years from 20<sup>th</sup> September 2014 to 19<sup>th</sup> September 2019. The Board recommends their re-appointment for a second term of 5 years i.e from 20<sup>th</sup> September 2019 to 19<sup>th</sup> September, 2024 at the ensuing Annual General Meeting.

### 6. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declarations from each of the Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year. In the opinion of the Board, the Independent directors possess appropriate balance of skills, experience and knowledge, as required.

### 7. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the company and can be accessed by web link <http://www.ecoplastindia.com/familiarization-programme-of-independent-directors.html>.

### 8. AUDIT COMMITTEE

The Audit Committee of the company consists of following members.

- I. Mr. Mukul Desai-Independent Director & Chairman
- II. Mr. Jehangir Moos-Independent Director & Member
- III. Mr. Bhupendra Desai-Independent Director & Member

## **9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND CRITERIA FOR INDEPENDENT DIRECTORS**

The Remuneration Policy for directors and senior management and the Criteria for selection of candidates for appointment as directors, independent directors, senior management are placed on the website of the Company weblink < <http://www.ecoplastindia.com/RemunerationPolicyfordirectorsandseniormanagement.html>>

There has been no change in the policies since the last fiscal year.

We affirm that the remuneration paid to the directors is as per the terms laid out in the remuneration policy of the Company

## **10. VIGIL MECHANISM**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism formulated by the Company provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director/ Chairman of the Audit Committee in exceptional cases.

## **11. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors, have laid down internal financial controls to be followed by the company in consultation with the experts and

that such internal financial controls are adequate and were operating effectively.

- (f) the directors have devised proper systems in consultation with the experts to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **12. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has a proper and adequate system of internal financial controls commensurate with its nature and size of business and meets the following objectives:

- Providing assurance regarding the effectiveness and efficiency of operations;
- Efficient use and safeguarding of resources;
- Compliance with policies, procedures and applicable laws and regulations; and
- Transactions being accurately recorded and reported timely.
- The Company has a budgetary control system to monitor expenditures and operations against budgets on an ongoing basis.
- The Internal Auditor also regularly reviews the adequacy of internal financial control system.

## **13. SUBSIDIARY COMPANY**

A Statement Containing the Salient features of the Financial Statements of the subsidiary Company is annexed as Annexure- I as a part of this Report.

During the year under review, No Company has become or ceased to be Company's subsidiary, joint venture or associate company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company along with relevant documents and separate audited accounts in respect of the subsidiary are available on the website of the Company.

## **14. EXTRACT OF ANNUAL RETURN:**

As per the requirements of Section 92(3) of the Act and Rules framed there under, the extract of the annual return for FY 2019 is given in Annexure II in the prescribed Form No. MGT-9, which is a part of this report. The same is available on <http://www.ecoplastindia.com/MGT9.html>

## **15. AUDITORS:**

As per the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Y.B. Desai & Associates, Chartered Accountants, Surat, (ICAI Registration No. 102368W) were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the Thirty Fifth AGM to the conclusion of the Fortieth AGM to be held in 2022, subject to ratification by shareholders at each AGM. However in terms of the

Notification issued by the Ministry of Corporate Affairs dated May 7, 2018, the proviso requiring ratification of the Auditors appointment by the shareholders at each AGM has been omitted. Accordingly, the ratification of appointment of Statutory Auditors would not be required at the AGM and M/s. Y.B. Desai & Associates, Chartered Accountants, Surat, (ICAI Registration No. 102368W) would continue to act as the statutory auditors of the Company for five years upto the conclusion of the Fortieth AGM to be held in 2022.

#### 16. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s Parikh & Associates, Practising Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the financial year 2018-2019.

Secretarial audit report of the Company as provided by M/s Parikh & Associates, Practising Company Secretaries is annexed to this Report as Annexure- III. Secretarial Audit Report of Synergy Films Private Limited, wholly owned subsidiary as provided by Mr. Jignesh D. Soni, Practising Company Secretary set out in this Annual Report.

#### 17. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT:

The Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks.

#### 18. COST AUDITORS

The provisions of section 148 (2) for appointment of Cost Auditors are not applicable to the Company, The Company has maintained the cost records as specified by the Central Government under sub-section (1) of section 148 of the companies act, 2013.

#### 19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with Clause (m) of Sub-section (3) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is annexed to this

Report as Annexure -IV.

#### 20. DEPOSITS:

The Company has not accepted any deposits during the year under report.

#### 21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

As on 31<sup>st</sup> March 2019 the Company has provided the following Loans, Guarantees and Investments under section 186 of the Companies Act, 2013.

- i. Loans : ₹ 1,28,04,896/- to Synergy Films Private Limited Wholly Owned Subsidiary
- ii. Investments : ₹ 2,11,66,099/- for 11,95,360 Equity Shares of ₹10 each fully paid up in Synergy Films Private Limited Wholly Owned Subsidiary

#### 22. RISK MANAGEMENT POLICY:

The Company has adopted a Risk Management Policy which is implemented throughout the Organisation; Special Emphasis on Risk Management is given during the Annual Budgeting Process and Periodical Monthly Meetings.

#### 23. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The Provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013 are not applicable to the company. However as a part of CSR initiative, The Company has adopted 15 Mentally Challenged Children who are under rehabilitation in Jaina anupam N. Parmar Charitable Trust, Valsad.

#### 24. RELATED PARTY TRANSACTIONS

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 are annexed as Annexure – V to this Report.

#### 25. FORMAL ANNUAL EVALUATION:

An annual evaluation of the Board's own performance, Board committees and individual directors was carried out pursuant to the provisions of the Act in the following manner:

Sr. No.	Performance evaluation of	Performance evaluation performed by	Criteria
1.	Each Individual directors	Nomination and Remuneration Committee	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and guidance provided, key performance aspects in case of executive directors etc.
2.	Independent directors;	Entire Board of Directors excluding the director who is being evaluated	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution, and guidance provided etc.
3.	Board, and its committees	All directors	Board composition and structure; effectiveness of Board processes, information and functioning, fulfillment of key responsibilities, performance of specific duties and obligations, timely flow of information etc.  The assessment of committees based on the terms of reference of the committees and effectiveness of the meetings.

**26. PARTICULARS OF EMPLOYEES**

Pursuant to Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of employees are annexed as Annexure – VI to this Report.

**27. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has not received any complaint of sexual harassment during the financial year 2018-19.

**28. LISTING WITH STOCK EXCHANGE:**

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 to BSE where the Company's Shares are listed.

**29. INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE**

The Board of Directors has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and is available on our website <http://www.ecoplastindia.com/code-of-practices-and-procedures.html>

**30. CORPORATE GOVERNANCE:**

As per Listing Regulations, a separate section on Corporate Governance forms part of this report. A Certificate from M/s Parikh & Associates, Practicing Company Secretary confirming compliance of Corporate Governance forms part of this Report.

Certificate of the CEO/CFO, confirming the correctness of the financial statements, compliance with the Company's Code of Conduct and the Audit Committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report and forms part of this report.

**31. MANAGEMENT DISCUSSION ANALYSIS**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, the Management's discussion and analysis is set out in this Annual Report.

**32. SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**33. ACKNOWLEDGMENT**

The Directors wish to convey their appreciation to Customers, Suppliers, Bankers, other Stakeholders and specially the employees for their co-operation. The Directors also appreciate the confidence reposed in the Management of the Company by its shareholders.

For and on behalf of the Board of Directors

**Mukul B. Desai**  
**CHAIRMAN**  
**DIN:00015126**

Mumbai, 27<sup>th</sup> May 2019

**ANNEXURE –I**

## Salient features of the Financial Statement of the Subsidiary Company

				<b>As at 31 March, 2019</b>	<b>As at 31 March, 2018</b>
1)	Name of Subsidiary Company	:	Synergy Films Private Limited		
2)	Reporting Currency	:	INR		
3)	Capital	:	₹	1,19,53,600	1,19,53,600
4)	Reserves	:	₹	-42,65,785	26,08,020
5)	Total Assets	:	₹	2,61,18,170	4,72,39,931
6)	Total Liabilities	:	₹	2,61,18,170	4,72,39,931
7)	Investments	:	₹	-	-
8)	Turnover	:	₹	9,16,38,311	11,33,63,644
9)	Profit Before Tax	:	₹	-43,83,391	65,66,225
10)	Provision for Taxation	:	₹	13,99,003	(591,390)
11)	Profit After Tax	:	₹	-57,82,394	71,57,615
12)	Proposed Dividend	:	₹	Nil	Nil
13)	Country	:	INDIA		

**ANNEXURE –II**  
**Annual Return Extracts in MGT 9**  
**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

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

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2018]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- L25200GJ1981PLC004375  
ii) Registration Date: 7<sup>th</sup> May 1981  
iii) Name of the Company: ECOPLAST LIMITED  
iv) Category / Sub-Category of the Company:  
a) Category: Public Company  
b) Sub Category: Limited by Shares

Company having Share Capital

- v) Address of the Registered office and contact details:

Registered Office Address: National Highway No 8,  
Water Work Cross Road,  
Abrama, Valsad-396001  
Gujarat

Tel. : 02632-226157 / 226560,  
Fax. : 02632-253633  
Email : antony@ecoplastindia.com  
Website : www.ecoplastindia.com

- vi) Whether listed company Yes / No  
vii) Name, Address and Contact details of Registrar and Transfer Agent:

Name : TSR Darashaw Ltd

Address: 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E Moses Road,  
Mahalaxmi, Mumbai-400011, Maharashtra

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of semi-finished of plastic products (plastic plates, sheets, blocks, film, foil, strip etc.)  <b>Manufacturing, Processing and Selling of Co extruded Multilayer Polyethylene films</b>	22201	100 %

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

Sl. NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Synergy Films Private Limited	U25206AS2007PTC008292	Subsidiary	100%	2(87)(ii)

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

## i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	1,489,924	0	1,489,924	49.66%	1,500,093	0	1,500,093	50.00%	0.34%
(b)	Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
(c)	State Governments(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
(d)	Bodies Corporate	513,267	0	513,267	17.11%	513,267	0	513,267	17.11%	0.00%
(e)	Financial Institutions / Banks	0	0	0	0.00%	0	0	0	0.00%	0.00%
(f)	Any other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>Sub-Total (A) (1)</b>	<b>2,003,191</b>	<b>0</b>	<b>2,003,191</b>	<b>66.77%</b>	<b>2,013,360</b>	<b>0</b>	<b>2,013,360</b>	<b>67.11%</b>	<b>0.34%</b>
(2)	Foreign		0		0.00%		0		0.00%	0.00%
(a)	Non-Resident Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
(b)	Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
(c)	Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
(d)	Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
(e)	Any Other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>Sub-Total (A) (2)</b>		<b>0</b>		<b>0.00%</b>		<b>0</b>		<b>0.00%</b>	<b>0.00%</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2,003,191</b>	<b>0</b>	<b>2,003,191</b>	<b>66.77%</b>	<b>2,013,360</b>	<b>0</b>	<b>2,013,360</b>	<b>67.11%</b>	<b>0.34%</b>
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
(b)	Financial Institutions / Banks	0	0	0	0.00%	0	0	0	0.00%	0.00%
(c)	Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
(d)	State Governments(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
(e)	Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
(f)	Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
(g)	Foreign Institutional Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
(h)	Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
(i)	Any Other (Specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>Sub-Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
(2)	Non-Institutions									0.00%
(a)	Bodies Corporate									
	i) Indian	59,966	5,800	65,766	2.19%	30,872	5,800	36,672	1.22%	-0.97%
	ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
(b)	Individuals									
(i)	Individual Shareholders holding nominal Share Capital upto ₹1 Lakh	553,195	85,500	638,695	21.29%	550,961	75,995	626,956	20.90%	-0.39%

	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii)	Individual Shareholders holding nominal Share Capital in excess of ₹ 1 Lakh	246,772	0	246,772	8.23%	275,236	0	275,236	9.17%	0.95%
(c)	Any Other : Bodies Corp -NBFC	0	0	0	0.00%	0	0	0	0.00%	0.00%
	IEPF	35,326	0	35,326	1.18%	37,526	0	37,526	1.25%	0.07%
(i)	Directors & their relatives	10,250	0	10,250	0.34%	10,250	0	10,250	0.34%	0.00%
	<b>Sub-total (B) (2)</b>	<b>905,509</b>	<b>91,300</b>	<b>996,809</b>	<b>33.23%</b>	<b>904,845</b>	<b>81,795</b>	<b>986,640</b>	<b>32.89%</b>	<b>-0.34%</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>905,509</b>	<b>91,300</b>	<b>996,809</b>	<b>33.23%</b>	<b>904,845</b>	<b>81,795</b>	<b>986,640</b>	<b>32.89%</b>	<b>-0.34%</b>
	<b>TOTAL (A)+(B)</b>	<b>2,908,700</b>	<b>91,300</b>	<b>3,000,000</b>	<b>100.00%</b>	<b>2,918,205</b>	<b>81,795</b>	<b>3,000,000</b>	<b>100.00%</b>	<b>0.00%</b>
(C)	Shares held by Custodians Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2,908,700</b>	<b>91,300</b>	<b>3,000,000</b>	<b>100.00%</b>	<b>2,918,205</b>	<b>81,795</b>	<b>3,000,000</b>	<b>100.00%</b>	<b>0.00%</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bhupendra Bhikhubhai Desai	8,640	0.29		8,640	0.29		0.00
2	Nilay Nitinkumar Patel	11,565	0.39		11,565	0.39		0.00
3	Pheroze Pestonji Kharas	61,980	2.07		61,980	2.07		0.00
4	Kunal Plastics Private Limited	36,440	1.21		36,440	1.21		0.00
5	Silver Stream Properties Private Limited	476,827	15.89		476,827	15.89		0.00
6	Amita Jaymin Desai	542,146	18.07		542,146	18.07		0.00
7	Charulata Nitinbhai Patel	383,911	12.80		390,752	13.03		0.23
8	Indumati Balvantrai Desai	128,137	4.27		128,137	4.27		0.00
9	Jankee J Desai	47,116	1.57		47,116	1.57		0.00
10	Jaymin Balvantrai Desai	103,042	3.43		103,042	3.43		0.00
11	Jaymin Balvantrai Desai (Huf)	6,176	0.21		6,176	0.21		0.00
12	Nargis Pheroze Kharas	23,400	0.78		23,400	0.78		0.00
13	Nitinkumar Manubhai Patel	118,061	3.94		118,061	3.94		0.00
14	Stuti J Desai	47,116	1.57		47,116	1.57		0.00
15	Aditya Nitinkumar Patel	8,634	0.29		11,962	0.40		0.11
	<b>Total</b>	<b>1,986,442</b>	<b>66.21</b>		<b>2,003,191</b>	<b>66.77</b>		<b>0.56</b>

## iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sr No	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2018		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1	Amita Jaymin Desai	01-Apr-2018		542,146	18.07%	542,146	18.07%
				No Change in Shareholding			
		31-Mar-2019		542,146	18.07%	542,146	18.07%
2	Silver Stream Properties LLP	01-Apr-2018		4,76,827	15.89%	4,76,827	15.89%
				No Change in Shareholding			
		31-Mar-2019		4,76,827	15.89%	4,76,827	15.89%
3	Charulata Nitin Patel	01-Apr-2018		3,83,911	12.80%	3,83,911	12.80%
		15-Jun-2018	Transfer	441	0.01	3,84,352	12.81%
		22-Jun-2018	Transfer	1400	0.04	3,85,752	12.85%
		29-Jun-2018	Transfer	5,000	0.17	3,90,742	13.02%
		31-Mar-2019		3,90,742	13.02%	3,90,742	13.02%
4	Indumati Balvantrai Desai	01-Apr-2018		1,28,137	4.27%	1,28,137	4.27%
				No Change in Shareholding			
		31-Mar-2019		1,28,137	4.27%	1,28,137	4.27%
5	Jaymin Balvantrai Desai	01-Apr-2018		1,03,042	3.43%	1,03,042	3.43%
				No Change in Shareholding			
		31-Mar-2019		1,03,042	3.43%	1,03,042	3.43%
6	Pheroze Pestonji Kharas	01-Apr-2018		61,980	2.07%	61,980	2.07%
				No Change in Shareholding			
		31-Mar-2019		61,980	2.07%	61,980	2.07%
7	Nitinkumar Manubhai Patel	01-Apr-2018		118,061	3.94%	118,061	3.94%
				No Change in Shareholding			
		31-Mar-2019		118,061	3.94%	118,061	3.94%
8	Kunal Plastics Private Limited	01-Apr-2018		36,440	1.21%	36,440	1.21%
				No Change in Shareholding			
		31-Mar-2019		36,440	1.21%	36,440	1.21%
9	Nargis Pheroze Kharas	01-Apr-2018		23,400	0.78%	23,400	0.78%
				No Change in Shareholding			
		31-Mar-2019		23,400	0.78%	23,400	0.78%
10	Stuti J Desai	01-Apr-2018		47,116	1.57%	47,116	1.57%
				No Change in Shareholding			
		31-Mar-2019		47,116	1.57%	47,116	1.57%
11	Nilay Nitinkumar Patel	01-Apr-2018		11,565	0.39%	11,565	0.39%
				No Change in Shareholding			
		31-Mar-2019		11,565	0.39%	11,565	0.39%
12	Jankee J Desai	01-Apr-2018		47,116	1.57%	47,116	1.57%
				No Change in Shareholding			
		31-Mar-2019		47,116	1.57%	47,116	1.57%

Sr No	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2018		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
13	Bhupendra B. Desai	01-Apr-2018		8,640	0.29%	8,640	0.29%
		31-Mar-2019		8,640	0.29%	8,640	0.29%
14	Jaymin Balvantrai Desai (HUF)	01-Apr-2018		6,176	0.21%	6,176	0.21%
		No Change in Shareholding					
		31-Mar-2019		6,176	0.21%	6,176	0.21%
15	Aditya Nitinkumar Patel	01-Apr-2018		8,634	0.29%	8,634	0.29%
		06-Apr-2018	Transfer	3,328	0.11	11,962	0.40%
		31-Mar-2019		11,962	0.40%	11,962	0.40%

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

Sr. no.	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the year 01.04.2018		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1	Vinay Rungta	01-Apr-2018		90,001	3.00%	90,001	3.00%
		27-Apr-2018	Transfer	-2,240	-0.07	87,761	2.93
		04-May-2018	Transfer	-760	-0.03	87,001	2.90
		28-Sep-2018	Transfer	10	0.00	87,011	2.90
		12-Oct-2018	Transfer	10	0.00	87,021	2.90
		02-Nov-2018	Transfer	20	0.00	87,041	2.90
		04-Jan-2019	Transfer	20	0.00	87,061	2.90
		18-Jan-2019	Transfer	2	0.00	87,063	2.90
		31-Mar-2019		87,063	2.90	87,063	2.90
2	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	01-Apr-2018		35,326	1.18%	35,326	1.18%
		21-Sep-2018	Transfer	2,200	0.07	37,526	1.25
		31-Mar-2019		37,526	1.25	37,526	1.25
3	Byna Murali	01-Apr-2018		32,000	1.07%	32,000	1.07%
		06-Apr-2018	Transfer	2,138	0.07	34,138	1.14
		08-Jun-2018	Transfer	5,000	0.17	39,138	1.30
		15-Jun-2018	Transfer	862	0.03	40,000	1.33
		31-Mar-2019		40,000	1.33	40,000	1.33
4	Kalpesh Bhupendra Vora	01-Apr-2018		30,542	1.02%	30,542	1.02%
		06-Apr-2018	Transfer	-1,099	-0.04	29,443	0.98%
		31-Mar-2019		29,443	0.98%	29,443	0.98%
5	Mitesh Vora	01-Apr-2018		25,532	0.85%	25,532	0.85%
		06-Apr-2018	Transfer	-1,000	-0.03	24,532	0.82
		31-Mar-2019		24,532	0.82	24,532	0.82
6	M K Shroff	01-Apr-2018		21,286	0.71%	21,286	0.71%
		27-Apr-2018	Transfer	-1,786	-0.06	19,500	0.65

Sr. no.	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the year 01.04.2018		Cummulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
		04-May-2018	Transfer	-1,000	-0.03	18,500	0.62
		08-Jun-2018	Transfer	1,200	0.04	19,700	0.66
		31-Mar-2019		19,700	0.66	19,700	0.66
7	Kalpana Prakash Pandey	01-Apr-2018		18,885	0.63%	18,885	0.63%
		27-Jul-2018	Transfer	140	0.00	19,025	0.63
		06-Sep-2018	Transfer	90	0.00	19,115	0.64
		05-Oct-2018	Transfer	111	0.00	19,226	0.64
		26-Oct-2018	Transfer	100	0.00	19,326	0.64
		02-Nov-2018	Transfer	649	0.02	19,975	0.67
		16-Nov-2018	Transfer	1,700	0.06	21,675	0.72
		23-Nov-2018	Transfer	126	0.00	21,801	0.73
		30-Nov-2018	Transfer	2,173	0.07	23,974	0.80
		07-Dec-2018	Transfer	483	0.02	24,457	0.82
		22-Mar-2019	Transfer	954	0.03	25,411	0.85
		27-Jul-2018	Transfer	140	0.00	19,025	0.63
		31-Mar-2019		19,025	0.63	19,025	0.63
8	Abhay Ratilal Jasani	01-Apr-2018		18,416	0.61%	18,416	0.61%
		31-Mar-2019		18,416	0.61%	18,416	0.61%
9	Qamar Afroz Shaikh	01-Apr-2018		18,000	0.60%	18,000	0.60%
		31-Mar-2019		18,000	0.60%	18,000	0.60%
10	Saguna Property Management And Trading Private Limited	01-Apr-2018		12,500	0.42%	12,500	0.42%
		31-Mar-2019		12,500	0.42%	12,500	0.42%
11	Mmd Securities Pvt. Ltd.	01-Apr-2018		12,373	0.41%	12,373	0.41%
		06-Apr-2018	Transfer	-4,000	-0.13	8,373	0.28
		08-Jun-2018	Transfer	-1,675	-0.06	6,698	0.22
		15-Jun-2018	Transfer	-170	-0.01	6,528	0.22
		22-Jun-2018	Transfer	-1,222	-0.04	5,306	0.18
		29-Jun-2018	Transfer	-1,000	-0.03	4,306	0.14
		06-Sep-2018	Transfer	-2,000	-0.07	2,306	0.08
		21-Sep-2018	Transfer	-1,000	-0.03	1,306	0.04
		28-Sep-2018	Transfer	-713	-0.02	593	0.02
		05-Oct-2018	Transfer	-8	0.00	585	0.02
		26-Oct-2018	Transfer	-155	-0.01	430	0.01
		07-Dec-2018	Transfer	-242	-0.01	188	0.01
		14-Dec-2018	Transfer	-188	-0.01	0	0.00
		31-Mar-2019		0	0.00	0	0.00
12	Varghese Daniel	01-Apr-2018		10,710	0.36%	10,710	0.36%
		27-Apr-2018	Transfer	-4,136	-0.14	6,574	0.22
		04-May-2018	Transfer	-4,640	-0.15	1,934	0.06
		11-May-2018	Transfer	-272	-0.01	1,662	0.06

Sr. no.	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
		31-Mar-2019		1,662	0.06	1,662	0.06
13	Jay Ketan Shroff	01-Apr-2018		0	0.00	0	0.00
		21-Sep-2018	Transfer	12,029	0.40	12,029	0.40
		14-Dec-2018	Transfer	333	0.01	12,362	0.41
		15-Feb-2019	Transfer	17,544	0.58	29,906	1.00
		30-Mar-2019		29,906	1.00	29,906	1.00

**(iv) Shareholding of Directors and Key Managerial Personnel:**

Sr. no.	Name of the Director/KMP	Date	Reason	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year	
				No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1.	Jaymin Balvantrai Desai	01-Apr-2018		1,03,042	3.43%	1,03,042	3.43%
		No Change in Shareholding					
		31-Mar-2019		1,03,042	3.43%	1,03,042	3.43%
2.	Charulata Nitin Patel	01-Apr-2018		3,83,911	12.80%	3,83,911	12.80%
		15-Jun-2018	Transfer	441	0.01	3,84,352	12.81%
		22-Jun-2018	Transfer	1400	0.04	3,85,752	12.85%
		29-Jun-2018	Transfer	5,000	0.17	3,90,742	13.02%
		31-Mar-2019		3,90,742	13.02%	3,90,742	13.02%
3.	Mukul B Desai	01-Apr-2018		9650	0.32%	9650	0.32%
		No Change in Shareholding					
		31-Mar-2019		9650	0.32%	9650	0.32%
4.	Jehangir Adi Moos	01-Apr-2018		500	0.02%	500	0.025
		No Change in Shareholding					
		31-Mar-2019		500	0.02%	500	0.02%
5.	Bhupendra M. Desai	01-Apr-2018		100	0.003%	100	0.003%
		No Change in Shareholding					
		31-Mar-2019		100	0.003%	100	0.003%
6.	Dhananjay Thakorbbhai Desai	01-Apr-2018		0	0.00	0	0.00
		No Change in Shareholding					
		31-Mar-2019		0	0.00	0	0.00
7.	Mahadev Dhirubhai Desai	01-Apr-2018		0	0.00	0	0.00
		No Change in Shareholding					
		31-Mar-2019		0	0.00	0	0.00
8.	Antony Pius Alapat	01-Apr-2018		0	0.00	0	0.00
		No Change in Shareholding					
		31-Mar-2019		0	0.00	0	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	9,67,50,990	80,00,000	0	10,47,50,990
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>9,67,50,990</b>	<b>80,00,000</b>	<b>0</b>	<b>10,47,50,990</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	0	0	0	0
● Reduction	1,33,54,801	0	0	1,33,54,801
<b>Net Change</b>	<b>(1,33,54,801)</b>	<b>0</b>	<b>0</b>	<b>(1,33,54,801)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	8,33,34,959	80,00,000	0	9,13,34,959
ii. Interest due but not paid				
iii. Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>8,33,34,959</b>	<b>80,00,000</b>	<b>0</b>	<b>9,13,34,959</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. no.	Particulars of Remuneration	Managing Director
		Jaymin Desai
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	91,76,700
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11,93,700
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission -as of Profit	Nil
5.	Others, please specify	Nil
	<b>Total (A)</b>	<b>1,03,70,400</b>
	Ceiling as per the Act	1,68,00,000

- The Company doesn't have any Whole-time Director or Manager.

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mukul Desai	Jehangir Moos	Bhupendra Desai	
<b>3.</b>	<b>Independent Directors</b>				
	● Fee for attending board committee meetings	2,10,000	2,30,000	2,30,000	6,70,000
	● Commission	100,402	100,402	100,402	3,01,206
	● Others, please specify				
	<b>Total (1)</b>	<b>3,10,402</b>	<b>3,30,402</b>	<b>3,30,402</b>	<b>9,71,206</b>
<b>4.</b>	<b>Other Non-Executive Directors</b>	<b>Charulata Patel</b>			
	● Fee for attending board committee meetings	80,000			80,000
	● Commission	100,402			100,402
	● Others, please specify				
	<b>Total (2)</b>	<b>1,80,402</b>			<b>1,80,402</b>
	<b>Total (B)=(1+2)</b>				<b>11,51,608</b>
	<b>Total Managerial Remuneration</b>				<b>4,01,608</b>
	Overall Ceiling as per the Act				4,01,608

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Antony. P. Alapat	CFO Mahadev D. Desai	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	763,921	30,56,211	38,20,132
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,651	5,75,821	5,81,472
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	nil	Nil	Nil
3.	Sweat Equity	nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	as of profit			
	- others, specify...			
5.	Others, please Specify	Nil	Nil	Nil
	<b>Total</b>	<b>769,572</b>	<b>36,32,032</b>	<b>44,01,604</b>

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**ANNEXURE –III****FORM No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

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

To,  
The Members,  
Ecoplast Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ecoplast Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;(Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely
  - (a) The Air (Prevention & Control of Pollution) Act, 1981
  - (b) Hazardous Waste (Management and Handling) Rules, 1989
  - (c) Plastic Waste Management Rules, 2016

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.No changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking

and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Place: Mumbai  
Date:27.05.2019

**For Parikh & Associates**  
Company Secretaries

Signature:  
Mitesh Dhabliwala  
Partner  
FCS No: 8331 CP No: 9511

*This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.*

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Annexure A'

To,  
The Members  
Ecoplast Limited

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

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

**For Parikh & Associates**  
Company Secretaries

Place: Mumbai  
Date:27.05.2019

Signature:  
Mitesh Dhabliwala  
Partner  
FCS No: 8331 CP No: 9511

## ANNEXURE –IV

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. CONSERVATION OF ENERGY

- i. Steps taken / impact on conservation of energy      Energy conservation continues to receive priority attention at all levels.
- ii. Steps taken by the company for utilizing alternate sources of energy including waste generated:      All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.
- iii. Capital investment on energy conservation equipment:

#### B. TECHNOLOGY ABSORPTION

- i. Efforts, in brief, made towards technology absorption      The Company continues to use latest technologies for improving the productivity & quality of its products.
- ii. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.:
- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
- a) Details of technology imported.: **The Company has not imported any technology**
- b) Year of import.: **Not Applicable**
- c) Whether the technology been fully absorbed: **Not Applicable**
- d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.: **Not Applicable**
- iii. Expenditure incurred on Research and Development

(in ₹ 000's)

	31.03.19	31.03.18
a) Capital Expenditure	---	---
b) Recurring Expenditure	23,38,317	20,99,800
c) Total Expenditure	23,38,317	20,99,800
d) Total R & D Expenditure as a percentage of total turnover.	0.25	0.21

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	31.03.19
a) Foreign Exchange Earnings	₹ 10,52,85,679/-
b) Foreign Exchange Outgo	₹ 32,73,66,665/-

**ANNEXURE –V**  
**FORM NO. AOC 2**

**Related Party Transactions disclosure**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2018)*

1. Details of contracts or arrangements or transactions not at arm's length basis:

**The Company has not entered into contracts or arrangements or transactions with Related Party which are not at arm's length basis hence not required to make any disclosure under this heading.**

2. Details of material contracts or arrangement or transactions at arm's length basis:

**The Company has not entered into any material contract or material arrangement or material transactions with related party on arm's length basis. Hence not required to make any disclosure under this heading.**

For and on behalf of the Board of Directors

**Mukul B. Desai**  
**CHAIRMAN**  
**DIN:00015126**

Mumbai, 27<sup>th</sup> May 2019

## ANNEXURE –VI

### PARTICULARS OF EMPLOYEES

The information as required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2018 is given hereunder.

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sr. No.	Name of Director/KMP	Ratio to Remuneration of Median Remuneration
i.	Jaymin B.Desai	42.37
ii.	Charulata N. Patel	0.83
iii.	Jehangir A. Moos	1.53
iv.	Dhananjay T. Desai	0
v.	Mukul B. Desai	1.44
vi.	Bhupendra M. Desai	1.53

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sr. No.	Name of Director/KMP	Percentage Increase in Remuneration
i.	Jaymin B.Desai	21.06%
ii.	Charulata N. Patel	30.65%
iii.	Jehangir A. Moos	23.25%
iv.	Dhananjay T. Desai	0*
v.	Mukul B. Desai	4.13%
vi.	Bhupendra M. Desai	14.69%
vii.	Mahadev D.Desai-CFO	9.05%
viii.	Antony P.Alapat-CS	49.96%

Note: Mr. Dhananjay T. Desai, Director had waived his right to receive any kind of remuneration, as precondition for his appointment as the member of Board of Director and its Committees.

3. The percentage increase in the median remuneration of employees in the financial year; (-9.90%)
4. the number of permanent employees on the rolls of company; **101**
5. the explanation on the relationship between average increase in remuneration and company performance:

**The Company's Average Remuneration reduced by 7.38 % as compared to previous financial year and Companies profit before tax has reduced by 16.49%. Considering the future plans & for retaining talent the average increase in remuneration is justified.**

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Total Remuneration of KMP	1,47,66,353
Turnover	92,72,59,073
Remuneration of KMP as of Turnover	1.59%

7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:

	Market Capitalisation	Price Earnings Ratio	change in market quotations of the shares as Compared to last Public offer
Closing date of the previous Financial year	₹ 40.59 Crores	14.37	+238.24%
Closing date of the current Financial year	₹ 30.88 Crores	9.11	+157.38%

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average Increase in Salaries excluding Managerial Remuneration	-13.61
Average Increase in Managerial Remuneration	21.06%

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

	<b>Mr. Jaymin Desai Managing Director</b>	<b>Mr. Mahadev Desai CFO</b>	<b>Mr. Antony Alapat Company Secretary</b>
Remuneration	1,03,70,400	36,32,032	7,69,572
Turnover	99,04,97,480		
Remuneration as % of Turnover	1.12%	0.39	0.08

10. The key parameters for any variable component of remuneration availed by the directors:

**The Non Executive Directors of the Company are entitled to 1 % commission on the Net Profits of the Company calculated as per section 198 of the Companies Act 2013.**

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

**The Company doesn't have any employee who is receiving remuneration in excess of highest paid director.**

12. Affirmation that the remuneration is as per the remuneration policy of the company:

**The Directors hereby confirm that the Company is paying remuneration to Directors & Employees as per the remuneration policy of the Company.**

13. Statement showing details of employees of the company who is drawing remuneration more than ₹ 60, Lakhs Per Annum or ₹ 5 Lakhs per Month.

- (i) Name of the employee: **Mr. Jaymin B. Desai**
- (ii) designation of the employee; **Managing Director**
- (iii) remuneration received; **₹ 1,03,70,400**
- (iv) nature of employment, whether contractual or otherwise; **Contractual**
- (v) qualifications; **B.E (Chemical)**
- (vi) experience of the employee; **Over 34 years**
- (vii) date of commencement of employment; **1985**
- (viii) the age of such employee; **59 years**
- (ix) the last employment held by such employee before joining the company; **Not Applicable**
- (x) the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; **29.12%**
- (xi) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager: **No**

## MANAGEMENT DISCUSSION AND ANALYSIS

Ecoplast Ltd is one of India's reputed suppliers of multilayer co-extruded polyethylene and co-polymer films to the flexible packaging industry as well as a variety of other specialty applications around the world. The Company has had a major role in the development of the flexible packaging industry in India ; this industry uses multi layer polyethylene and co-polymer films for laminating to one or more substrates, such as polyester film, Biaxially Oriented Polypropylene film, often in combinations with aluminum foil and/or paper, depending upon the packaging system and the product to be packed. The multilayer film forms the inner most layer – the heat seal layer – of the laminate, which is in contact with the packed product and is a critical part of the laminate for ensuring shelf life of the packed product. Since over three decades, The Company has been setting standards on high quality and innovation of multilayer film structures to provide the required film properties critical to pack, preserve and display a wide range of products world over.

Currently we serve following segments

- Aluminum Composite Panel
- Films for Surface Protection
- FMCG
- Specialty Films

Currently, we also export products to developing and developed countries

### Key strengths

- Designing capabilities that create and sustain market differentiation
- State-of-the-art and integrated manufacturing capabilities
- Consistent quality focus to deliver safe, convenient and secure consumer packaging
- An engaged and experienced team

### Global economic overview

According to the World Economic Outlook by the International Monetary Fund (IMF), Global growth in 2018 is estimated to be 3.7 percent, as it was last fall, but signs of a slowdown in the second half of 2018 have led to downward revisions for several economies.

Weakness in the second half of 2018 will carry over to coming quarters, with global growth projected to decline to 3.5 percent in 2019 before picking up slightly to 3.6 percent in 2020 (0.2 percentage point and 0.1 percentage point lower, respectively, than in the previous WEO). This growth pattern reflects a persistent decline in the growth rate of advanced economies from above-trend levels-occurring more rapidly than previously anticipated-together with a temporary decline in the growth rate for emerging market and developing economies in 2019, reflecting contractions

in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies.

Specifically, growth in advanced economies is projected to slow from an estimated 2.3 percent in 2018 to 2.0 percent in 2019 and 1.7 percent in 2020. This estimated growth rate for 2018 and the projection for 2019 are 0.1 percentage point lower than in the October 2018 WEO, mostly due to downward revisions for the euro area.

The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects of tariff increases enacted in the United States and China earlier that year. The further downward revision since October in part reflects carry over from softer momentum in the second half of 2018-including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand-but also weakening financial market sentiment as well as a contraction in Turkey now projected to be deeper than anticipated.

Risks to global growth tilt to the downside. An escalation of trade tensions beyond those already incorporated in the forecast remains a key source of risk to the outlook. Financial conditions have already tightened since the fall. A range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. These potential triggers include a “no-deal” withdrawal of the United Kingdom from the European Union and a greater-than- envisaged slowdown in China.

### Indian economy

India continues to be one of the world's fastest growing major economies. According to the Central Statistics Office (CSO), the growth rate is estimated to touch 7.2% in 2018-19.

The macro fundamentals of the economy are sound. Fiscal deficit has been brought down to 3.4% in the revised Government's estimate of 2018-19. The Current Account Deficit (CAD), against a high of 5.6% six years ago, is about 2.5% of GDP in 2018-19. India's exports are projected to touch an all-time high of \$330 Billion in the current fiscal.

The country has also moved up 23 places to rank 77 in the World Bank's Ease of Doing Business 2019 report.

These positive developments occurred happened on the back of a formalised tax structure, enhanced focus on infrastructure creation and the declining short-term adverse impact of demonetisation.

The Government's vision is to prepare the broad roadmap to make India a \$5 Trillion economy in the next five years. This will entail several long-term and short-term measures such as building next-generation infrastructure, strengthen digital infrastructure and expand rural industrialisation.

The growth outlook for the economy remains positive and the Government of India has put in place multiple enablers to boost consumption and demand in the country.

Nearly 60% of India's GDP is driven by domestic private consumption

### **Goods and Services Tax (GST)**

The Goods and Services Tax (GST) reforms has helped change the criteria for setting up manufacturing units, these are now more weighted towards elements such as input factor costs, quality of work force and proximity to market or raw materials as appropriate.

### **Faster urbanisation and rural focus**

India is powering ahead as the world's fastest growing major economy. Urban clusters are propelling this growth, and more consumers with enhanced purchasing power is emerging beyond the metros, particularly in Tier II/III cities.

Semi-urban and rural areas are getting connected to the mainstream economy with better roads and related infrastructure. Under the Pradhan Mantri Gram Sadak Yojana (PMGSY), around 15.80 lakh habitations out of a total of 17.84 lakh habitations have already been connected with pucca roads. In the Union Budget 2019-20, an allocation of ₹ 19,000 Crores was announced towards this initiative. The Government's planned initiatives to improve rural infrastructure will facilitate the movements of goods and services and thereby improve the rural earnings potential and consumption.

### **Consumption driven by youth**

According to a report by the World Economic Forum's System Initiative on Shaping the Future of Consumption, nearly 60% of India's GDP is driven by domestic private consumption, compared to 40% in China. This consumption paradigm is underpinned by a 1.3 Billion aspirational population, more than 60% of which is below the age of 35.

### **Industry overview**

#### **Global flexible packaging market**

In 2017, the flexible packaging market was valued at \$230.97 Billion; and is likely to increase in value to \$291.96 Billion by 2023 at 3.86% CAGR. Increasing market demands for consumer-friendly packages and an enhanced product protection and sustainability considerations have propelled flexible packaging as a viable and cost-effective alternative.

In the preceding few years, economic expansion in Asia Pacific (APAC) has lent substantial support to the growth of the packaging industry. The region has been witnessing a growing consumption pattern, thus leading to demand for products with differentiated features.

Contemporary developments in the packaging industry have led to an unprecedented rise in the flexible packaging market.

The emergence of sustainable and recyclable alternative materials, based on polymers and paper in the flexible packaging

industry, in line with the existing demand for environment-friendly packaging, has primarily benefited the pharmaceutical and food industries.

### **Indian packaging industry**

Packaging is among the high-growth industries in India, given the rising consumption trend in the country. The domestic packaging industry offers cost-effective products and services and provides world-class quality standards.

In India, the fastest growing packaging segments are laminates and flexible packaging. According to an ASSOCHAM-EY joint study, India's packaging industry is estimated to grow to \$ 72.6 Billion by FY2020.

The packaging industry has added value to various sectors including agriculture and FMCG segments through technology and innovation.

Source:

[http://piaindia.org/about\\_packaging\\_sector.aspx](http://piaindia.org/about_packaging_sector.aspx)  
<https://timesofindia.indiatimes.com/business/india-business/indias-packaging-industry-to-touch-us-72-6-bn-by-fy20-assochem-ey-study/articleshow/68032913.cms>

### **Indian flexible packaging industry**

India's Billion-plus population, growing disposable income and consistent economic progress have led to the growth in the packaging industry. Besides, flexible packaging has evolved as the most preferred method, given its multiple benefits like being light weight, small in size and lowest environmental impact.

In addition to the demographic shifts, the packaging industry in India is also adapting to changes in the way consumers shop. Different strategies are being tailored to suit urban and rural consumers in India. Rising consumption of packaged food and growing footprint of organised retail are augmenting the market growth for flexible packaging.

### **Industry trends**

- **Advancement in technology**

India's growing middle-class is demanding quality packaging that looks good and serves the purpose. Therefore, the packaging industry is adopting several technologies to enhance the quality and usability of products. Local manufacturers are also importing state-of-the-art equipment to ensure that the packaging is of world-class standards.

- **Focus on innovation**

The industry is witnessing best-in-class innovation in terms of packaging, labeling, customisation and recyclability. With dedicated R&D and innovation centres, companies in the sector are focused on creating unique solutions and are looking to minimise environmental impact.

## Opportunity

- **Consumption boom**

Rising income levels and rapid urbanisation have been at the core of India's growth story. According to a report by Boston Consulting Group (BCG), India's consumption growth is set to triple to \$4 Trillion by 2025. Rural India has a huge helping hand in making this possible. In rural India, per capita consumption is expected to grow 4.3 times by 2030, compared to 3.5 times in urban markets. This bodes well for the sector.

- **Premiumisation**

By 2030, Indian middle-income and high-income households are likely to drive nearly \$4 Trillion of incremental consumption spend. This is expected to lead upper middle and high-income consumers towards premiumisation and new category adoption. Hence, a substantial share of the incremental spends will be led by consumers upgrading to packaged, branded or higher priced offerings, or adding new products or services to their consumption pie. Growing disposable income will also drive a huge opportunity for packaged, branded offerings.

(source:[https://www.bain.com/contentassets/3ac52373c0174fdbb991a85c016dd061/wef\\_future\\_of\\_consumption\\_fast-growth\\_consumers\\_markets\\_india\\_report\\_2019.pdf](https://www.bain.com/contentassets/3ac52373c0174fdbb991a85c016dd061/wef_future_of_consumption_fast-growth_consumers_markets_india_report_2019.pdf))

- **Growth of organised retail**

Deloitte has projected that by 2021, organised retail share will reach 22% of the total Indian retail market from 12% in 2017. According to Nielsen, FMCG sales at modern retail stores in India stood at ₹41,416 Crore as of August 2018 and this helped the country's organised grocery stores to register a strong 22% growth in sale. The positive trend with the burgeoning demand in the country is expected to help drive growth for flexible packaging in India.

- **E-Commerce**

As consumers increasingly prefer e-commerce is given its efficiencies and the ease of comparison shopping, it has created many opportunities for flexible packaging. Flexible packaging is a lightweight alternative that can be used to eradicate handling and shipping costs, making it a perfect solution for e-commerce companies. Besides, high-barrier flexible packaging solutions add an extra layer of safety and use of multi-layered films can provide enhanced protection against air, moisture and sunlight.

## Threat

- **Waste generation**

India generates approximately 25000 tons of plastic waste every day, out of which only 60% is collected. Of this, 94% is thermoplastic content, which includes Polyethylene Terephthalate (PET), Low-Density Polyethylene (LDPE), High Density Polyethylene (HDPE) and Polyvinyl Chloride (PVC), all of this being recyclable. According to industry estimates plastic waste generation will amount to 31.4 million tons annually by 2031. Rising quantity of waste remains a growing area of concern, necessitating immediate actions and policies around wastage collection and treatment.

- **Recycling waste**

In terms of plastic recycling players, India has approximately 4,000 unorganised and 3,500 organised units. India's waste management involves several players that are part of the value chain. The responsibility of waste management is typically taken up by the municipality/ Urban Local Bodies (ULBs), formal private firms or the informal sector. While the municipality/ULBs are low-cost players they have less effectiveness compared to the private and informal sector. While the private sector can significantly improve the situation, it needs to be carried out with support from the Urban Local Bodies and will come at somewhat higher cost.

- **Rising input costs**

Resins, films and adhesives are some of the common raw materials used by the packaging companies. In recent times, the packaging industry was hit by increasing prices of such raw materials and the industry remains exposed to volatility in crude oil prices.

### Operational Performance Review

During the year under review, sales value Reduced by 6.38 % to ₹ 92,72,59,073 /- from ₹ 99,04,97,480/- in the previous year.

The profit before tax reduced by 16.49% to ₹ 39,222,250 /-from ₹ 4,69,68,101/- in the previous year.

However the profit after tax increased by 13.96% to Rs,3,38,90,806/- from ₹ 2,97,37,815/-in the previous year because of reduction in income tax rates.

Company is investing ₹ 5.7 Crores in new plant & machinery to replace old plant & machinery which will enable the Company to manufacture wider films & increase in efficiency of manufacturing.

**Key Financial Ratios**

	31.03.2018	31-03-2019	Change
Debtors Turnover Ratio	5.97	5.97	0%
Inventory Turnover Ratio	8.14	7.30	-10%
Interest Coverage Ratio	5.24	4.84	-8%
Current Ratio	1.61	1.81	12%
Long Term Debt Equity Ratio	0.07	0.03	-57%
Operating Profit Margin Ratio	3.56	4.13	16%
Net Profit Margin Ratio	3.14	3.36	7%
Return on Networth	12.47	11.68	-6%

- Long Term Debt Equity Ratio has reduced due to repayment of long term loans and increase in Net worth of the Company.

**Details of change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof:**

There has been marginal decrease in return on net worth by 0.79 % to 11.68% for the FY18-19 compared to 12.47% for the FY17-18 because although the net profit is increased but it has not been commensurate with the increase of the net worth in FY 17-18.

**Segment information:**

The Company's sole business segment is Plastic Films and all activities are incidental to this sole business segment. The Company services its domestic and export markets from India only

**Risks and Concern.**

The Company's risk management is an integral part of how to plan and execute its business strategies. The Company's business activities are exposed to a variety of risks, namely liquidity risk, market risks, commodity risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

**i. Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

**ii. Liquidity risk:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which 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.

**iii. Market risk:**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company operates internationally and portion of the business is transacted in several currencies. Consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the company are significantly lower in comparison to its imports. The Company holds derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposure. The exchange rate between rupee and foreign currency has changed substantially in recent years and may fluctuate substantially in future. Consequently, the results of the Company's operation are adversely affected as the rupee appreciates/ depreciates against these currencies.

**iv. Commodity Risk:**

Principal Raw Material for Company's products is variety of plastic polymers which are Derivatives of Crude Oil. Company sources its raw material requirement primarily from US Middle East and Europe. Domestic market prices are also generally remains in sync with international market

price scenario. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand–supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy

**Internal Financial Control Systems:**

The Company's internal financial control systems are commensurate with the nature of its business and the size and complexities of its operations. These systems are designed to ensure that all assets of the Company are safeguarded and protected against any loss and that all transactions are properly authorized, recorded and reported.

**Human Resources**

It is your Company's belief that people are at the heart of corporate purpose and constitute the primary source of sustainable competitive advantage. Your Company's belief in trust, transparency and teamwork improved employee productivity at all levels. The Company has 101 employees on its payroll.

**Cautionary Statement :**

*Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.*

## CORPORATE GOVERNANCE REPORT

Your Director's present the Company's Corporate Governance report as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31<sup>st</sup> March, 2019.

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

Your Company believes that Corporate Governance is a prerequisite for attaining sustainable growth in this competitive world. Transparency and accountability are the two basic tenets of Corporate Governance. It involves a set of relationships between a Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the enterprise. Credibility generated by sound Corporate Governance enables an enterprise in enhancing the confidence of the investors, and in establishing productive and lasting business relationship with all stakeholders.

It is your Company's unending mission to regularly nurture and develop steadfast professionalism, astute accountability and increased disclosures by taking all steps necessary towards superior growth in its value for its stakeholders.

The Board of Directors ('The Board') is responsible for and committed to sound principles of Corporate Governance in

the Company. The Board plays a crucial role in overseeing how the management serves the short term and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

### 2. BOARD OF DIRECTORS:

The Composition of the Board as on 31<sup>st</sup> March, 2019 is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by Independent Director and has an optimum combination of Executive, Non- Executive and Independent Directors.

None of the Independent Directors have any material pecuniary relationships or transactions with the Company.

### DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS:

As mandated by Listing Regulations none of the Directors is a member of more than ten Board level Committees or Chairman of more than five Committees across companies in which he/she is Director. Relevant details of the Board as on 31<sup>st</sup> March, 2019 are given as follows:

Name, Designation & DIN of Directors	Category	No. of Board Meetings Attended	No. of Directorships held in other Companies (+)	Atten- dance at last AGM	No. of Committee positions held in other Companies.	
					Chairman of Committee	Member of Committee
Mr. Mukul B. Desai Chairman (00015126)	NED(I)	5	2	Yes	Nil	Nil
Mr. Jaymin B. Desai Managing Director (00156221)	MD(P)	6	2	Yes	Nil	Nil
Mr. Jehangir A. Moos (00020609)	NED(I)	6	1	Yes	Nil	Nil
Mr. Dhananjay T. Desai (00049574)	NED(I)	5	4	No	Nil	Nil
Mr. Bhupendra M .Desai (02545003)	NED(I)	6	0	Yes	Nil	Nil
Mrs. Charulata N. Patel (00233935)	NED(P)	4	2	Yes	Nil	Nil

NED (I) – Non-Executive Director (Independent)/MD(P) – Managing Director(Promoter) / NED(P) – Non-Executive Director (Promoter)

+ Includes Directorship in Private Limited Companies, Companies under section 8, Foreign Companies and Alternate Directorship.

As on 31<sup>st</sup> March 2019, none of the Directors are related inter-se.

As on 31<sup>st</sup> March 2019, none of the Directors holds any Directorship in any Listed Company.

**Details of Shares held By Non-Executive Directors as on 31<sup>st</sup> March 2019**

Name	No. of Shares
Mr. Mukul B. Desai	9,650
Mr. Jehangir A. Moos (00020609)	500
Mr. Dhananjay T. Desai (00049574)	0
Mr. Bhupendra M .Desai (02545003)	100
Mrs. Charulata N. Patel (00233935)	390752

**NUMBER OF BOARD MEETINGS:**

During the financial year 2018-19, 6 (Six) Meetings were held and details are given below and the maximum gap between two meetings did not exceed one hundred and twenty days:

Sr. No	Date of Meeting	Board Strength	No. of Directors Present
1	28 <sup>th</sup> May 2018	6	6
2	10 <sup>th</sup> August , 2018	6	5
3	1 <sup>st</sup> November 2018	6	6
4	17 <sup>th</sup> December 2018	6	3
5	8 <sup>th</sup> February 2019	6	6
6	8 <sup>th</sup> March 2019	6	6

**CODE OF CONDUCT:**

The Board has laid down a Code of Conduct for all Board members and Senior Managerial personnel of the Company. The Code of Conduct is available on the website of the Company at <http://www.ecoplastindia.com/code.html>

All the Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to that effect signed by the Managing Director has been obtained.

**Profile of members of the Board of Directors being Re-appointed:**

- i. **Mr. Jehangir Moos** is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 1989. He was at one time a practicing lawyer, and later a legal advisor to a large multinational pharmaceutical Company.
- ii. **Mr. Mukul B. Desai** is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2007. He is a Chartered Accountant by profession and having varied experience in the field of Audit, Taxation, Corporate Law, Corporate Finance Structuring for more than 32 years.
- iii. **Mr. Bhupendra M. Desai** is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2009. He is a B. Tech from the Indian Institute of Technology (I.I.T) and an MBA from the Indian Institute of Management (I.I.M.). He joined Larsen & Toubro Ltd. in 1972, as post graduate trainee in Central Planning Department and

subsequently transferred to Tractor Engineers Ltd. (a wholly owned subsidiary of L&T Ltd) in 1973. He retired from L & T Ltd; in 2005. After retirement he has worked as supply chain management consultant with L & T Ltd for two years and subsequently has worked as business consultant to various companies for three years.

In the opinion of the Board, each of these Directors fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Directors and is independent of the management of the Company.

**INDUCTION AND FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:**

The Company organizes an induction programme for new Directors and an ongoing familiarization programme for Independent Directors with respect to the business/ working of the Company. On appointment of a Director, the concerned Director is issued a letter of appointment setting out in detail, the terms of appointment, duties, roles, rights and responsibilities. The Director is also explained the compliances required to be done by him/ her under various Acts, shown a presentation on organizational set up of the Company, functioning of various divisions/ departments, company's market share, governance and internal control processes.

As an ongoing process, the Board of Directors are updated on a quarterly basis on overall economic trends, business performance and the initiatives taken/ proposed to be taken to bring about an overall improvement in the performance of the Company. Further, training programmes are held and presentations are given to the Directors, updating them

with statutory changes and compliances applicable to the Company.

The details of the familiarization program can be accessed from the website <http://www.ecoplastindia.com/familiarization-programme-of-independent-directors.html>

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

- i) Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,
- ii) Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,
- iii) Strategic thinking and decision making,
- iv) Financial Skills,
- v) Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.

### 3. COMMITTEES OF THE BOARD:

The committees constituted by the Board play an important role on the governance structure of the Company. The committees are in line with the Listing Regulations and Companies Act, 2013. The minutes of the Committee meetings are tabled at the Board Meetings.

The Minutes of Board Meeting and other committees are captured in accordance with the provisions of the Companies Act, 2013.

#### COMPOSITION OF COMMITTEES OF DIRECTORS

The time gap between any two meetings was less than four months. The details of attendance of Audit Committee meetings are as under:

Name of Member	Category	Status	No. of Meeting	
			Held	Attended
Mr. Mukul B. Desai	NED(I)	Chairman	5	5
Mr. Jehangir A. Moos	NED(I)	Member	5	5
Mr. Bhupendra M. Desai	NED(I)	Member	5	5

The Board has designated Mr. Antony Alapat, Company Secretary to act as Secretary to the Committee.

Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on 14<sup>th</sup> September 2019 to answer the shareholders' queries.

#### AND THEIR ATTENDANCE AT THE MEETINGS:

Company has the following Board Level Committees:

- A) Audit Committee
- B) Remuneration and Nomination Committee
- C) Stakeholder Relationship Committee

Various Committees of Directors have been appointed by the Board for taking informed decisions in the best interest of the Company. These Committees monitor the activities falling within their respective terms of reference. The Board's Committees are as follows:

#### A. AUDIT COMMITTEE

The Audit Committee has played an important role in ensuring the financial integrity of the Company. The Audit Committee's role includes the financial reporting process, Audit process, Related Party Transactions and other applicable laws.

The composition of the Audit Committee is in line with the provisions of section 177 of Companies Act, 2013 and Listing Regulations. Further the Committee invites the Managing Director, Whole time Directors, Chief Executive Officer, Chief Financial Officer, Statutory and Internal Auditor to attend the Audit Committee Meetings. Minutes of the Audit Committee are placed in the next meeting of the Board.

The composition of the Audit Committee along with the details of the meetings held and attended during the financial year as on 31<sup>st</sup> March, 2019, are given below.

#### Meetings, Members and Attendance

During the financial year 2018-19 the Audit Committee held 5 (five) meetings on 28<sup>th</sup> May 2019, 10<sup>th</sup> August 2018 & 1<sup>st</sup> November 2018, 8<sup>th</sup> February 2019 and 8<sup>th</sup> March 2019.

The role of Audit Committee, the powers exercised by it pursuant to the terms of reference, and the information reviewed by it are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

**Terms of reference:**

The terms of reference to this committee, inter alia covers all the matters specified under Regulation 18 of Listing Regulations, as well as in Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, from time to time. These broadly include (i) review of financial reporting processes, risk management, internal control and governance processes, (ii) develop an Audit plan for committee, (iii) risk management framework concerning critical operations of the Company, (iv) discussion on quarterly, half yearly and Annual financial statements and the auditor's report, (v) interaction with statutory, internal auditors to ascertain their independence and effectiveness of audit process, (vi) recommendation for appointment, remuneration and terms of appointment of auditors (vii)

**The details of attendance of the Members are as under:**

Name of Member	Category	Status	No. of Meeting	
			Held	Attended
Mr. Jehangir A. Moos	NED(I)	Chairman	3	3
Mr. Mukul B. Desai	NED(I)	Member	3	3
Mr. Bhupendra M. Desai	NED(I)	Member	3	3

The Board has designated Mr. Antony Alapat, Company Secretary to act as Secretary to the Committee.

**Terms of reference:**

The terms of reference to this committee, inter alia covers all the matters specified under Regulation 19 of Listing Regulations, as well as in Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, from time to time. These include:

- i. Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. Devising a policy on diversity of Board of Directors;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- v. Whether to extend or continue the term of appointment

related party transactions. The Audit Committee has also powers inter alia to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

**B. NOMINATION AND REMUNERATION COMMITTEE:**

As on 31<sup>st</sup> March, 2019 the Nomination & Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

**Meetings, Members and Attendance**

During the Financial Year 2018-19, the Nomination & Remuneration Committee held 3 (three) meetings on 28<sup>th</sup> May 2019, 8<sup>th</sup> February 2019 and 8<sup>th</sup> March 2019.

of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

**Performance Evaluation**

The criteria for performance evaluation cover the areas relevant to the performance, participation, conduct, effectiveness etc. The performance evaluation of Independent Directors was done by the entire Board of Directors and the Directors subject to evaluation had not participated in the same. The Independent Directors evaluated the performance of Non-Independent Directors and Board as a whole.

**Policy for Remuneration to Director/ Key Managerial Personnel**

The Remuneration Policy for directors and senior management are placed on the website of the Company weblink < [http://www.ecoplastindia.com/ Remuneration Policy for directors and senior management.html](http://www.ecoplastindia.com/RemunerationPolicyfordirectorsandseniormanagement.html)>

The details of remuneration paid to the directors are given in form MGT-9 which forms part of the Directors Report.

**C. STAKEHOLDER RELATIONSHIP COMMITTEE:****Meetings, Members and Attendance**

During the Financial Year 2018-19 the Committee held 1 (one) meeting on 28<sup>th</sup> May, 2018.

The details of attendance of Members are as under:

Name of Member	Category	Status	No. of Meeting	
			Held	Attended
Mr. Mukul B. Desai	NED(I)	Chairman	1	1
Mr. Jehangir A. Moos	NED(I)	Member	1	1
Mr. Jaymin B. Desai	MD(P)	Member	1	1
Mr. Bhupendra M. Desai	NED(I)	Member	1	1

The Board has designated Mr. Antony Alapat, Company Secretary to act as Secretary to the Committee.

**Complaints received and redressed by the Company during the financial year 2018-19.**

No of Shareholders Complaints Received so far	No. not solved to the satisfaction of shareholders	No . of Complaints Pending
1	0	0

**E. INDEPENDENT DIRECTORS MEETING:**

In accordance with provisions of the Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on 29<sup>th</sup> March, 2018 without the attendance of Non Independent Directors and Members of the Management.

**F. GENERAL BODY MEETINGS:**

**I. DETAILS OF THE ANNUAL GENERAL MEETING HELD DURING THE PRECEDING 3 YEARS AND SPECIAL RESOLUTIONS PASSED THEREAT GIVEN BELOW**

Financial Year	Venue	Date & Time	Details of Special Resolution Passed
2017-18	The Club Resort, At & P.O.Vashier, Valsad - 396 001	14 <sup>th</sup> September 2018 at 12.00 noon	i. Re-appointment of Mr. Jaymin Desai (DIN 00156221) as Managing Director of the Company for a period of three years with effect from 1 <sup>st</sup> October, 2018 to 30 <sup>th</sup> September, 2021. ii. To approve the continuance of the Directorship of Mr. Dhananjay T. Desai (holding DIN:00049574) who has attained the age of seventy five year till his original tenure up to September 11, 2020. iii. To approve the continuance of the Directorship of Mr. Jehangir A. Moos (holding DIN:00020609) who will attain the age of seventy five years till his original tenure up to September 19, 2019
2016-17	The Club Resort, At & P.O.Vashier, Valsad - 396 001	20 <sup>th</sup> September 2017 at 11.00 a.m.	Nil
2015-16	The Club Resort, At & P.O.Vashier, Valsad - 396 001	13 <sup>th</sup> September 2016 at 11.00 a.m	Nil

- The Company has not conducted Postal Ballot in last year

**G. MEANS OF COMMUNICATION**

- i. **WEBSITE:** The Company's website <http://www.ecoplastindia.com/Investor.html> contains a separate section "Investor" for use of investors. The Quarterly, half yearly and Annual Financial Results are promptly and prominently displayed on website. Notices, Annual Report, Quarterly Shareholding Pattern and other Communication are also available on the website.
- ii. **FINANCIAL RESULTS:** The Quarterly, Half yearly and Annual Results are regularly posted by the Company on its website. These are also submitted to the Stock Exchange i.e. BSE (Corporate Compliance and Listing Centre) in accordance with Listing Regulations.

The Quarterly, Half Yearly and Annual Results are normally published in Indian Express (English) and Financial Express

(Gujarati) within 48 hours of approval.

- iii. **ANNUAL REPORT:** Annual Report containing inter-alia, salient features of the Audited Financial Statements, Director's Report (Including Management Discussion and Analysis), Corporate Governance Report and other important information is circulated to members and others entitled thereof.
- iv. **CORPORATE FILING:** Announcements, Quarterly Results, Shareholding Pattern etc of the Company are regularly filed by the Company with BSE Ltd. and are also available on the website of the Company.
- v. There were no presentations made to the institutional investor analysts during the year.

**H. GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting (Day, Date, Time and Venue)	Friday, 6 th September 2019, 12:00 noon at The Club Resort, At & P.O.Vashier, Valsad - 396 001
Financial Year	1 <sup>st</sup> April,2018 – 31 <sup>st</sup> March, 2019
Dividend Payment Date	On or before 11 <sup>th</sup> September 2019
Listing on Stock Exchanges	BSE Ltd. (Scrip Code: 526703)
International Securities Identification Number (ISIN)	INE423D01010

Note: The Annual Listing Fees for the year 2019-20 has been paid to BSE.

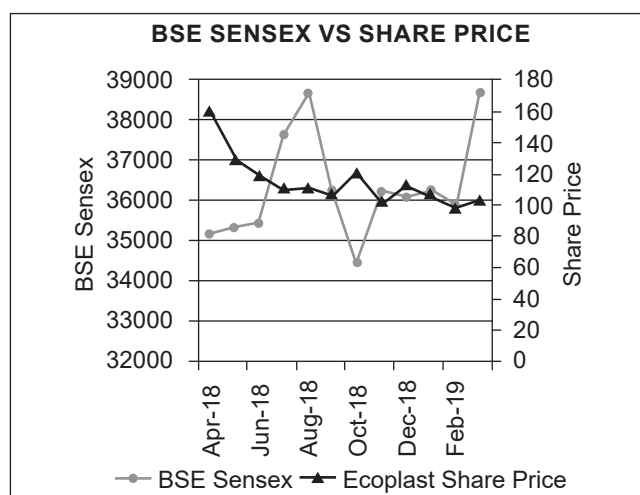
**I. STOCK MARKET DATA:**

Share Prices (High/Low) and number of shares traded during each month in the last Financial Year:

Month	High Price	Low Price	No. of Shares Traded
Apr-18	168	133	71665
May-18	179	123	40304
Jun-18	140	103	29410
Jul-18	125	95.5	13162
Aug-18	124.8	100.5	19203
Sep-18	134.25	107	26305
Oct-18	124.8	101.2	7753
Nov-18	130	96.4	15374
Dec-18	125	98.4	21212
Jan-19	132.8	96.6	8303
Feb-19	113.9	95	25693
Mar-19	116.3	95.65	8270

**J. STOCK PERFORMANCE:**

The market share price data in comparison to BSE Sensex

**K. REGISTRARS AND SHARE TRANSFER AGENT FOR SHARES:**

M/s TSR DARASHAW LIMITED, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road Mumbai-400011, Tel:

(022) 66568484, email id: [csg-unit@tsrdarshaw.com](mailto:csg-unit@tsrdarshaw.com) are acting as Registrar & Transfer Agents (RTA) for handling the shares related matters both in Physical & Dematerialized mode.

Shareholders are advised to send all the correspondence to the RTA. However for the convenience of shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary actions thereon.

**L. SHARE TRANSFER SYSTEM:**

Presently, the Share Transfers which are received in physical form are processed & approved by the Registrars and Share Transfer Agents (RTA) and the share certificates are returned within a stipulated time from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

**M. RECONCILIATION OF SHARE CAPITAL AUDIT:**

A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

**N. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019:**

Range Start	Range End	Total Shares	Percentage to capital	Total Number of shareholders	% of Total Security holders
1	500	250,613	8.35	1,950	88.00
501	1,000	94,376	3.15	118	5.32
1,001	2,000	80,097	2.67	52	2.35
2,001	3,000	68,411	2.28	26	1.17
3,001	4,000	57,035	1.90	16	0.72
4,001	5,000	42,645	1.42	9	0.41
5,001	10,000	102,520	3.42	15	0.68
10,001	9,999,999,999	2,304,303	76.81	30	1.35
		<b>3,000,000</b>	<b>100.00</b>	<b>2,216</b>	<b>100.00</b>

**O. CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2019:**

Sr No	Particulars	No. of Accounts	Holding	% to capital
1	Promoters	26	2,013,360	67.11
2	Indian Financial Institution	0	0	0.00
3	State Govt	0	0	0.00
4	Alternative Investment Fund	0	0	0.00
5	Nationalised Bank	0	0	0.00
6	Mutual Fund	0	0	0.00
7	Foreign Institutional Investors / Foreign Co / Foreign Bodies DR	0	0	0.00
8	GDS Depositories	0	0	0.00
9	Other Companies	51	36,672	1.22
10	IEPF suspense Account	1	37,526	1.25
11	Individuals & Others	2,138	912,442	30.41
	Total	2,216	3,000,000	100.00

**P. DEMATERIALISATION OF SHARES:**

The Company's Equity Shares are held in dematerialised form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. INE423D01010. As on 31<sup>st</sup> March, 2019, 97.27% of the total shares of the Company have been dematerialised.

The shareholders holding shares in physical form are requested to dematerialize their shares as the Company's shares are required to be compulsorily traded at the stock exchanges in dematerialized form only. The shares of the Company are regularly traded at the BSE Limited.

**Q. PLANT LOCATION:**

National Highway No. 8, Water Works Cross Road, Abrama – Valsad, Valsad-396001, Gujarat

**R. ADDRESS FOR CORRESPONDENCE**

Registered Office : National Highway No. 8, Water Works Cross Road, Abrama – Valsad, Valsad-396001, Gujarat

Tel. No. : 02632- 226157

Email : Investor@Ecoplastindia.com.

**S. Commodity/Forex Risk:** Principal Raw Material for Company's products is variety of plastic polymers which are Derivatives of Crude Oil. Company sources its raw material requirement primarily from US Middle East and Europe. Domestic market prices are also generally remains in sync with international market price scenario. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand–supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy

**T. Unclaimed Suspense Account:** The Company does not have any Demat Suspense Account or Unclaimed Suspense Account

**U.** The Company does not obtained any credit rating on Debt Instruments or Fixed Deposit Programme in FY 2018-19 Since it does not have any Debt Instruments or Fixed Deposit Programme.

**V. DISCLOSURES:****i. Strictures and Penalties:**

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines of SEBI and other regulatory authorities. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authorities on any matter relating to capital markets during the last 3 years.

**ii. Compliance with Accounting Standards:**

In preparation of the Financial Statements, the Company has followed the Accounting standards applicable to the Company.

**iii. CEO/ CFO Certification:**

The Chief Executive Officer and Chief Financial Officer of the Company have furnished the requisite Certificates to the Board of Directors as per Listing Regulations.

**iv. Internal Control System and their adequacy:**

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed Internal Auditors who audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

**v. Related Party Transactions:**

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial year were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors.

Transactions with the related parties are disclosed under Note no.31 to the financial statements in the Annual Report.

**b. Exposure of the listed entity to various commodities:**

Commodity Name	Exposure in INR toward the particular commodity	Exposure in Quantity terms toward the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Poly Ethylene	58,18,30,258/-	54,46,248 kg	0%	0%	0%	0%	0%

x. A certificate from Mr.Mitesh Dhaliwala (Membership No FCS 8331& CP No 9511) of M/s Parikh & Associates, Practicing Company Secretaries has been received stating that none of the directors on the board of the company are

The Board of Directors has approved a policy of related party transactions which has been uploaded on the website of the Company <http://www.ecoplastindia.com/pdf/policies/28-Related-Party-Transaction-Policy.pdf>

**vi. Risk Management :**

The Company recognizes that risk is an integral part of any business activity. The Company is aware of the risks associated with the business and has well defined process in place to ensure appropriate identification and treatment of risk. This will facilitate not only risk assessment and timely rectification but also help in minimization of risk associated with any strategic, operational, financial and compliance risk across all business operations. There are no risks which in the opinion of the board threatens the existence of the company. However some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

**vii. Vigil Mechanism (Whistle Blower Policy):**

The Company has a vigil mechanism called "Whistle Blower Policy" with a view to provide a mechanism for Directors and employees of the Company to raise concerns of any violations of any legal or regulatory requirement, incorrect or misrepresentation of any financial statement and reports etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

All employees have been provided direct access to the Audit committee. Further, the details of the policy are also posted on the website of the Company <http://www.ecoplastindia.com/whistle-blower-policy.html>

**viii. Policy of determining Material Subsidiary:**

The Company has adopted the policy for determining Material Subsidiary which has been also posted on the website of the Company <http://www.ecoplastindia.com/pdf/policies/27-Policy-for-Determining-Material-Subsidiary.pdf>

**ix. Commodity Price Risks and Commodity hedging activities:**

a. Total exposure of the listed entity to commodities in INR: 58,18,30,258/-

debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**xi. Auditor's Fees:**

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is follows

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Payments to the auditors comprises		
(a) To statutory auditors		
Audit Fees	420,000	420,000
Taxation Matters	-	60,000
Company Law Matters	-	-
Tax Audit Fees	70,000	-
Certification and Other Services	140,000	270,894
Reimburesment of Expenses	137,350	57,828
<b>Total</b>	<b>767,350</b>	<b>808,722</b>

**xii. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) act, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

Details of Complaints under the act during the financial year 2018-19.

- number of complaints filed during the financial year -Nil
- number of complaints disposed of during the financial year -Nil
- number of complaints pending as on end of the financial year -Nil

the Company has not received any complaints on sexual harassment.

The Company has complied with all the mandatory requirements specified in regulation 17 to 27 regulation 46 of Listing Regulations.

The Corporate Governance Report of the Company for the year ended 31<sup>st</sup> March,2019 are in compliance with the requirements of Corporate Governance under Listing Regulations.

The status of adoption of the discretionary requirements as specified in Part E of Schedule II is as under:-

- Non-Executive Chairman's Office:**

The Chairman of the Company is the Non Executive Chairman.

- Shareholders Rights:**

Extract of the Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and are also posted on Company's website www. Ecoplastindia.com. The complete Annual Report is sent to each and every Shareholder of the Company.

- Modified opinion in Auditors Report**

The Company's financial statement for the year ended 31<sup>st</sup> March, 2019 does not contain any modified Audit opinion.

- Reporting of Internal Auditor:**

The Internal Auditor of the Company reports to the Audit Committee.

For & on behalf of the Board

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2019

Mukul B. Desai  
(Chairman)

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## COMPLIANCE WITH CODE OF BUSINESS CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2019.

For Ecoplast Limited

Place: Mumbai

Jaymin B. Desai

Date: 27<sup>th</sup> May 2019

Managing Director

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## CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,  
The Board of Directors  
Ecoplast Limited

We have reviewed the financial statements and the cash flow statement of Ecoplast Ltd. for the year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

MAHADEV DESAI  
CHIEF FINANCIAL OFFICER

JAYMIN B. DESAI  
MANAGING DIRECTOR

Place: Mumbai

Date: 27<sup>th</sup> May, 2019

## PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF  
ECOPLAST LIMITED

We have examined the compliance of the conditions of Corporate Governance by Ecoplast Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

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

For Parikh & Associates  
Practising Company Secretaries

FCS: 327 CP: 1228  
Mumbai, May 27, 2019

Mitesh Dhabliwala  
Partner

JIGNESH D. SONI  
B.com, LL.B, ACS  
Company Secretary  
Office: 8866779980, Mobile-9824198005  
E-mail: jigssoni@gmail.com  
204, Nishal Arcade, Nishal Circle, Near Galaxy Circle, Pal, Surat-395009.

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

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

To,  
The Members,  
**Synergy Films Private Limited (CIN: U25206AS2007PTC008292)**  
Gopinath Nagar, Kalaphar,  
Guwahati  
Assam-781028.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Synergy Films Private Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Synergy Films Private Limited for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **[Not Applicable during the period under review]**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **[Not Applicable during the year under review as the Company has neither accepted any FDI/ECB nor made any investment outside India]**
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **[Not applicable during the year under review as the Company is Private Limited Company]**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **[Not applicable during the year under review as the Company is Private Limited Company]**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the year under review as the Company is Private Limited Company]**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014; **[Not applicable during the year under review as the Company is Private Limited Company]**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the year under review as the Company is Private Limited Company]**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not applicable during the year under review as the Company is Private Limited Company]**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the year under review as the Company is Private Limited Company]** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the year under review as the Company is Private Limited Company]**
- (vi) The management has identified the following laws as specifically applicable to the Company:
- (a) Plastic Waste Management Rules, 2016.
- (b) The Air (Prevention & Control of Pollution) Act 1981

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with regard to meeting of Board Directors (SS-1) and General Meeting (SS-2).
- (ii) The Listing Agreements entered into by the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **[Not applicable during the year under review as the Company is Private Limited Company]**

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

**I further report that:**

- The Board of Directors of the Company is duly constituted.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and Committees thereof were carried out with requisites majority.

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

I further report that during the audit period there was no specific events/ action having a major bearing on Company's affair in pursuance of the above referred laws, regulations, guidelines, standards etc.

Jignesh D. Soni  
Company Secretary  
FCS-9173  
C. P. No. 9291

Date: 17<sup>th</sup> May, 2019.

Place: Surat.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

JIGNESH D. SONI  
B.com, LL.B, ACS  
Company Secretary  
Office: 8866779980, Mobile-9824198005  
E-mail: jigssoni@gmail.com  
204, Nishal Arcade, Nishal Circle, Near Galaxy Circle, Pal, Surat-395009.

## ANNEXURE-A

To,  
The Members,  
**Synergy Films Private Limited (CIN: U25206AS2007PTC008292)**  
Gopinath Nagar, Kalaphar, Guwahati,  
Assam-781028

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

Jignesh D. Soni  
Company Secretary  
FCS-9173  
C. P. No. 9291

Date: 17<sup>th</sup> May, 2019.  
Place: Surat.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ECOPLAST LIMITED

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

We have audited the accompanying standalone financial statements of **Ecoplast Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

#### Basis for Opinion

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

#### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report:-

#### 1. Impairment testing of Fully Owned Subsidiary Company

As at 31<sup>st</sup> March, 2019, the adjusted carrying amount of the investment in fully owned Subsidiary Company viz.

Synergy Films Private Limited is ₹ 2,11,66,099/- after giving effect of first time adoption of IND AS. The actual carrying cost of Investment as per IGAAP was ₹ 81,76,257/- net of impairment.

The Net Worth of the Subsidiary Company as on 31<sup>st</sup> March, 2019 is ₹ 76,87,815/-.

The Management has considered that losses suffered by the Subsidiary Company and erosion of its net worth indicate a possible impairment in the carrying value of investment. Accordingly, the management has performed an impairment assessment and has estimated the recoverable amount of its investment in the subsidiary using FMV estimate of its breakdown value which involves the use of significant management estimates and assumptions that are dependent on expected future market and economic conditions.

As per such assessment done by the management, the carrying value of the investment impaired by ₹ 71,96,229/- lakhs in the preceding years does not require any further impairment.

Considering the materiality of the amounts involved, the significant management judgment required in estimating the quantum of diminution in the value of investment and such estimates and judgments being inherently subjective, this matter has been identified as a key audit matter for the current year audit.

#### Our procedure included, but were not limited to the following:

- Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of impairment under Ind AS, and around valuation of the business of the Subsidiary to determine recoverable value of the said investment.
- Assessed the appropriateness of methodology and valuation model used by the management to estimate the recoverable value of investment in the Subsidiary.
- We analysed the Audited Financial Statement of the Subsidiary Company to gain an understanding of the Net Worth of the Subsidiary Company as at 31<sup>st</sup> March, 2019 for the purpose of the assessment of the carrying amount of investment by the Company.
- Based on our procedures, we also considered the adequacy of disclosures in respect of investment in the said Subsidiary in the notes to the standalone financial statements.

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

The Company's Board of Directors is responsible for the preparation

of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 standalone financial statements.

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

- o Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- o Obtain an understanding of internal financial controls 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.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- o 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- o Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- o Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of

a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

1. As required by Section 197(16) of the Act, we report that, the company has paid remuneration to its directors during the year is in accordance with the provisions and limits laid down under Section 197 read with Schedule V of the Act.
2. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial

statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Y. B. Desai and Associates**  
**Chartered Accountants**  
**Firm Registration No. 102368W**

**Mayank Y. Desai**  
**Partner**  
**Membership No. :- 108310**

Date :- 27<sup>th</sup> May, 2019

Place :- Mumbai.

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## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

of even date to the members of Ecoplast Limited, on the standalone financial statements for the year ended 31 March 2019

**Independent Auditor's 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 ECOPLAST LIMITED ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for the Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

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

**For Y. B. Desai and Associates**  
**Chartered Accountants**  
**Firm Registration No. 102368W**

**Name :- CA Mayank Y. Desai**  
**Partner**  
**Membership No. :- 108310**

Date :- 27<sup>th</sup> May, 2019

Place :- Mumbai

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## ANNEXURE - B TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date:

Matters specified in paragraph 3 of Order

**1) In respect of its fixed assets:**

- a) On the basis of available information, the Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
  - b) According to the information and explanation given to us, the Company has formulated a regular program of verification by which all the assets of the Company shall be verified in a phased manner over a period of once in every three years, which, in our opinion is reasonable having regard to the size of the Company and nature of assets and no material discrepancies were noticed on verification conducted during the year as compared with the book records.
  - c) According to the information and explanation given to us and on the basis of our examination of the record of the company, the title deeds of the immovable properties are held in the name of the company.
- 2) In respect of its inventories:
- a) The inventories, except goods-in-transit have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
  - 3) The Company has not granted loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties listed in the register maintained U/s 189 of the Companies Act, 2013. Therefore, the provisions of sub clause 3(a), 3(b) & 3(c) are not applicable to the company.
  - 4) According to the information and explanations given to us, the Company has not given any loan, security or guarantee to directors of any other body corporate as referred to in section 185 and 186 of the Companies Act, 2013. However, the Company had granted Loans to wholly owned subsidiary company under the erstwhile provision of Section 372A of the Companies Act, 2013. As per Rule 11 of the Companies (Meeting of Board and its power) Rules, 2014, Loans, Investments and guarantees given to wholly owned subsidiary is exempted from complying the provision of Section 186(3) of the Act.
  - 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
  - 6) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under subsection (1) of Section 148 of the Act, 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 records with a view to determine whether they are accurate or complete.
- 7) In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2019 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and Cess which have not been deposited on account of dispute. However, according to information and explanation given to us dues of Service Tax have not been deposited by the Company on account of disputes are as follows :-

Name of Statute	Nature of the Dues	Amount in (₹)	F. Y. to which the amount relates	Forum where dispute is pending
Finance Act, 1994	SERVICE TAX CREDIT ON THE SERVICE OF CUSTOM HOUSING AGENT	3,17,688.00	F.Y.2010-11	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	SERVICE TAX CREDIT ON THE SERVICE OF CUSTOM HOUSING AGENT	51,560.00	F.Y.2012-13	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	SERVICE TAX CREDIT ON THE SERVICE OF CUSTOM HOUSING AGENT	74,376.00	F.Y.2013-14	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	SERVICE TAX CREDIT ON THE SERVICE OF CUSTOM HOUSING AGENT	31,164.00	F.Y.2014-15	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	SERVICE TAX CREDIT ON THE SERVICE OF CUSTOM HOUSING AGENT	55,725.00	F.Y.2014-15	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	SERVICE TAX CREDIT ON THE SERVICE OF CUSTOM HOUSING AGENT	67,507.00	F.Y.2015-16	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	SERVICE TAX CREDIT ON THE SERVICE OF CUSTOM HOUSING AGENT	71,358.00	F.Y.2015-16	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	CENVAT CREDIT OF SERVICE TAX PAID TO COMMISSION AGENT	54,075.00	F.Y.2010-11 to F.Y.2013-14	DEPUTY COMMISSIONER ,C.EX.VALSAD
Finance Act, 1994	CENVAT CREDIT OF SERVICE TAX PAID TO COMMISSION AGENT	12,400.00	F.Y.2014-15	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	CENVAT CREDIT OF SERVICE TAX PAID TO COMMISSION AGENT	16,769.00	F.Y.2015-16	SUPERINTENDENT,C. EX.VALSAD
Finance Act, 1994	CENVAT CREDIT OF SERVICE TAX PAID TO COMMISSION AGENT	6,235.00	F.Y.2016-17	SUPERINTENDENT,C. EX.VALSAD
	<b>Total</b>	<b>7,58,857.00</b>		

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) The company has not raised any funds by public offer during the year. The company has also not raised any term loan during the year, therefore, this clause is not applicable.
- 10) In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- 11) According to the information and explanation give to us and based on our examination of the records of the Company, the Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 12 of the Order are not applicable to the Company.
- 13) According to the information and explanation given to us and based on our examination of the records the company, transaction with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and details of such transaction have been disclosed in the Note No. 31 of financial statement as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 14 of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and 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. Accordingly, the provisions of clause 15 of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 16 of the Order are not applicable to the Company and hence not commented upon.

**Matters specified in paragraph 4 of Order**

...Nil...

**For Y. B. Desai and Associates**  
**Chartered Accountants**  
**Firm Registration No. 102368W**

**Name :- CA Mayank Y. Desai**  
**Partner**  
**Membership No. :- 108310**

Date :- 27<sup>th</sup> May, 2019

Place :- Mumbai

## BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No	Amount (₹)	
		As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	118,586,545	123,868,753
(b) Capital work-in-progress	2	7,171,679	-
(c) Investment in Subsidiary	3	21,166,099	23,025,048
(d) Financial Assets			
(i) Loans	4	20,889,805	34,130,390
(e) Other non-current assets	5	7,404,907	8,522,939
<b>Total non-current assets</b>		<b>175,219,035</b>	<b>189,547,130</b>
<b>(2) Current assets</b>			
(a) Inventories	6	117,236,478	113,398,439
(b) Financial Assets			
(i) Trade Receivables	7.1	166,397,965	165,910,607
(ii) Cash and cash equivalents	7.2	1,587,668	1,531,176
(iii) Bank balances other than (ii) above	7.3	1,780,496	2,713,904
(iv) Loans	7.4	3,973,898	1,845,970
(v) Other financial assets	7.5	1,953,631	850,242
(c) Other current assets	8	12,605,917	4,813,390
<b>Total current assets</b>		<b>305,536,053</b>	<b>291,063,728</b>
<b>TOTAL ASSETS</b>		<b>480,755,088</b>	<b>480,610,858</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9	30,000,000	30,000,000
(b) Other Equity	10	262,869,822	237,096,439
<b>Total equity</b>		<b>292,869,822</b>	<b>267,096,439</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	8,415,000	18,706,045
(b) Provisions	12	6,196,764	4,782,952
(c) Deferred tax liabilities (Net)	13	4,529,988	9,445,684
<b>Total non current liabilities</b>		<b>19,141,752</b>	<b>32,934,681</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14.1	72,588,604	74,116,945
(ii) Trade payables	14.2	-	-
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		1,173,078	299,989
b) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		75,018,478	84,847,909
(iii) Other financial liabilities	14.3	11,222,964	12,913,683
(b) Other current liabilities	15	5,416,201	4,930,328
(c) Provisions	16	3,324,190	3,470,885
<b>Total current liabilities</b>		<b>168,743,515</b>	<b>180,579,739</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>480,755,088</b>	<b>480,610,858</b>

The accompanying notes from 1 to 40 are an integral part of the financial statements

As per our Report of even date.

**For Y.B.Desai & Associates**

Chartered Accountants

Firm ICAI Registration No. 102368W

**MAYANK Y. DESAI**

Partner

Membership No : 108310

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

**MUKUL DESAI**

Chairman

**ANTONY ALAPAT**

Company Secretary

**JAYMIN B. DESAI**

Managing Director

**M.D.DESAI**

C.F.O.

Place: Mumbai

Date : 27<sup>th</sup> May, 2019

Place: Mumbai

Date : 27<sup>th</sup> May, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Amount (₹)

Sr. No.	Particulars	Note No	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
I	Revenue from Operations	17	927,259,073	990,497,480
II	Other Income	18	10,812,432	16,143,679
III	<b>TOTAL INCOME (I+II)</b>		<b>938,071,505</b>	<b>1,006,641,159</b>
IV	Expenses			
	Cost of materials consumed	19	663,045,716	704,343,235
	Changes in inventories of finished goods, stock in trade and work-in-progress	20	(8,666,206)	(6,038,514)
	Excise Duty	21	-	31,149,764
	Employee benefits expense	22	80,382,970	72,640,296
	Finance costs	23	15,612,325	15,387,047
	Depreciation and amortization expense	2	20,760,802	18,210,873
	Other expenses	24	127,713,648	123,980,355
	<b>TOTAL EXPENSES (IV)</b>		<b>898,849,255</b>	<b>959,673,056</b>
V	<b>Profit/(loss) before tax (III-IV)</b>		39,222,250	46,968,103
VI	Tax expense:			
	(1)Current tax		11,304,000	16,757,000
	(2)Deferred tax		(5,501,595)	473,288
	(3)Tax in respect of Earlier Years		(470,461)	-
			<b>5,331,944</b>	<b>17,230,288</b>
VII	<b>Profit for the year (V-VI)</b>		<b>33,890,306</b>	<b>29,737,815</b>
VIII	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(2,106,034)	260,248
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(585,899)	86,046
IX	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>31,198,373</b>	<b>30,084,109</b>
X	Earnings per equity share:			
	Basic and Diluted		11.30	9.91

The accompanying notes from 1 to 40 are an integral part of the financial statements

As per our Report of even date.

**For Y.B.Desai & Associates**

Chartered Accountants

Firm ICAI Registration No. 102368W

**MAYANK Y. DESAI**

Partner

Membership No : 108310

**For and on behalf of the Board of Directors****MUKUL DESAI**

Chairman

**ANTONY ALAPAT**

Company Secretary

**JAYMIN B. DESAI**

Managing Director

**M.D.DESAI**

C.F.O.

Place: Mumbai

Date : 27<sup>th</sup> May,2019

Place: Mumbai

Date : 27<sup>th</sup> May,2019

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
<b>A. Cash flow from operating activities</b>				
Net Profit before Tax as per Statement of Profit and Loss		39,222,250		46,968,103
<b><u>Adjustments for:</u></b>				
Depreciation and amortization and impairment	20,760,802		18,210,873	
(Profit) / loss on sale / write off of assets (net)	(355,336)		(66,733)	
Finance costs	15,612,325		15,387,047	
Interest income	(4,202,544)		(3,459,629)	
Other Comprehensive Income	(2,106,034)		260,248	
Liabilities / provisions no longer required written back	-		(249,140)	
Provision for doubtful trade and other receivables, loans and advances	502,257		-	
		30,211,471		30,082,666
<b>Operating profit before working capital changes</b>		69,433,720		77,050,769
<b><u>Changes in working capital:</u></b>				
<b><u>Adjustments for (increase) / decrease in operating assets:</u></b>				
Inventories	(3,838,039)		(10,103,547)	
Trade receivables	(989,615)		26,620,626	
Short-term loans and advances	(2,127,928)		(806,508)	
Long-term loans and advances	201,135		(418,474)	
Other current financial assets	(1,103,389)		1,090,676	
Other non current assets	1,588,493		(4,740,499)	
Other current assets	(7,792,527)		3,618,745	
<b><u>Adjustments for increase / (decrease) in operating liabilities:</u></b>				
Trade payables	(8,956,342)		(9,623,512)	
Other current liabilities	485,873		(1,117,113)	
Other current financial liabilities	(1,690,719)		20,707	
Short-term provisions	(146,695)		(1,102,313)	
Long-term provisions	1,413,812		482,752	
		(22,955,941)		3,921,540
		46,477,779		80,972,309
<b>Cash generated from operations</b>		46,477,779		80,972,309
Net income tax (paid) / refunds		(11,304,000)		(16,757,000)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>35,173,779</b>		<b>64,215,309</b>
<b>B. Cash flow from investing activities</b>				
Payment for property, plant and equipment, including capital advances	(24,021,339)		(11,780,337)	
Proceeds from sale of fixed assets	1,726,402		250,000	
Investments made	1,858,949		(101,626)	
Loans given				
- Subsidiaries	13,039,450		(528,146)	
Interest received				
- Subsidiaries	3,451,751		2,646,917	
- Others	750,793		812,712	
		(3,193,994)		(8,700,480)
		(3,193,994)		(8,700,480)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(3,193,994)</b>		<b>(8,700,480)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
<b>C. Cash flow from financing activities</b>				
Proceeds / (Repayment) of long-term borrowings	(10,291,045)		(11,866,770)	
Net increase / (decrease) in Short term borrowings	(1,528,341)		(24,149,630)	
Finance cost	(15,612,325)		(15,387,047)	
Dividends paid	(4,500,000)		(3,600,000)	
Tax on dividend	(924,990)		(732,875)	
		(32,856,701)		(55,736,322)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(32,856,700)</b>		<b>(55,736,322)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(876,915)</b>		<b>(221,493)</b>
Cash and cash equivalents at the beginning of the year		3,664,816		4,127,097
Balances with banks in current accounts, earmarked balances and deposit accounts				
Cash on hand		580,264		339,476
<b>Cash and cash equivalents at the end of the year</b>		<b>3,368,164</b>		<b>4,245,080</b>
<b>Cash and cash equivalents at the end of the year Comprises :</b>				
(a) Cash on hand		379,458		580,264
(b) Balances with banks in current accounts and deposit accounts		1,208,210		950,912
(c) Balances with banks in earmarked balances and deposit accounts		1,780,496		2,713,904
<b>CASH AND CASH EQUIVALENTS.</b>		<b>3,368,164</b>		<b>4,245,080</b>

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Indian Accounting Standard (Ind AS - 7) on statement of Cash Flow.
- 2 The previous year's figures have been regrouped/ restated wherever necessary to confirm to this year's classification.
- 3 Earmarked account balances with banks can be utilized only for the specific identified purposes.

As per our Report of even date.

**For Y.B.Desai & Associates**

Chartered Accountants

Firm ICAI Registration No. 102368W

**For and on behalf of the Board of Directors****MAYANK Y. DESAI**

Partner

Membership No : 108310

**MUKUL DESAI**

Chairman

**ANTONY ALAPAT**

Company Secretary

**JAYMIN B. DESAI**

Managing Director

**M.D.DESAI**

C.F.O.

Place: Mumbai

Date : 27 th May,2019

Place: Mumbai

Date : 27 th May,2019

## NOTES FORMING PARTS OF THE ACCOUNTS

### Corporate Information

Ecoplast Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L25200GJ1981PLC004375. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the business of manufacturing, processing and selling of Co-extruded Plastic Film for packaging and industrial applications. The principal place of business of the company is at Abrama-Valsad. The Company caters to both domestic and international markets. It has various certifications like ISO 9001, ISO 14001 and ISO 22000 registration for products thereby complying with globally accepted quality standards.

### 1. Statement of Significant Accounting Policies

#### Basis of Preparation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company's presentation and functional currency is Indian Rupees (₹). All figures appearing the financial statements are rounded off to the Rupee, except where otherwise indicated.

#### 1.1. Use of Judgment and Estimates:

The preparation of Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of the assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

Financial instruments;

Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;

Valuation of Inventories

Measurement of Defined Benefit Obligations and actuarial assumptions;

Provisions;

Contingencies.

Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

#### 1.2. Property, Plant and Equipment

- 1.2.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.2.2. The initial costs of an asset comprises its purchase price or construction costs (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- 1.2.3. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.2.4. Expenditure on assets not exceeding threshold limit are charged to revenue.
- 1.2.5. Spare parts which meet the definition of Property, Plant and Equipment are capitalised as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

- 1.2.6. An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is de-recognised 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 is included in the Statement of Profit and Loss when the asset is de-recognised.
- 1.2.7. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any are accounted in line with revisions to accounting estimates.

### **1.3. Depreciation**

Depreciation on Property, Plant and Equipment are provided on straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

- 1.3.1. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated 100% in the year of acquisition.
- 1.3.2. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.
- 1.3.3. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 1.3.4. Depreciation is charged on additions/ deletions on pro-rata monthly basis including the month of addition/ deletion.

### **1.4. Intangible Assets**

- 1.4.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

### **1.5. Investment Property**

- 1.5.1. Investment property is property (land or a building – or part of building – or both) held either to earn rental income or a capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.
- 1.5.2. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

### **1.6. Borrowing Costs**

- 1.6.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- 1.6.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

### **1.7. Non current asset held for sale**

- 1.7.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.
- 1.7.2. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.
- 1.7.3. Property, Plant and Equipment and intangible assets classified as held for sale are not depreciated or amortized.

### **1.8. Leases**

- 1.8.1. Finance Leases

A lease agreement that transfers substantially all the risks and rewards irrespective of whether title is transferred is classified as a finance lease.

Finance lease are capitalized at the commencement of the lease at fair value of the leased property or, if lower, at present value of minimum lease payment.

Leases of land where, the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Finance lease of land are capitalized at the lease's inception at upfront lease payments.

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 useful estimated life of the asset and the lease term.

Finance charges are recognised as finance charges in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

#### 1.8.2. Operating Leases

Lease Agreements which are not classified as finance leases are considered as Operating Leases.

Payments made under operating leases are recognised in Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received/ lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight line basis over the term of the lease, unless such payment is structured to increase in line with expected general inflation.

#### 1.8.3. Determining whether an arrangement contains a lease

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. In case of a finance lease, if the Company concludes that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying assets; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

### 1.9. Impairment of Non-financial Assets

1.9.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGU's) 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 group of assets.

1.9.2. 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.

### 1.10. Inventories

1.10.1. The cost for the purpose of valuation of Finished and Semi - Finished goods is arrived at on FIFO basis and includes Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.

The mode of valuing closing stock is as under:

- Raw Materials, Packing Materials, Machinery Spares, Ink and Fuel - at Cost
- Finished and Semi - Finished goods – at lower of cost or net realizable value
- Scrap - net realizable value

1.10.2. Customs duty/GST on Raw materials/ finished goods lying in bonded warehouse is provided for at the applicable rates except where liability to pay duty is transferred to consignee.

1.10.3. Raw materials held for use in production of Finished Goods are written down below Cost , only if, the estimated Cost or Net Realizable Value of Finished Goods will not exceed Net Realizable Value of such Raw Materials.

1.10.4. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

## 1.11. Revenue Recognition

- 1.11.1. 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 based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers below, if any:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

- 1.11.2. Claims are recognized on settlement. Export incentives are accounted where there is reasonable assurance that the incentive income will be received and all attached conditions will be complied with.
- 1.11.3. Interest income is recognized using Effective Interest Rate (EIR) method.
- 1.11.4. Dividend is recognized when right to receive the income is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

## 1.12. Classification of Income/ Expenses

- 1.12.1. Income/ expenditure (net) in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.
- 1.12.2. Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.

## 1.13. Employee benefits

- 1.13.1. Short term employment benefits

Short term employee benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

- 1.13.2. Defined Contribution Plans

→ Superannuation :

The Company has Defined Contribution Plan for Post employment benefits in the form of Superannuation Fund for certain class of employees as per the scheme, administered through Life Insurance Corporation (LIC) and Trust which is administered by the Trustees and is charged to revenue every year. Company has no further obligation beyond its contributions.

→ Employee's Family Pension :

The Company has Defined Contribution Plan for Post-employment benefits in the form of family pension for all eligible employees, which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligation beyond its monthly contributions.

→ Provident Fund:

The Company has Defined Contribution Plan for Post-employment benefits in the form of Provident Fund for all eligible employees; which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligations beyond its monthly contributions.

### 1.13.3. Defined Benefit Plans

→ Gratuity :

The Company has a Defined Benefit Plan for Post-employment benefit in the form of gratuity for all eligible employees which is administered through Life Insurance Corporation (LIC) and a trust which is administered by the trustees. Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

→ Compensated Absences :

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of availment of leave whilst in service and qualifying salary on the date of availment of leave. In respect of encashment of leave, the Defined Benefit obligation is calculated taking into account all types of the increment, salary growth, attrition rate and qualifying salary projected up to the assumed date of encashment.

### 1.13.4. Termination Benefits:

Termination benefits are recognised as an expense as and when incurred.

1.13.5. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

1.13.6. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

1.13.7. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

1.13.8. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

## 1.14. Foreign Currency Transactions

### 1.14.1. Monetary Items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31<sup>st</sup> March 2016) are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

### 1.14.2. Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 1.15. Investment in Subsidiaries

Investments in subsidiary company carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

## 1.16. Government Grants

1.16.1. Government grants are recognized at fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

1.16.2. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

1.16.3. Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

#### **1.17. Provisions, Contingent Liabilities and Capital Commitments**

1.17.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.17.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

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

1.17.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.17.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.17.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

#### **1.18. Fair Value measurement**

1.18.1. The Company measures certain financial instruments at fair value at each reporting date.

1.18.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

1.18.3. 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

1.18.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.18.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique 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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

1.18.6. When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

1.18.7. If there is no quoted price in an active market, then the Company uses a valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

1.18.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

## **1.19. Financial Assets**

### **1.19.1. Initial recognition and measurement**

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

### **1.19.2. Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

#### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- 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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

#### **Debt instruments at Fair value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

#### **Debt instruments at Fair value through Profit or Loss (FVTPL)**

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortised cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

## Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognised in the Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### 1.19.3. De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - The Company has transferred substantially all the risks and rewards of the asset, or
  - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

### 1.19.4. 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 measured at amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. The application of simplified approach does not require the Company to track changes in credit risk. Based on the past history and track records the company has assessed the risk of default by the customer and expects the credit loss to be insignificant. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

## 1.20. Financial Liabilities

### 1.20.1. Initial recognition and measurement

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

### 1.20.2. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

#### Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

Financial Liabilities at amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL 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 and fees or costs that are an integral part of the EIR. The amortisation done using the EIR method is included as finance costs in the Statement of Profit and Loss.

#### **1.21. Financial guarantees**

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

#### **1.22. Embedded derivatives**

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

#### **1.23. 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, or to realise the assets and settle the liabilities simultaneously.

#### **1.24. Taxes on Income**

##### **1.24.1. Current Tax**

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

##### **1.24.2. Deferred tax**

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

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

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 items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

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

#### 1.25. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

#### 1.26. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

#### 1.27. Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### 1.28. Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

#### 1.29. Standards Issued but not Effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendments to existing Ind AS. The company has not applied them as they are effective from annual periods beginning on or after 1<sup>st</sup> April, 2019"

##### a) Ind AS 116: Leases

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company is in process of evaluating the impact of the same.

##### b) Amendments to Existing issued Ind As

The MCA has also carried out amendments of the following accounting standards:

Particulars	Remarks
Amendments to Ind AS 103	The amendment clarifies when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.
Amendments to Ind AS 109	Amendments correspond to 'prepayment features with negative compensation'.
Amendments to Ind AS 111	The amendments clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

Particulars	Remarks
Amendments to Ind AS 12	The amendments clarify that all income tax consequences of dividends (,i.e., distribution of profits) should be recognised in profit or loss, regardless of how the tax arises. The amendments also insert a new Appendix–C relating to ‘uncertainty over tax treatments’ and its consequential amendments to Ind AS 101.
Amendments to Ind AS 19	If a plan amendment, curtailment or settlement occurs, it would now be mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.
Amendments to Ind AS 23	If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
Amendments to Ind AS 28	A new paragraph 14A has been added to clarify that an entity also applies Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity’s net investment in an associate or joint venture. In applying Ind AS 109, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying this Standard.

**2. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**

Amount (₹)

Particulars	Freehold land	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Total
<b>Gross Carrying value as on March 31, 2017</b>	<b>5,096,185</b>	<b>31,873,662</b>	<b>100,645,082</b>	<b>541,740</b>	<b>3,741,402</b>	<b>2,593,611</b>	<b>144,491,683</b>
Additions	-	400,794	13,432,904	700,896	-	1,093,106	15,627,700
Deletions	-	-	-	-	1,153,968	50,910	1,204,878
Capitalised / Transferred during the Year	-	-	-	-	-	-	-
<b>Gross Carrying value as on March 31, 2018</b>	<b>5,096,185</b>	<b>32,274,456</b>	<b>114,077,986</b>	<b>1,242,636</b>	<b>2,587,434</b>	<b>3,635,807</b>	<b>158,914,505</b>
Additions	-	1,562,803	12,596,218	660,433	-	2,030,206	16,849,661
Deletions	-	-	2,538,463	-	-	55,325	2,593,788
Capitalised / Transferred during the Year	-	-	-	-	-	-	-
<b>Gross Carrying value as on March 31, 2019</b>	<b>5,096,185</b>	<b>33,837,259</b>	<b>124,135,741</b>	<b>1,903,069</b>	<b>2,587,434</b>	<b>5,610,688</b>	<b>173,170,377</b>
<b>Accumulated depreciation as on March 31, 2017</b>	-	1,373,296	14,981,160	79,287	766,207	656,541	17,856,491
Depreciation charge for the year	-	1,510,650	15,098,182	92,780	758,923	750,338	18,210,873
Depreciation on deletion	-	-	-	-	973,247	48,365	1,021,612
<b>Accumulated depreciation as on March 31, 2018</b>	-	<b>2,883,946</b>	<b>30,079,342</b>	<b>172,067</b>	<b>551,883</b>	<b>1,358,514</b>	<b>35,045,752</b>
Depreciation charge for the year	-	1,657,107	17,238,257	221,135	645,044	999,259	20,760,802
Depreciation on deletion	-	-	1,170,164	-	-	52,558	1,222,722
<b>Accumulated depreciation as on March 31, 2019</b>	-	<b>4,541,053</b>	<b>46,147,436</b>	<b>393,202</b>	<b>1,196,927</b>	<b>2,305,215</b>	<b>54,583,832</b>
<b>Net Carrying value</b>							
<b>At 31<sup>st</sup> March, 2017</b>	5,096,185	30,500,366	85,663,922	462,453	2,975,195	1,937,070	126,635,192
<b>At 31<sup>st</sup> March, 2018</b>	5,096,185	29,390,510	83,998,644	1,070,569	2,035,551	2,277,293	123,868,753
<b>At 31<sup>st</sup> March, 2019</b>	5,096,185	29,296,206	77,988,306	1,509,867	1,390,507	3,305,474	118,586,545

- (i) Gross Carrying value include ₹ 24,46,449 on revaluation of Fixed Assets as on 31<sup>st</sup> March, 1994 excluding Vehicles, Furniture & Fixtures and Office Equipments.
- (ii) Buildings include ₹ 250 being cost of 5 shares of ₹ 50 each in Riddhi Premises Co-operative Housing Society Ltd.
- (iii) Assets are mortgaged / hypothecated as security for borrowing

**2. Capital work-in-progress**

Amount (₹)

Carrying amount	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital work-in-progress	7,171,679	-

**3. INVESTMENTS IN SUBSIDIARY**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Investment in Equity Shares of a Subsidiary Company</b>		
<b>Unquoted</b>	21,166,099	23,025,048
11,95,360 (As at 31 March 2018 :11,95,360) Equity Shares of ₹ 10 each fully paid up in Synergy Films Pvt.Ltd.	-	-
<b>Total</b>	<b>21,166,099</b>	<b>23,025,048</b>

**4. LOANS - NON CURRENT**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans Receivables Considered Good-Unsecured</b>		
Security deposits	6,659,551	6,659,551
Loan and Interest due thereon from Subsidiary Company	12,804,896	25,844,346
Loans and advances to employees	1,425,358	1,626,493
<b>Total</b>	<b>20,889,805</b>	<b>34,130,390</b>

**5. OTHER NON CURRENT ASSETS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Prepaid Expenses	162,138	246,676
Capital Advances	1,094,364	4,464,324
Advance income tax net of provisions	5,987,306	3,621,975
CST & VAT receivable on Assessment	161,099	189,964
<b>Total</b>	<b>7,404,907</b>	<b>8,522,939</b>

**6. INVENTORIES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw materials	49,434,757	54,236,031
Raw-Materials in-transit	24,705,657	25,316,066
Work-in-progress	9,901,665	9,791,314
Finished goods	10,676,947	17,921,609
Finished Goods in-transit	19,644,851	3,844,334
Packing Material , Stores and Spares	2,843,052	2,284,782
Others - Scrap	29,549	4,303
<b>Total</b>	<b>117,236,478</b>	<b>113,398,439</b>

(i) The mode of valuation has been stated in Note 1.10

(ii) Inventories have been hypothecated as security for borrowings

**7.1. TRADE RECEIVABLES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(i) Trade Receivables Considered Good-Unsecured	166,393,550	165,928,521
(ii) Trade Receivables which have a significant increase in Credit Risk	4,415	-
(iii) Trade receivable -credit Impaired	1,063,316	543,137
Less: Allowance for credit loss	1,063,316	561,051
<b>Total</b>	<b>166,397,965</b>	<b>165,910,607</b>

Includes Trade receivable from Related Parties : ₹ 5,20,970/- (Previous Year ₹ 17659/-) Refer Note No. 31

**7.2 CASH AND CASH EQUIVALENTS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(i) Balances with banks		
- In current accounts	1,208,210	368,912
- In Fixed Deposit	-	582,000
(ii) Cash in hand	379,458	580,264
<b>Total</b>	<b>1,587,668</b>	<b>1,531,176</b>

**7.3. BANK BALANCES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
In Fixed Deposit Accounts, held as margin money against Letter of Credit	906,936	1,848,497
Unpaid dividend accounts	873,560	865,407
<b>Total</b>	<b>1,780,496</b>	<b>2,713,904</b>

**7.4. LOANS - CURRENT**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Loans receivables considered good - unsecured		
GST/Cenvat credit receivable	1,779,254	-
Loans and Advances to employees	2,194,644	1,845,970
<b>Total</b>	<b>3,973,898</b>	<b>1,845,970</b>

**7.5. OTHER FINANCIAL ASSETS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest accrued on Fixed Deposits with Banks & Other Deposits	411,951	590,842
Discount Receivable	1,541,680	259,400
<b>Total</b>	<b>1,953,631</b>	<b>850,242</b>

**8. OTHER CURRENT ASSETS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
TDS Refund Receivable	360,814	360,814
GST-Refund Receivable - Export	4,375,330	-
GST-Sales In Transit	938,462	-
Prepaid Gratuity	1,135,140	-
Prepaid expenses	3,482,701	2,986,307
Advance to Trade Payables	2,313,471	1,466,268
<b>Total</b>	<b>12,605,917</b>	<b>4,813,390</b>

**9. EQUITY SHARE CAPITAL**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorised</b>		
1,00,00,000 Equity Shares of ₹ 10/- each	100,000,000	100,000,000
<b>Issued, Subscribed and Paid up</b>		
30,00,000 Equity Shares of ₹ 10/- each fully paid up	30,000,000	30,000,000
<b>Total</b>	<b>30,000,000</b>	<b>30,000,000</b>

**Notes:****(i) Reconciliation of number of shares outstanding at the beginning and end of the year:**

Authorised share capital:	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March,2018</b>	10,000,000	100,000,000
Add / (Less): Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March,2019</b>	10,000,000	100,000,000
Issued, Subscribed and paid up share capital:	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March,2018</b>	3,000,000	30,000,000
Add / (Less): Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March,2019</b>	3,000,000	30,000,000

- (ii) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share.
- (iii) The Paid-up Capital includes 1,500,000 Equity Shares of ₹ 10 each allotted as fully paid up Bonus shares by capitalising ₹ 5,000,000 out of General Reserve and ₹ 10,000,000 out of Revaluation Reserve prior to listing of Company's Equity Shares.
- (iv) The holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (v) The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- (vi) During the Year there are no Changes in Number of Shares outstanding at the end of the reporting period in comparison to number of Shares Outstanding at the beginning of the reporting period.

(vii) Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity share of ₹ 10 each fully paid up with voting rights	Number of fully paid equity shares	% Holding
Mrs Amita J.Desai As at 31 <sup>st</sup> March, 2018 <b>As at 31<sup>st</sup> March, 2019</b>	542,146 542,146	18.07% 18.07%
Mrs Charulata N.Patel As at 31 <sup>st</sup> March, 2018 <b>As at 31<sup>st</sup> March, 2019</b>	383,911 390,752	12.80% 13.03%
Silver Stream Properties LLP As at 31 <sup>st</sup> March, 2018 <b>As at 31<sup>st</sup> March, 2019</b>	476,827 476,827	15.89% 15.89%

10. OTHER EQUITY

Amount (₹)

Particulars	Amount (₹)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(a) Securities premium</b>		
Balance as per last Balance Sheet	30,000,000	30,000,000
<b>Closing Balance</b>	<b>30,000,000</b>	<b>30,000,000</b>
<b>(b) General reserve</b>		
Balance as per last Balance Sheet	50,781,315	50,781,315
<b>Closing Balance</b>	<b>50,781,315</b>	<b>50,781,315</b>
<b>(c) Retained Earnings</b>		
Balance as at beginning of the year	157,843,595	132,438,655
Add: Profit for the year	33,890,306	29,737,815
	<b>191,733,901</b>	<b>162,176,470</b>
<b>Less: Appropriations</b>		
Payment of final Dividend to equity shareholders (Rs 1.50 per share)	4,500,000	3,600,000
Payment of Dividend distribution tax on final dividend	924,990	732,875
<b>Closing Balance</b>	<b>186,308,911</b>	<b>157,843,595</b>
<b>(d) Other Comprehensive income</b>		
Balance as at beginning of the year	(1,528,471)	(1,874,765)
Add: Remeasurement of Net defined benefit liability/(asset) (net of tax)	(2,691,933)	346,294
	<b>(4,220,403)</b>	<b>(1,528,471)</b>
<b>Total</b>	<b>262,869,822</b>	<b>237,096,439</b>

**Securities premium**

Securities premium is used to record the Premium on issue of shares. This reserve is utilized in accordance with the provisions of the Act.

**General Reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to the general reserve, dividends or other distributions paid to shareholders

**Other Comprehensive income**

These are actuarial gains/ losses on employee benefit obligations.

**11. NON CURRENT BORROWINGS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Secured</b>		
<b>Term Loans</b>		
Bank of Baroda Term Loan	8,415,000	18,706,045
<b>Total</b>	<b>8,415,000</b>	<b>18,706,045</b>

**Details:**

- (i) The above are valued at Amortized cost.
- (ii) The above Loans are Secured by Equitable Mortgage of Land & Factory Building of the Company at Abrama-Valsad, Office Premises at Andheri (East) Mumbai & hypothecation of Plant and Machineries, Electrical Installations, Furniture & Fixtures, Office Equipments and Other Movable Fixed Assets of the Company, both present and future and hypothecation of raw materials, stock in process, Stores & Spares, packing materials and finished goods and book debts of the Company both present and future and further secured by personal guarantee of Managing Director.
- (iii) Interest Rate Profile of Term Loans & Deposits are set out as below:

Particulars	Rate of Interest (p.a.)	Amount in ₹
Term Loan from Bank	10.15%	8,415,000

- (iv) Maturity Profile of Term Loans & Deposits is set out below:

Particulars	Maturity Profile (Amount in ₹)		
	1-2 years	3-4 years	> 4 years
Term Loan from Bank	5,223,000	3,192,000	

**12. PROVISIONS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for employee benefits:		
Provision for compensated absences	6,196,764	4,782,952
<b>Total</b>	<b>6,196,764</b>	<b>4,782,952</b>

**13. DEFERRED TAX LIABILITIES (NET)**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	8,416,099	12,040,928
Loan to subsidiary	960,277	1,714,572
Financial Guarantee	-	176
<b>Tax effect of items constituting deferred tax liability</b>	<b>9,376,377</b>	<b>13,755,676</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences, gratuity and other employee benefits	2,648,729	2,504,666
Provision for doubtful debts / advances	295,815	185,500
Provision for diminution in the value of investments	1,586,049	1,586,049
On Account of Retiring Gratuity	315,796	
Financial Guarantee	-	33,777
<b>Tax effect of items constituting deferred tax assets</b>	<b>4,846,389</b>	<b>4,309,992</b>
<b>Net deferred tax (Liability) / Asset</b>	<b>(4,529,988)</b>	<b>(9,445,684)</b>

**14.1. BORROWINGS (SHORT TERM)**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Secured (@10.15%pa)	64,588,604	66,116,945
<b>From Others - Unsecured</b>		
Inter Corporate Deposits (@11.25%pa)	8,000,000	8,000,000
<b>Total</b>	<b>72,588,604</b>	<b>74,116,945</b>

(i) Details of Security for the secured short-term borrowings:

Secured by hypothecation of inventories, book debts of the Company both present & futures and collaterally secured by equitable mortgage of Company's Land and Factory Buildings at Abrama-Valsad and Office Premises at Andheri (East) Mumbai, hypothecation of Plant and Machineries and guaranteed by Managing Director

(ii) The above are valued at Amortized cost.

**14.2. TRADE PAYABLES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade payables:		
Micro, Small and Medium Enterprises	1,173,078	299,989
Trade Payable to Related Party	903,703	522,911
Others	74,114,775	84,324,998
<b>Total</b>	<b>76,191,556</b>	<b>85,147,898</b>

**(i) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 :**

Amount due to Micro, Small and Medium Enterprises as on 31<sup>st</sup> March, 2019 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

Particulars	As at 31 March, 2019	As at 31 March, 2018
Principal Amount due and remaining unpaid	1,173,078	36,551
Interest due on above and the unpaid interest	35,421	-
Interest paid during the year	-	-
Payment made beyond the appointed day during the year	5,249,324	222,421
Interest due and payable for the period of delay	35,421	-
Interest accrued and remaining unpaid	35,421	-
Amount of further interest remaining due and payable in succeeding years	35,421	25,589

This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**14.3. OTHER FINANCIAL LIABILITIES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Current maturities of long-term Secured Debts (Refer Note no 11)	10,331,355	11,928,000
Unclaimed dividends	872,899	865,347
Unclaimed matured deposits and interest accrued thereon	18,710	18,710
Financial guarantee obligation	-	101,626
<b>Total</b>	<b>11,222,964</b>	<b>12,913,683</b>

**15.0. OTHER CURRENT LIABILITIES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Other payables		
Statutory dues payable	578,254	2,189,214
Advances from customers	2,742,368	2,105,584
Others -Net Salaries & Wages Payable	2,095,579	635,530
<b>Total</b>	<b>5,416,201</b>	<b>4,930,328</b>

**16.0. PROVISIONS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for employee benefits:		
Provision for bonus	1,961,993	1,865,335
Provision for compensated absences	1,362,197	678,402
Provision for gratuity	-	927,148
<b>Total</b>	<b>3,324,190</b>	<b>3,470,885</b>

**17. REVENUE FROM OPERATIONS**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Sale of products		
Manufactured goods		
Plastic Film	913,884,135	957,711,933
Others	6,015,463	4,091,050
Traded goods		
Others	5,550,578	27,243,892
Other operating revenues		
Sale of Scrap	1,808,897	1,450,605
<b>Total</b>	<b>927,259,073</b>	<b>990,497,480</b>

**Footnote:**
**Impact of implementation of Goods and Services Tax (GST) on the financial statements**

In accordance with Ind AS 115 and Schedule III to the Companies Act, 2013, Sales for the period 01 April to 30 June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, Financial statements and in particular, Sales, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of sales, are not comparable with the figures of the previous year."

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

Particulars	March 31, 2019
Revenue as per contracted price	938,844,221
<b>Adjustments</b>	
Sales return	5,651,767.60
Sales Price/ Quantity Differecne	5,263,868.25
Development Cost - free Samples	488,208.00
Discounts	181,304.00
<b>Revenue from contract with customers</b>	<b>927,259,073</b>

**18. OTHER INCOME**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Interest income		
Interest from banks on Fixed Deposits	143,425	155,410
Interest on Deposit with Dakshin Gujarat Vij Co Ltd. & Others	446,212	512,318
Interest on Employees Loan	161,156	144,984
Interest on loan to subsidiary	3,451,751	2,646,917
Other non-operating income		
Profit on sale of fixed assets	355,336	66,733
Liabilities / provisions no longer required written back (net)	-	249,140
Insurance Claim Received	460,358	310,758
Gain on foreign currency transactions and translation (net)	2,077,347	5,841,812
Supervision Charges	11,860	
Miscellaneous income	1,255,566	1,096,330
Sundry Creditors W.back/ W.off	55,493	97,671
Export Incentive - MEIS Duty Script	2,292,302	4,920,182
Fair Valuation of financial guarantee	101,626	101,424
<b>Total</b>	<b>10,812,432</b>	<b>16,143,679</b>

**19. COST OF MATERIALS CONSUMED**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Opening Stock	54,240,334	41,340,870
Add: Purchases	658,269,688	717,242,699
Less: Closing Stock	49,464,306	54,240,334
Purchases Includes ₹ 51,02,371/- for Traded Goods (Previous Year ₹ 2,63,55,529/-)	-	-
<b>Total Cost of materials consumed</b>	<b>663,045,716</b>	<b>704,343,235</b>

**20. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Inventories at the end of the year:		
Finished goods	30,321,798	21,765,943
Work-in-progress	9,901,665	9,791,314
	<b>40,223,463</b>	<b>31,557,257</b>
Inventories at the beginning of the year:		
Finished goods	21,765,943	12,858,700
Work-in-progress	9,791,314	12,660,043
	<b>31,557,257</b>	<b>25,518,743</b>
<b>Net (increase) / decrease</b>	<b>(8,666,206)</b>	<b>(6,038,514)</b>

**21. EXCISE DUTY**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Excise duty (Gross)	-	31,149,764
<b>Total</b>	<b>-</b>	<b>31,149,764</b>

**22. EMPLOYEE BENEFIT EXPENSES**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Salaries, Wages, Bonus and Other Allowances	71,810,970	63,747,241
Contributions to Provident and other funds	7,428,608	7,412,928
Staff Welfare expenses	1,143,392	1,480,127
<b>Total</b>	<b>80,382,970</b>	<b>72,640,296</b>

**Footnote:**

Contribution to Provident and other funds includes contribution to Provident fund for directors ₹ 7,38,000 (For 31<sup>st</sup> March, 2018: ₹ 6,76,800)

**23. FINANCE COSTS**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Interest expense	10,933,981	13,214,204
Other Borrowing costs	4,678,344	2,172,843
<b>Total</b>	<b>15,612,325</b>	<b>15,387,047</b>

**24. OTHER EXPENSES**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Consumption of Stores and Spare parts	2,107,103	1,438,749
Consumption of Packing Materials	21,330,108	20,865,432
Consumption of Printing Cylinders	3,587,132	2,476,529
Power and fuel	42,105,097	43,035,733
Conversion Charges Paid	306,978	907,927
Rent Paid	154,880	32,000
Repairs and Maintenance - Buildings	3,238,853	2,222,045
Repairs and Maintenance - Machinery	7,757,029	7,490,682
Repairs and Maintenance - Others	841,684	789,706
Insurance	3,129,817	2,431,500
Rates and taxes	343,751	427,234
Communication	777,649	840,496
Travelling and Conveyance	5,560,649	6,558,689
Printing and Stationery	1,039,287	1,081,099
Freight and forwarding	16,378,980	11,861,959
Sales Commission	1,032,613	508,265
Business promotion	94,377	64,399
Donations and contributions	300,000	345,000
Motor Car Expenses	1,175,823	834,686
Security Charges	1,838,765	1,817,909
Royalty Paid	2,214,026	4,492,543
Directors Sitting Fees	750,000	900,000
Commission to Non-Executive Directors	336,456	446,231
Legal and Professional	4,046,507	6,602,263
Payments to Auditors (see note below)	747,350	728,722
Bad Trade Receivables	358,034	-
Provision for doubtful trade receivables	502,257	-
Other Miscellaneous Expenses	5,658,445	4,780,558
<b>Total</b>	<b>127,713,648</b>	<b>123,980,355</b>

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<u>Payments to the auditors comprises</u>		
To statutory auditors		
Audit Fees	400,000	400,000
Tax Audit Fees	70,000	-
Certification and Other Services	140,000	270,894
Reimburesment of Expenses	137,350	57,828
<b>Total</b>	<b>747,350</b>	<b>728,722</b>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## a. Equity Share Capital:

Particulars	Amount (₹)	
		Amount
<b>Balance as at the 31 March 2018</b>		30,000,000
Changes in equity share capital during 2018-19		-
<b>Balance as at the 31 March 2019</b>		30,000,000

## b. Other Equity:

Particulars	Reserves and Surplus				Other Comprehensive Income (OCI)	Total Equity
	General Reserve	Securities Premium	Retained Earnings			
<b>As at 31<sup>st</sup> March, 2017</b>	50,781,315	30,000,000	132,438,656		(1,874,765)	211,345,206
Profit for the year	-	-	29,737,813			29,737,813
Corporate Dividend			(3,600,000)			(3,600,000)
Corporate Dividend Tax			(732,875)			(732,875)
<b>Other comprehensive income for the year</b>						
Remeasurement of the Net Defined benefit liability/asset, net of tax effect					346,294	346,294
<b>As at 31<sup>st</sup> March, 2018</b>	50,781,315	30,000,000	157,843,594		(1,528,471)	237,096,438
Profit for the year			33,890,306			33,890,306
Corporate Dividend			(4,500,000)			(4,500,000)
Corporate Dividend Tax			(924,990)			(924,990)
<b>Other comprehensive income for the year</b>						
Remeasurement of the Net Defined benefit Liability/asset, net of tax effect					(2,691,933)	(2,691,933)
<b>As at 31<sup>st</sup> March, 2019</b>	50,781,315	30,000,000	186,308,910		(4,220,403)	262,869,822

**26. EARNINGS PER SHARE (EPS)**

Basic EPS amounts are 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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

**i. Profit attributable to Equity holders of Company**

	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Profit attributable to equity holders of the company for basic and diluted earnings per share	33,890,306	29,737,815

**ii. Weighted average number of ordinary shares**

	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Number of issued equity shares	3,000,000	3,000,000
Nominal Value per share	10	10
Weighted average number of shares at 31 <sup>st</sup> March for basic and diluted earnings per share	3,000,000	3,000,000
Basic and Diluted earnings per share (in Rs)	11.30	9.91

**27. TAX EXPENSE**
**(a) Amounts recognised in profit and loss**

Amount (₹)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current tax expense</b>		
Current year	11,304,000	16,757,000
Short/(Excess) provision of earlier years	(470,461)	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(5,501,595)	473,288
<b>Tax expense recognised in the income statement</b>	<b>5,331,944</b>	<b>17,230,288</b>

**(b) Amounts recognised in other comprehensive income**

Particulars	For the year ended 31 <sup>st</sup> March, 2019			For the year ended 31 <sup>st</sup> March, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(2,106,034)	(585,899)	(2,691,933)	260,248	86,046	346,294
	<b>(2,106,034)</b>	<b>(585,899)</b>	<b>(2,691,933)</b>	<b>260,248</b>	<b>86,046</b>	<b>346,294</b>

**(c) Reconciliation of effective tax rate**

Particulars	For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
	%	Amounts	%	Amounts
<b>Profit before tax</b>		39,222,250		46,968,103
Tax using the Company's domestic tax rate	27.82%	10,911,630	33.06%	15,527,656
<b>Tax effect of:</b>				
Expenses not deductible for tax purposes	1.00%	392,370	2.61%	1,227,929
Income exempt from Income taxes				
Short/(Excess) provision of earlier years		(470,461)		
Profit on sale/discard/impairment of Fixed Assets				
Interest on Income tax				
Tax due to change in tax rate				
Others	-14.03%	(5,501,595)	1.01%	474,703
<b>Effective income tax rate</b>	<b>14.79%</b>	<b>5,331,944</b>	<b>36.69%</b>	<b>17,230,288</b>

**(d) Movement in deferred tax**

Particulars	As at 31 <sup>st</sup> March, 2018			As at 31 <sup>st</sup> March, 2019		
	Net balance March 31, 2018	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Tax effect of items constituting deferred tax liability</b>						
On difference between book balance and tax balance of fixed assets	12,040,928	(3,624,829)		8,416,099		8,416,099
Loan to subsidiary	1,714,572	(754,294)		960,277		960,277
Financial Guarantee	176	(176)		-		-
Provision for compensated absences, gratuity and other employee benefits	(2,504,666)	(729,962)	585,899	(2,648,729)	2,648,729	
Provision for doubtful debts / advances	(185,500)	(110,314)		(295,815)	295,815	
Provision for diminution in the value of investments	(1,586,049)	-		(1,586,049)	1,586,049	
Loan to subsidiary	-	-		-	-	
On Account of Retiring Gratuity	-	-		(315,796)	315,796	
Financial Guarantee	(33,777)	(33,777)		-	-	
<b>Tax assets (Liabilities)</b>	<b>9,445,684</b>	<b>(5,253,352)</b>	<b>585,899</b>	<b>4,529,988</b>	<b>4,846,389</b>	<b>9,376,377</b>
Reversal of Opening DTL	-	-		-		
<b>Tax assets (Liabilities) (Net)</b>	<b>9,445,684</b>	<b>(5,253,352)</b>	<b>585,899</b>	<b>4,529,988</b>	<b>4,846,389</b>	<b>9,376,377</b>

**28. FINANCIAL INSTRUMENTS****A. Capital Management:**

The Company's policy is to maintain a strong capital base so as to ensure that the Company is able to continue as going concern to sustain future development of the business. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market conditions.

**Its guiding principles:**

- i) Maintenance of financial strength to ensure the highest ratings;
- ii) Ensure financial flexibility and diversify sources at financing;

- iii) Manage Company exposure in forex to mitigate risks to earnings;
- iv) Leverage optimally in order to maximum shareholders returns while maintaining strength and flexibility of the balance sheet.

The policy is also adjusted based on underlying macro-economic factors affecting business environment, financial and market conditions.

The Company monitors capital on the basis of the following debt equity ratio:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Borrowings	8,415,000	18,706,045
Less: Cash and bank balances	1,587,668	1,531,176
<b>Net debt</b>	<b>6,827,332</b>	<b>17,174,869</b>
Total equity	292,869,822	267,096,439
<b>Net debt to equity ratio</b>	<b>2.33%</b>	<b>6.43%</b>

**B Fair value measurement hierarchy:**

Particulars	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018			
	Carrying amount	Level of input used in			Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>At FVTPL</b>		-	-	-	-	-	-	-
<b>At FVTOCI</b>		-	-	-	-	-	-	-
<b>At Amortized cost</b>								
Trade Receivables	166,397,965	-	-	-	165,910,607	-	-	-
Cash and cash equivalents	1,587,668	-	-	-	1,531,176	-	-	-
Bank balances other than above	1,780,496	-	-	-	2,713,904	-	-	-
Loans	24,863,703	-	-	-	35,976,360	-	-	-
Other financial assets	1,953,631	-	-	-	850,242	-	-	-
<b>Financial liabilities</b>								
<b>At FVTPL</b>		-	-	-	-	-	-	-
<b>At Amortized cost</b>								
Borrowings	81,003,604	-	-	-	92,822,990	-	-	-
Trade payables	76,191,556	-	-	-	85,147,898	-	-	-
Other financial liabilities	11,222,964	-	-	-	12,913,683	-	-	-

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31<sup>st</sup> March, 2017.

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

- i) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
- ii) Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate as at the reporting date.
- iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**C Calculation of fair values:**

Financial assets and liabilities measured at fair value as at Balance Sheet date:

Other financial assets and liabilities:-

- Cash and cash equivalents, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.
- 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.

**29. FINANCIAL RISK MANAGEMENT****Risk management framework**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks, commodity risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

The Company has exposure to the following risks arising from financial instruments:

- A) Credit risk;
- B) Liquidity risk;
- C) Market risk; and
- D) Interest rate risk
- E) Commodity Risk

**A Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 16,63,97,965/- and ₹ 16,59,10,607/- as at March 31, 2019 and March 31, 2018, respectively.

The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables.

The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages of delinquency to write off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

**Ageing of Trade receivables**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Not due	113,912,590	113,853,779
1 - 180 Days	52,167,272	51,745,133
181-360 Days	4,656	322,442
361-500 Days	418,240	7,168
More Than 500 days	644,835	543,137
Allowance for doubtful trade receivables (Expected credit loss allowance)	(1,063,316)	(561,051)
<b>Total</b>	<b>166,084,277</b>	<b>165,910,608</b>

**Movement in provisions of doubtful debts**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Opening provision	561,051	1,046,565
Add: Additional provision made	502,265	
Provision Reverse		(485,514)
<b>Closing provision</b>	<b>1,063,316</b>	<b>561,051</b>

**Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 15,87,668 as at 31<sup>st</sup> March, 2019 (31<sup>st</sup> March, 2018: ₹ ₹ 15,31,177). The cash and cash equivalents are held with banks.

**B Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which 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.

**Exposure to liquidity risk**

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Particulars	As at 31 <sup>st</sup> March, 2018			
	Carrying amount			
	Carrying amount	Within one year	One to five years	More than five years
<b>Non-derivative financial liabilities</b>				
Borrowings	92,822,990	74,116,945	18,706,045	
Trade and other payables	85,147,898	85,147,898	-	-
Other financial liabilities	12,913,683	12,913,683	-	-
<b>Derivative financial liabilities</b>	-	-	-	-
	<b>190,884,571</b>	<b>172,178,526</b>	<b>18,706,045</b>	-

Particulars	As at 31 <sup>st</sup> March, 2019			
	Carrying amount			
	Carrying amount	Within one year	One to five years	More than five years
Non-derivative financial liabilities				
Borrowings	81,003,604	72,588,604	8,415,000	
Trade and other payables	76,191,556	76,191,556	-	-
Other financial liabilities	11,222,964	11,222,964	-	-
Derivative financial liabilities	-	-	-	-
	<b>168,418,124</b>	<b>160,003,124</b>	<b>8,415,000</b>	-

**C Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company operates internationally and portion of the business is transacted in several currencies. Consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the company are significantly lower in comparison to its imports.

The Company holds derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposure. The exchange rate between rupee and foreign currency has changed substantially in recent years and may fluctuate substantially in future. Consequently, the results of the Company's operation are adversely affected as the rupee appreciates/ depreciates against these currencies.

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (Foreign currency)		Assets (Foreign currency)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
In US Dollars (USD)	267,578	440,362	288	-
In Euro (EUR)	31,355	-	-	-
In AED	-	-	725	-

Particulars	Liabilities (INR)		Assets (INR)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
In US Dollars (USD)	19,229,399	28,553,241	19,966	-
In Euro (EUR)	2,508,440	-	-	-
In AED	-	-	13,629	-

#### Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD, EUR

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit or loss and total equity

Particulars	USD impact	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Increase in exchange rate by 5%	(960,472)	(1,427,662)
Decrease in exchange rate by 5%	960,472	1,427,662

Particulars	Euro impact	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Increase in exchange rate by 5%	(125,422)	-
Decrease in exchange rate by 5%	125,422	-

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and one year. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

**D Interest rate risk**

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 11 and 14.1

**E Commodity Risk**

Principal Raw Material for Company's products is variety of plastic polymers which are Derivatives of Crude Oil. Company sources its raw material requirement primarily from US Middle East and Europe. Domestic market prices are also generally remains in sync with international market price scenario.

Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand–supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy

**30 Employee Benefits****[A] Defined contribution plans:**

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 38,46,614 (As at 31<sup>st</sup> March, 2018: ₹ 33,67,842) for Provident Fund contributions and ₹ 24,97,147 (As at 31<sup>st</sup> March, 2018: ₹ 24,10,166) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**[B] Defined benefit plan:**

The Employees' gratuity fund scheme managed by LIC of India . is a defined benefit plan. The present value of obligation for gratuity and leave encashment is determined on the basis of Actuarial Valuation Report made at the year end.

- i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On death in service: As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

These plans typically expose the Company to actuarial risks such as : investment risk , interest risk , longevity risk and salary risk.

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

**Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan assets.

**Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2019.

a) <b>Changes in present value of obligations (PVO)</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Present Value of Benefit Obligation at the Beginning of the Period	16,854,056	16,996,022
Interest cost	1,323,043	1,235,611
Past Service Cost	-	538,615
Current service cost	815,954	777,838
Benefits paid from the fund	(829,038)	(2,508,094)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	109,416	(1,004,719)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1,031,124	818,783
<b>PVO at the end of the year</b>	<b>19,304,555</b>	<b>16,854,056</b>

b) <b>Fair value of plan assets:</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Fair value of plan assets at the beginning of the year	15,926,908	15,572,629
Adjustment to opening fair value of plan assets	-	-
Return on plan assets excl. interest income	(965,494)	74,312
Interest income	1,250,262	1,132,130
Contributions by the employer	5,057,057	1,655,931
Benefits paid from the fund	(829,038)	(2,508,094)
<b>Fair value of plan assets at the end of the year</b>	<b>20,439,695</b>	<b>15,926,908</b>

c) <b>Amount to be recognized in the balance sheet:</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
PVO at the end of period	19,304,555	16,854,056
Fair value of plan assets at end of the period	20,439,695	15,926,908
Funded status (Surplus/(Deficit))	1,135,140	(927,148)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>1,135,140</b>	<b>(927,148)</b>

d) <b>Expense recognized in the statement of profit or loss:</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> zMarch, 2018</b>
Current service cost	815,954	777,838
Net interest Cost	72,781	103,481
Past Service Cost	-	538,615
<b>Expense recognized in the statement of profit or loss</b>	<b>888,735</b>	<b>1,419,934</b>

e) <b>Other comprehensive income (OCI):</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Actuarial (Gain)/Loss on Obligation for the period	1,140,540	(185,936)
Return on plan assets excluding Interest Income	965,494	(74,312)
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>2,106,034</b>	<b>(260,248)</b>

f) <b>Actual return on the plan assets:</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
	284,768	1,206,442

g) Category of Assets	Gratuity - Funded	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Insurance Fund	20,439,695	15,926,908

h) Assumption:	Gratuity - Funded	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Expected Rate on Plan Assets	7.79%	7.85%
Rate of Discounting	7.79%	7.85%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate during employment	IALM (2006-08)	IALM (2006-08)
Mortality Rate After employment	N.A	N.A

**Assumption:**

1. Analysis of Defined Benefit Obligation

The number of members under the scheme have decreased by 0.95%. However the total salary increased by 11.15% during the accounting period. The resultant liability at the end of the period over the beginning of the period has decreased by 222.43%.

2. Expected rate of return basis

The scheme funds are invested with Trustee of the Company which is based on rate of return declared by fund managers.

3. Description of Plan Assets

100 % of the Plan Asset is entrusted to trustees of the Company under their Group Gratuity Scheme.

i) **Expected Payout:**

Year	PVO payouts 31 <sup>st</sup> March, 2019	PVO payouts 31 <sup>st</sup> March, 2018
1 <sup>st</sup> Following Year	3,574,227	1,400,101
2 <sup>nd</sup> Following Year	463,860	476,950
3 <sup>rd</sup> Following Year	493,598	2,296,740
4 <sup>th</sup> Following Year	527,822	462,223
5 <sup>th</sup> Following Year	765,855	492,934
Sum of years 6 to 10	8,551,600	5,889,247
Sum of years 11 and above	37,711,316	35,491,971

j) **Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Projected Benefit Obligation on Current Assumptions	19,304,555	16,854,056
Delta Effect of +1% Change in Rate of Discounting	(1,688,993)	(1,522,245)
Delta Effect of -1% Change in Rate of Discounting	1,998,265	1,796,415
Delta Effect of +1% Change in Rate of Salary Increase	1,636,455	1,459,688
Delta Effect of -1% Change in Rate of Salary Increase	(1,489,105)	(1,313,941)
Delta Effect of +1% Change in Rate of Employee Turnover	65,570	67,466
Delta Effect of -1% Change in Rate of Employee Turnover	(72,864)	(74,879)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total employee benefit liabilities			
Other current liabilities	16	-	(927,148)
Other current assets	8	1,135,140	-

#### (k) General Assumptions

##### (i) Leave Policy:

Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accumulated up to 31 March 2019 is available for encashment on separation from the company upto a maximum of 90 days

##### (ii) The assumption of future salary increases, considered in actuarial valuations, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.

##### (iii) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.

##### (iv) Short term compensated absences have been provided on actual basis.

### 31. RELATED PARTY TRANSACTIONS

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Relate Party Disclosures" is given below :

#### I) Name of the related party and nature of relationship: -

Sr No	Particulars	2018-19	2017-18
<b>A)</b>	<b>Subsidiary Company</b>		
	Synergy Films Pvt.Ltd.		
	Sales of Goods	3,492,519	30,653,482
	Purchase of Goods	-	1,721,250
	Balance Receivable	-	-
	Balance Payable	-	-
	Inter Corporate Deposit Paid Including Interest	12,804,896	35,100,000
	Collaterals Gurantee to Bank	-	40,650,497
<b>B)</b>	<b>Key Managerial Personnel (KMP)</b>		
	Mr.J.B.Desai : Managing Director		
	Remuneration Paid	9,155,496	7,562,796
	Dividend Paid	154,563	123,650
	Sale of Used Car	-	295,000
	Mr. M. B. Desai : Chairman /Non Executive/Independent Director		
	Sitting Fees Paid	210,000	240,000
	Commission Paid on Profit	100,402	58,077
	Dividend Paid	14,775	11,580
	Mr. P. P. Kharas :		
	(Upto 20.09.2017)		
	Sitting Fees Paid	-	140,000
	Commission Paid on Profit	-	58,077
	Dividend Paid	-	98,376

Sr No	Particulars	2018-19	2017-18
	Mrs. C. N. Patel : Non Executive Director		
	Sitting Fees Paid	80,000	80,000
	Commission Paid on Profit	100,402	58,077
	Dividend Paid	586,128	460,693
	Mr. B. M. Desai : Non Executive/Independent Director		
	Sitting Fees Paid	230,000	230,000
	Commission Paid on Profit	100,402	58,077
	Dividend Paid	150	120
	Mr. D. T.Desai : Non Executive/Independent Director		
	Sitting Fees Paid	-	-
	Commission Paid on Profit	-	-
	Dividend Paid	-	-
	Mr. J. A. Moos : Non Executive/Independent Director		
	Sitting Fees Paid	230,000	210,000
	Commission Paid on Profit	100,402	58,077
	Dividend Paid	750	600
<b>C)</b>	<b>Others :</b>		
	Mr. M. D. Desai : Chief Finance Officer		
	Remuneration Paid	2,869,464	2,631,348
	Mr. Antony Alapat : Company Secretary		
	Remuneration Paid	756,000	504,120
<b>D)</b>	<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>		
	<b>Propack Industries (Prop.Kunal Plastics Pvt.Ltd.)</b>		
	Sales of Goods	4,120,165	7,233,652
	Purchase of Goods	4,762,411	3,174,252
	Render Services	-	185,379
	Receiving Services	1,158,671	1,079,090
	Balance Receivable	520,970	17,659
	Balance Payable	903,703	522,911
	<b>Transactions with KMP</b>		
	Short Term benefits	14,688,934	12,878,668
	Post employment benefits	-	-
	Other Long term benefits	-	-
	Termination benefits	-	-
	Share based payment	-	-

\*As the liabilities for defined benefit plans are provided on actuarial basis for the Group as a whole, the amounts pertaining to Key Management Personnel are not included.

**Footnotes:**

- (i) All Related party transactions entered during the year were on ordinary course of business and are on arm's length basis.
- (ii) Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

**32. (I). CAPITAL COMMITMENTS**

Particulars	Year ended	
	As at 31 March, 2019	As at 31 March, 2018
On account of Capital Commitments (Net of advances)	3,400,116	6,453,142
<b>TOTAL</b>	<b>3,400,116</b>	<b>6,453,142</b>

**(ii). Contingent liabilities**

Particulars	Year ended	
	As at 31 March, 2019	As at 31 March, 2018
The Company has given irrevocable and unconditional Corporate Guarantee/ Collateral Securities to Bank of Baroda-Bulsar on behalf of Synergy Films Pvt. Ltd., a Subsidiary company in which the company is holding 100 % of the equity shares as on 31/03/2018 as a collateral security for Working capital.	0	40,650,497
On account of Income Tax / Sales Tax and Service Tax demand under contest	802,691	1,253,988
<b>TOTAL</b>	<b>802,691</b>	<b>1,253,988</b>

**33. SEGMENT INFORMATION :**

The Company's sole business segment is Plastic Films and all activities are incidental to this sole business segment. Given this fact and that the Company services its domestic and export markets from India only, the financial statements reflect the information required by Ind AS 108 'Operating Segments' for the sole business segment of Plastic Films. The whole of the business assets are situated in India.

**34. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES / TRANSITION TO NEW STANDARDS**

Ind AS 115 Revenue from contracts with customers was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exception, to all revenue arising from contracts with its customers. Under Ind AS 115, revenue is recognised when a customer obtains control of goods or services. The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. 1 April, 2018. Accordingly, the comparative information i.e. information for the year ended 31 March 2018, has not been restated. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

**a Impact on Retained Earnings:**

There is no material impact on adoption of IndAS 115 on adoption of Ind AS 115

**b Balance Sheet Reconciliation:**

There is no material impact on adoption of IndAS 115 on adoption of Ind AS 115

**c Adjustments to Statement of profit and loss:**

There is no material impact on adoption of IndAS 115 on adoption of Ind AS 115

**d Adjustments to the Statement of Cash Flows:**

There is no material impact on adoption of IndAS 115 on adoption of Ind AS 115

- 35 Disclosure As per Regulation 34(3) and 53(f) of the SEBI (Listing obligation and Disclosure requirements) Regulations, 2015  
Name of Subsidiary Company : Synergy Films Private Limited

Amount Outstanding		Maximum Balance outstanding during the year end		Investment by Subsidiary in Shares of the Company	
As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
12,804,896	25,844,346	25,844,346	25,316,201	Nil	Nil

- 36 The Company has imported Plant and Machineries under Export Promotion Capital Goods Scheme (EPCG) without payment of Custom Duty. In the event of non-fulfilment of export obligations as specified, Company may be held liable to pay custom duty of ₹ 32.21 lacs (Previous year ₹ 32.21 lacs) in terms of the said Scheme. As on 31<sup>st</sup> March 2019 Company is not in any default under the Scheme.
- 37 The Company prior to it being listed had issued Bonus shares on 29<sup>th</sup> June, 1994 for ₹ 10 Million (10,00,000 equity shares of ₹ 10/- each) by capitalising part of its revaluation reserve. Accordingly, the paid up equity share capital of the company stands increased by ₹ 10 Million and the revaluation reserve stands reduced by that amount. The issue of bonus shares as aforesaid is contrary to the circular issued by the Department of Company Affairs issued in September, 1994 and the recommendations of the Institute of Chartered Accountants of India issued in November, 1994. However, the Hon'ble Supreme Court in the recent decision in the case of Bhagwati Developers Vs Peerless General Finance & Investment Co. & others (2005) Comp LJ 377 (SC) has held that there is no specific bar under the Companies Act for issue of Bonus Shares out of Revaluation Reserve and that the Department's Communique was advisory in nature, without any mandatory effect. The Management is therefore of the opinion that both according to the accounting principles and provisions of Company Law, the Company was justified in capitalizing its Revaluation Reserve.

### 38 Leases

Operating lease:

The Company procures godown on lease under operating leases. These rentals recognized in the Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019 is ₹ 1,54,880 (31<sup>st</sup> March, 2018: ₹ 32,000). The future minimum lease payments and payment profile of non cancellable operating leases are as under:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Not later than one year	-	-
Later than one year but not later than five years	-	-
More than five years	-	-
<b>Total minimum lease commitments</b>	-	-

### 39 Event occurring after Balance Sheet date:

The Board of Directors, at their meeting held on May 27, 2019, have proposed a dividend of ₹ 1.50 Per equity share for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 54,24,990/-, including Dividend Distribution Tax. (Previous Year ₹ 1.50 pre Equity Share resulting in to total Outgo of ₹ 54,16,094/- Including Dividend Distribution Tax)

### 40 Authorization of Financial Statements:

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 27<sup>th</sup> May, 2019.

As per our Report of even date.

**For Y.B.Desai & Associates**

Chartered Accountants

Firm ICAI Registration No. 102368W

**MAYANK Y. DESAI**

Partner

Membership No : 108310

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

**MUKUL DESAI**

Chairman

**ANTONY ALAPAT**

Company Secretary

**JAYMIN B. DESAI**

Managing Director

**M.D.DESAI**

C.F.O.

Place: Mumbai

Date : 27<sup>th</sup> May,2019

Place: Mumbai

Date : 27<sup>th</sup> May,2019

## INDEPENDENT AUDITOR'S REPORT

### To The Members of ECOPLAST LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ECOPLAST LIMITED (the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries were of most significance in our audit of the consolidated financial statements of the current period. These

matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

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

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

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

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

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

#### Management's Responsibility for the Standalone Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements

1. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - o Identify and assess the risks of material misstatement of the 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.
  - o 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 explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - o 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.

- o Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
2. 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.
  3. 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.
  4. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other matters**

We did not audit the Ind AS financial statements and other financial information, in respect of Company's Subsidiary, whose Ind AS financial statements include total assets of ₹ 261 Lakhs and net assets of ₹109 Lakhs as at March 31, 2019, and total revenues of ₹916 Lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.

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

1. As required by Section 197(16) of the Act, based on our audit

and on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements of the subsidiary, we report that the Holding Company and its subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to subsidiary company covered under the Act, since subsidiary company is not a public company as defined under section 2(71) of the Act.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiary, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of

its subsidiary company covered under the Act, none of the directors of the Group company, covered under the Act, are disqualified as on 31 March 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 Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A"; and,
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and on the other financial information of the subsidiary as noted in the 'other matter' paragraph:
  - I. The pending litigation as disclosed in notes to the Consolidated Financial Statements would not impact Financial Position of the Company.
  - II. The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
  - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

**For Y. B. Desai and Associates**  
**Chartered Accountants**  
**Firm Registration No. 102368W**

**Mayank Y. Desai**  
**Partner**  
**Membership No. :- 108310**

Date :- 27<sup>th</sup> May, 2019

Place :- Mumbai.

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

of even date to the members of Ecoplast Limited on the consolidated financial statements for the year ended 31 March 2019

### **Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

In conjunction with our audit of the consolidated financial statements of Ecoplast Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiary together referred to as the 'Group') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary company which are companies covered under the Act, as at that date.

### **Management's Responsibility for the Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary company which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's 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 Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company as aforesaid.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary company, the Holding Company and its subsidiary company which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established

by the Holding Company, its subsidiary company as aforesaid, 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.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of subsidiary

company.

**For Y. B. Desai and Associates**  
**Chartered Accountants**  
**Firm Registration No. 102368W**

**Mayank Y. Desai**  
**Partner**  
**Membership No. :- 108310**

Date :- 27<sup>th</sup> May, 2019

Place :- Mumbai.

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No	Amount (₹)	
		As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	128,605,397	137,324,709
(b) Capital work-in-progress	2	7,171,679	-
(c) Goodwill on consolidation	3	11,394,805	11,394,805
(d) Financial Assets			
(i) Loans	4	9,094,896	9,296,031
(e) Other non-current assets	5	7,404,907	8,522,939
(d) Assets classified as held for Sale	2	2,131,481	-
		<b>165,803,165</b>	<b>166,538,484</b>
<b>(2) Current assets</b>			
(a) Inventories	6	122,361,335	123,800,584
(b) Financial Assets			
(i) Trade Receivables	7.1	169,227,833	173,272,290
(ii) Cash and cash equivalents	7.2	4,731,436	11,223,653
(iii) Bank balances other than (iii) above	7.3	1,780,496	2,713,904
(iv) Loans	7.4	4,046,298	1,968,385
(v) Other financial assets	7.5	2,000,810	897,421
(c) Other current assets	8	14,345,695	9,942,211
<b>Total current assets</b>		<b>318,493,903</b>	<b>323,818,448</b>
<b>Total assets</b>		<b>484,297,067</b>	<b>490,356,932</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9	30,000,000	30,000,000
(b) Other Equity	10	260,786,338	239,202,728
<b>Total equity</b>		<b>290,786,338</b>	<b>269,202,728</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	8,415,000	18,706,045
(b) Provisions	12	6,830,720	5,763,038
(c) Deferred tax liabilities (Net)	13	5,170,546	9,660,115
(d) Other non-current liabilities	14	2,538,379	2,849,201
<b>Total non current liabilities</b>		<b>22,954,645</b>	<b>36,978,399</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15.1	72,588,604	74,116,945
(ii) Trade payables	15.2	-	-
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		1,173,078	299,989
b) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		75,880,291	87,508,982
(iii) Other financial liabilities	15.3	11,222,964	12,913,683
(b) Other current liabilities	16	6,084,911	5,572,829
(c) Provisions	17	3,606,236	3,763,377
<b>Total current liabilities</b>		<b>170,556,083</b>	<b>184,175,804</b>
<b>Total equity and liabilities</b>		<b>484,297,067</b>	<b>490,356,932</b>

The accompanying notes from 1 to 39 are an integral part of the financial statements

As per our Report of even date.

**For Y.B.Desai & Associates**

Chartered Accountants

Firm ICAI Registration No. 102368W

**MAYANK Y. DESAI**

Partner

Membership No : 108310

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

**MUKUL DESAI**

Chairman

**ANTONY ALAPAT**

Company Secretary

**JAYMIN B. DESAI**

Managing Director

**M.D.DESAI**

C.F.O.

Place: Mumbai

Date : 27<sup>th</sup> May, 2019

Place: Mumbai

Date : 27<sup>th</sup> May, 2019

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Amount (₹)

Sr. No.	Particulars	Note No	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
I	Revenue from Operations	18	1,015,404,865	1,072,698,184
II	Other Income	19	7,893,986	19,883,777
III	<b>TOTAL INCOME (I+II)</b>		<b>1,023,298,851</b>	<b>1,092,581,961</b>
IV	Expenses			
	Cost of materials consumed	20	738,492,518	760,931,318
	Changes in inventories of finished goods, stock in trade and work-in-progress	21	(8,099,944)	(6,267,274)
	Excise Duty	22	-	35,427,148
	Employee benefits expense	23	85,044,281	78,025,875
	Finance costs	24	15,733,023	15,940,675
	Depreciation and amortization expense	2	23,017,409	21,598,959
	Other expenses	25	133,447,620	134,384,705
	<b>TOTAL EXPENSES (IV)</b>		<b>987,634,907</b>	<b>1,040,041,406</b>
			-	
V	<b>Profit/(loss) before tax (III-IV)</b>		<b>35,663,944</b>	<b>52,540,555</b>
VI	Tax expense:			
	(1) Current tax		11,304,000	16,757,000
	(2) Deferred tax		(4,102,593)	687,719
	(3) Tax in respect of Earlier Years		(470,461)	-
VII	<b>Profit/(loss) for the year</b>		<b>28,932,997</b>	<b>35,095,836</b>
VIII	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		(1,505,552)	260,248
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(418,845)	86,046
IX	<b>Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the year)</b>		<b>27,008,601</b>	<b>35,442,130</b>
X	Earnings per equity share [Nominal value per share ₹10]			
	(1) Basic		9.64	11.70
	(2) Diluted		9.64	11.70

The accompanying notes from 1 to 39 are an integral part of the financial statements

As per our Report of even date.

**For Y.B.Desai & Associates**

Chartered Accountants

Firm ICAI Registration No. 102368W

**MAYANK Y. DESAI**

Partner

Membership No : 108310

**For and on behalf of the Board of Directors****MUKUL DESAI**

Chairman

**ANTONY ALAPAT**

Company Secretary

**JAYMIN B. DESAI**

Managing Director

**M.D.DESAI**

C.F.O.

Place: Mumbai

Date : 27<sup>th</sup> May,2019

Place: Mumbai

Date : 27<sup>th</sup> May,2019

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
<b>A. Cash flow from operating activities</b>				
Net Profit before Tax as per Statement of Profit and Loss		35,663,944		52,540,555
<i>Adjustments for:</i>				
Depreciation and amortization and impairment	23,017,409		22,166,099	
(Profit) / loss on sale / write off of assets (net)	(355,336)		(149,579)	
Finance costs	15,733,023		15,839,049	
Interest income	(817,209)		(5,205,402)	
Other Comprehensive Income	(1,505,552)		260,248	
Liabilities / provisions no longer required written back	(65,131)		(2,568,986)	
Provision for doubtful trade and other receivables, loans and advances	502,257		-	
		36,509,461		30,341,429
Operating profit before working capital changes		72,173,405		82,881,984
Changes in working capital:				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	1,439,249		(317,017)	
Trade receivables	3,542,200		34,562,322	
Short-term loans and advances	(2,077,913)		(910,123)	
Long-term loans and advances	201,135		(1,237,057)	
Other current financial assets	(1,103,389)		(2,501,175)	
Other non current assets	1,118,032		(4,740,499)	
Other current assets	(4,403,484)		3,618,745	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(10,755,602)		(21,642,400)	
Other current liabilities	512,082		(1,220,603)	
Other current financial liabilities	(2,431,408)		(77,021)	
Other non current liabilities	159,639		(310,822)	
Short-term provisions	(157,141)		(809,822)	
Long-term provisions	1,067,682		1,462,838	
		(12,888,919)		5,877,366
		59,284,486		88,759,350
Cash generated from operations		59,284,486		88,759,350
Net income tax (paid) / refunds		(11,304,000)		(16,757,000)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>47,980,486</b>		<b>72,002,350</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(27,103,804)		(11,894,133)	
Proceeds from sale of fixed assets	3,857,883		1,628,044	
Purchase of long-term investments				
- Subsidiaries				
Loans given				
- Subsidiaries	-		407,367	
Interest received				
- Subsidiaries				
- Others	817,209		7,608,091	
		(22,428,712)		(2,250,632)
		(22,428,712)		(2,250,632)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(22,428,712)</b>		<b>(2,250,632)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
<b>C. Cash flow from financing activities</b>				
Proceeds / (Repayment) of long-term borrowings	(10,291,045)		(17,534,464)	
Net increase / (decrease) in Short term borrowings	(1,528,341)		(24,149,630)	
Finance cost	(15,733,023)		(15,940,675)	
Interim Dividends paid	-		-	
Tax on interim dividend	-		-	
Dividends paid	(4,500,000)		(3,600,000)	
Tax on dividend	(924,990)		(732,875)	
		(32,977,399)		(61,957,644)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(32,977,399)</b>		<b>(61,957,644)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(7,425,625)</b>		<b>7,794,074</b>
Cash and cash equivalents at the beginning of the year		13,937,557		6,143,483
<b>Cash and cash equivalents at the end of the year</b>		<b>6,511,932</b>		<b>13,937,557</b>
<b>Cash and cash equivalents at the end of the year Comprises :</b>				
(a) Cash on hand		381,903		586,046
(b) Balances with banks				
(i) In current accounts		4,349,533		10,055,607
(ii) In EEFC accounts				
(ii) In deposit accounts				
(ii) In earmarked accounts (Refer Note (2) below)		1,780,496		3,295,904
		<b>6,511,932</b>		<b>13,937,557</b>

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS - 7) on statement of Cash Flow.
- 2 The previous year's figures have been regrouped/ restated wherever necessary to confirm to this year's classification.
- 3 Earmarked account balances with banks can be utilized only for the specific identified purposes.

The accompanying notes from 1 to 39 are an integral part of the financial statements

As per our Report of even date.

**For Y.B.Desai & Associates**

Chartered Accountants

Firm ICAI Registration No. 102368W

**MAYANK Y. DESAI**

Partner

Membership No : 108310

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

**MUKUL DESAI**

Chairman

**ANTONY ALAPAT**

Company Secretary

**JAYMIN B. DESAI**

Managing Director

**M.D.DESAI**

C.F.O.

Place: Mumbai

Date : 27 th May,2019

Place: Mumbai

Date : 27 th May,2019

## NOTES FORMING PARTS OF THE ACCOUNTS

### CORPORATE INFORMATION

Ecoplast Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L25200GJ1981PLC004375. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the business of manufacturing, processing and selling of Co-extruded Plastic Film for packaging and industrial applications. The principal place of business of the company is at Abrama-Valsad. The Company caters to both domestic and international markets. It has various certifications like ISO 9001, ISO 14001 and ISO 22000 registration for products thereby complying with globally accepted quality standards.

#### 1) Principles of Consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings."

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Subsidiary Company in the consolidated financial statement is:

Name of the Company	:	Synergy Films Private Limited
Country of Incorporation	:	India
% Voting power held	:	100

#### 1. Statement of Significant Accounting Policies

##### Basis of Preparation:

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The consolidated financial statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company's presentation and functional currency is Indian Rupees (₹). All figures appearing the consolidated financial statements are rounded off to the Rupee, except where otherwise indicated.

### 1.1. Use of Judgment and Estimates:

The preparation of Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of the assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;
- Valuation of Inventories
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Contingencies.

Revisions to accounting estimates are recognised prospectively in the consolidated Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

### 1.2. Property, Plant and Equipment

- 1.2.1. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.2.2. The initial costs of an asset comprises its purchase price or construction costs (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- 1.2.3. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.2.4. Expenditure on assets not exceeding threshold limit are charged to revenue.
- 1.2.5. Spare parts which meet the definition of Property, Plant and Equipment are capitalised as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to consolidated Statement of Profit and Loss on consumption.
- 1.2.6. An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is de-recognised 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 is included in the consolidated Statement of Profit and Loss when the asset is de-recognised.
- 1.2.7. The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any are accounted in line with revisions to accounting estimates.

### 1.3. Depreciation

Depreciation on Property, Plant and Equipment are provided on straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

- 1.3.1. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated 100% in the year of acquisition.
- 1.3.2. Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.

1.3.3. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

1.3.4. Depreciation is charged on additions/ deletions on pro-rata monthly basis including the month of addition/ deletion.

#### **1.4. Intangible Assets**

1.4.1. Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

#### **1.5. Investment Property**

1.5.1. Investment property is property (land or a building – or part of building – or both) held either to earn rental income or a capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

1.5.2. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds and the carrying amount of the Investment Property is recognised in consolidated Statement of Profit and Loss.

#### **1.6. Borrowing Costs**

1.6.1. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.6.2. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the consolidated Statement of Profit and Loss.

#### **1.7. Non current asset held for sale**

1.7.1. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

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

1.7.3. Property, Plant and Equipment and intangible assets classified as held for sale are not depreciated or amortized.

#### **1.8. Leases**

##### **1.8.1. Finance Leases**

A lease agreement that transfers substantially all the risks and rewards irrespective of whether title is transferred is classified as a finance lease.

Finance lease are capitalized at the commencement of the lease at fair value of the leased property or, if lower, at present value of minimum lease payment.

Leases of land where, the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Finance lease of land are capitalized at the lease's inception at upfront lease payments.

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 useful estimated life of the asset and the lease term.

Finance charges are recognised as finance charges in the consolidated Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

##### **1.8.2. Operating Leases**

Lease Agreements which are not classified as finance leases are considered as Operating Leases.

Payments made under operating leases are recognised in consolidated Statement of Profit and Loss with reference to lease terms and other relevant considerations. Lease incentives received/ lease premium paid (if any) are recognised as an integral part of the total lease expense, over the term of the lease. Payments made under Operating Leases are generally recognised in consolidated Statement of Profit and Loss on a straight line basis over the term of the lease, unless such payment is structured to increase in line with expected general inflation.

### 1.8.3. Determining whether an arrangement contains a lease

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. In case of a finance lease, if the Company concludes that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying assets; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

## 1.9. Impairment of Non-financial Assets

1.9.1. Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGU's) 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 group of assets.

1.9.2. 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.

## 1.10. Inventories

1.10.1. The cost for the purpose of valuation of Finished and Semi - Finished goods is arrived at on FIFO basis and includes Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.

The mode of valuing closing stock is as under:

- Raw Materials, Packing Materials, Machinery Spares, Ink and Fuel - at Cost or Net Realizable Value
- Finished and Semi - Finished goods – at lower of cost or net realizable value
- Scrap - net realizable value

1.10.2. Customs duty/GST on Raw materials/ finished goods lying in bonded warehouse is provided for at the applicable rates except where liability to pay duty is transferred to consignee.

1.10.3. Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on end use.

1.10.4. Raw materials held for use in production of Finished Goods are written down below Cost, only if, the estimated Cost or Net Realizable Value of Finished Goods will not exceed Net Realizable Value of such Raw Materials.

1.10.5. Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

## 1.11. Revenue Recognition

### 1.11.1. Sale of Goods

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 based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers below, if any:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less..

1.11.2. Claims are recognized on settlement. Export incentives are accounted where there is reasonable assurance that the incentive income will be received and all attached conditions will be complied with.

1.11.3. Interest income is recognized using Effective Interest Rate (EIR) method.

1.11.4. Dividend is recognized when right to receive the income is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

#### **1.12. Classification of Income/ Expenses**

1.12.1. Income/ expenditure (net) in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively in the first set of consolidated financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented.

1.12.2. Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.

#### **1.13. Employee benefits**

##### **1.13.1. Short term employment benefits**

Short term employee benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized as an expense at an undiscounted amount in the consolidated Statement of Profit and Loss of the year in which the related services are rendered.

##### **1.13.2. Defined Contribution Plans**

→ **Superannuation :**

The Company has Defined Contribution Plan for Post employment benefits in the form of Superannuation Fund for certain class of employees as per the scheme, administered through Life Insurance Corporation (LIC) and Trust which is administered by the Trustees and is charged to revenue every year. Company has no further obligation beyond its contributions.

→ **Employee's Family Pension :**

The Company has Defined Contribution Plan for Post-employment benefits in the form of family pension for all eligible employees, which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligation beyond its monthly contributions.

→ **Provident Fund:**

The Company has Defined Contribution Plan for Post-employment benefits in the form of Provident Fund for all eligible employees; which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligations beyond its monthly contributions.

##### **1.13.3. Defined Benefit Plans**

→ **Gratuity :**

The Company has a Defined Benefit Plan for Post-employment benefit in the form of gratuity for all eligible employees which is administered through Life Insurance Corporation (LIC) and a trust which is administered by the trustees. Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

→ **Compensated Absences :**

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of availment of leave whilst in service and qualifying salary on the date of availment of leave. In respect of encashment of leave, the Defined Benefit obligation is calculated taking into account all types of the increment, salary growth, attrition rate and qualifying salary projected up to the assumed date of encashment.

##### **1.13.4. Termination Benefits:**

Termination benefits are recognised as an expense as and when incurred.

1.13.5. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

- 1.13.6. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated Statement of Profit and Loss.
- 1.13.7. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.
- 1.13.8. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **1.14. Foreign Currency Transactions**

##### **1.14.1. Monetary Items**

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term foreign currency monetary items outstanding as of 31<sup>st</sup> March 2016) are recognised in consolidated Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

##### **1.14.2. Non – Monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

#### **1.15. Investment in Subsidiaries**

Investments in subsidiary company carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary company, the difference between net disposal proceeds and the carrying amounts are recognised in the consolidated Statement of Profit and Loss.

#### **1.16. Government Grants**

- 1.16.1. Government grants are recognized at fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.
- 1.16.2. When the grant relates to an expense item, it is recognized in consolidated Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- 1.16.3. Government grants relating to Property, Plant and Equipment are presented as deferred income and are credited to the consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

#### **1.17. Provisions, Contingent Liabilities and Capital Commitments**

- 1.17.1. Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- 1.17.2. The expenses relating to a provision is presented in the consolidated Statement of Profit and Loss net of reimbursements, if any.
- 1.17.3. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- 1.17.4. Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
- 1.17.5. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.17.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

#### **1.18. Fair Value measurement**

1.18.1. The Company measures certain financial instruments at fair value at each reporting date.

1.18.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

1.18.3. 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

1.18.4. The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in consolidated Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.18.5. While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique 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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

1.18.6. When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

1.18.7. If there is no quoted price in an active market, then the Company uses a valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

1.18.8. The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

#### **1.19. Financial Assets**

##### **1.19.1. Initial recognition and measurement**

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

##### **1.19.2. Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- 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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated Statement of Profit and Loss.

#### **Debt instruments at Fair value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the consolidated Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

#### **Debt instruments at Fair value through Profit or Loss (FVTPL)**

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortised cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the consolidated Statement of Profit and Loss.

#### **Equity investments**

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). Dividends on such equity instruments are recognised in the Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated Statement of Profit and Loss.

### **1.19.3. De-recognition**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - The Company has transferred substantially all the risks and rewards of the asset, or
  - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the consolidated Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

#### **1.19.4. 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 measured at amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the ‘simplified approach’ at an amount equal to the lifetime ECL at each reporting date. The application of simplified approach does not require the Company to track changes in credit risk. Based on the past history and track records the company has assessed the risk of default by the customer and expects the credit loss to be insignificant. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

#### **1.20. Financial Liabilities**

##### **1.20.1. Initial recognition and measurement**

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

##### **1.20.2. Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

##### **Financial Liabilities at Fair Value through Profit or Loss (FVTPL)**

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in consolidated Statement of Profit and Loss.

##### **Financial Liabilities at amortised cost**

After initial recognition, financial liabilities other than those which are classified as FVTPL 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 and fees or costs that are an integral part of the EIR. The amortisation done using the EIR method is included as finance costs in the consolidated Statement of Profit and Loss.

#### **1.21. Financial guarantees**

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

#### **1.22. Embedded derivatives**

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract. Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in consolidated Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

#### **1.23. 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, or to realise the assets and settle the liabilities simultaneously.

## **1.24. Taxes on Income**

### **1.24.1. Current Tax**

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

### **1.24.2. Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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 items are recognised in correlation to the underlying transaction either in the consolidated Statement of Profit and Loss, other comprehensive income or directly in equity.

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

## **1.25. Earnings per share**

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

## **1.26. Classification of Assets and Liabilities as Current and Non-Current:**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

## **1.27. Cash and Cash equivalents**

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## **1.28. Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### 1.29. Standards Issued but not Effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendments to existing Ind AS. The company has not applied them as they are effective from annual periods beginning on or after 1<sup>st</sup> April, 2019"

a) Ind AS 116: Leases

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company is in process of evaluating the impact of the same.

b) Amendments to Existing issued Ind As

The MCA has also carried out amendments of the following accounting standards:

Particulars	Remarks
Amendments to Ind AS 103	The amendment clarifies when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.
Amendments to Ind AS 109	Amendments correspond to 'prepayment features with negative compensation'.
Amendments to Ind AS 111	The amendments clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.
Amendments to Ind AS 12	The amendments clarify that all income tax consequences of dividends (,i.e., distribution of profits) should be recognised in profit or loss, regardless of how the tax arises. The amendments also insert a new Appendix–C relating to 'uncertainty over tax treatments' and its consequential amendments to Ind AS 101.
Amendments to Ind AS 19	If a plan amendment, curtailment or settlement occurs, it would now be mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.
Amendments to Ind AS 23	If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
Amendments to Ind AS 28	A new paragraph 14A has been added to clarify that an entity also applies Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. In applying Ind AS 109, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying this Standard.

**2. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**

Amount (₹)

Particulars	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Total
<b>Gross Carrying value as on March 31, 2017</b>	6,735,903	32,175,121	184,428	4,181,098	2,707,841	45,984,391
Additions	<b>400,794</b>	<b>13,546,704</b>	<b>700,896</b>	-	<b>1,093,106</b>	<b>15,741,500</b>
Deletions	-	1,378,044	-	1,153,968	50,910	2,582,922
<b>Gross Carrying value as on March 31, 2018</b>	<b>7,136,697</b>	<b>44,343,781</b>	<b>885,324</b>	<b>3,027,130</b>	<b>3,750,037</b>	<b>59,142,969</b>
Additions	<b>1,562,803</b>	<b>13,536,202</b>	<b>671,433</b>	-	<b>2,030,206</b>	<b>17,800,645</b>
Deletions ****	-	4,669,944	-	-	55,325	4,725,269
<b>Gross Carrying value as on March 31, 2019</b>	<b>8,699,500</b>	<b>53,210,039</b>	<b>1,556,757</b>	<b>3,027,130</b>	<b>5,724,918</b>	<b>72,218,344</b>
<b>Accumulated depreciation as on April 1, 2016</b>	-	-	-	-	-	-
Depreciation charge for the year	1,712,598	17,937,555	98,957	900,836	676,730	21,326,677
Depreciation eliminated upto disposal	-	-	776	-	-	776
<b>Accumulated depreciation as on March 31, 2017</b>	<b>1,712,598</b>	<b>17,937,555</b>	<b>98,181</b>	<b>900,836</b>	<b>676,730</b>	<b>21,325,901</b>
Depreciation charge for the year	1,849,952	17,977,980	106,948	893,552	770,527	21,598,959
Depreciation charged upto disposal	-	-	-	973,247	48,365	1,021,612
<b>Accumulated depreciation as on March 31, 2018</b>	<b>3,562,550</b>	<b>35,915,535</b>	<b>205,129</b>	<b>821,141</b>	<b>1,398,892</b>	<b>41,903,248</b>
Depreciation charge for the year	1,996,409	18,999,997	221,882	779,673	1,019,448	23,017,409
Depreciation charged upto disposal	-	1,170,164	-	-	52,558	1,222,722
<b>Accumulated depreciation as on March 31, 2019</b>	<b>5,558,959</b>	<b>53,745,369</b>	<b>427,011</b>	<b>1,600,815</b>	<b>2,365,782</b>	<b>63,697,936</b>
<b>Carrying value</b>						
At 31 <sup>st</sup> March, 2017	5,023,305	14,237,566	86,247	3,280,261	2,031,111	24,658,490
At 31 <sup>st</sup> March, 2018	3,574,147	8,428,246	680,195	2,205,988	2,351,145	17,245,028
<b>At 31<sup>st</sup> March, 2019</b>	<b>3,140,541</b>	<b>(535,330)</b>	<b>1,129,746</b>	<b>1,426,315</b>	<b>3,359,137</b>	<b>8,520,409</b>

**\*\*\*\* Value of Assets classified as Held for Sale shown separately in Note 9**

Gross Block include ₹24,46,449 on revaluation of Fixed Assets as on 31<sup>st</sup> March, 1994 excluding Vehicles, Furniture & Fixtures and Office Equipments.

Buildings include ₹250 being cost of 5 shares of ₹50 each in Riddhi Premises Co-operative Housing Society Ltd.

Assets are mortgaged / hypothecated as security for borrowing

**Capital work-in-progress**

Carrying amount	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital work-in-progress	7,171,679	-

**3. GOODWILL ON CONSOLIDATION**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Goodwill on consolidation	11,394,805	11,394,805
<b>Total</b>	<b>11,394,805</b>	<b>11,394,805</b>

**4. LOANS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans Receivables Considered Good-Unsecured</b>		
Security deposits	7,669,538	7,669,538
Loans and advances to employees	1,425,358	1,626,493
<b>Total</b>	<b>9,094,896</b>	<b>9,296,031</b>

**5. OTHER NON CURRENT ASSETS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Prepaid Expenses	162,138	246,676
Capital Advances	1,094,364	4,464,324
Advance income tax net of provisions	5,987,306	3,621,975
CST & VAT receivable on Assessment	161,099	189,964
<b>Total</b>	<b>7,404,907</b>	<b>8,522,939</b>

**6. INVENTORIES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw materials	52,580,682	61,940,978
Raw-Materials in-transit	24,705,657	25,316,066
Semi Finished Goods	1,945,763	2,512,025
Work-in-progress	9,901,665	9,791,314
Finished goods	10,676,947	17,921,609
Finished Goods in-transit	19,644,851	3,844,334
Stores and Spares	2,846,252	3,200
Packing Materials.	29,969	2,466,755
Others - Scrap	29,549	4,303
<b>Total</b>	<b>122,361,335</b>	<b>123,800,584</b>

Footnote:

- (i) The mode of valuation has been stated in Note 1.10.1
- (ii) Inventories have been hypothecated as security for borrowings

**7.1. TRADE RECEIVABLES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(i) Trade Receivables Considered Good-Unsecured	169,224,181	173,309,179
(ii) Trade Receivables which have a significant increase in Credit Risk	4,415	543,137
(iii) Trade receivable -credit Impaired	1,063,316	
Less: Allowance for credit loss	(1,064,079)	(580,025)
<b>Total</b>	<b>169,227,833</b>	<b>173,272,290</b>

**7.2. CASH AND CASH EQUIVALENTS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(i) Balances with banks		
In current accounts	4,349,533	10,055,607
In Fixed Deposit	-	582,000
(ii) Cash in hand	381,903	586,046
<b>Total</b>	<b>4,731,436</b>	<b>11,223,653</b>

**7.3. BANK BALANCES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
In Fixed Deposit Accounts, held as margin money against Letter of Credit	906,936	1,848,497
Unpaid dividend accounts	873,560	865,407
<b>Total</b>	<b>1,780,496</b>	<b>2,713,904</b>

**7.4. LOANS (CURRENT)**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans receivables considered good - unsecured</b>		
GST/Cenvat credit receivable	1,779,254	-
Loans and Advances to employees	2,267,044	1,968,385
<b>Total</b>	<b>4,046,298</b>	<b>1,968,385</b>

**7.5. OTHER FINANCIAL ASSETS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest accrued on Fixed Deposits with Banks & Other Deposits	459,130	638,021
Discount Receivable	1,541,680	259,400
<b>Total</b>	<b>2,000,810</b>	<b>897,421</b>

**8. OTHER CURRENT ASSETS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
TDS Refund Receivable	360,814	360,814
GST-Refund Receivable - Export	4,375,330	-
GST-Sales In Transit	938,462	-
Prepaid Gratuity	1,135,140	-
Prepaid expenses	3,737,409	3,176,237
Advance to Trade Payables	2,346,050	1,581,511
Cenvat credit receivable	11,572	180,930
Interest Subsidy Receivable	-	3,904,316
Income Tax Refunds Due	1,440,918	738,402
Service Tax credit receivable	-	-
<b>Total</b>	<b>14,345,695</b>	<b>9,942,211</b>

**9. ASSETS CLASSIFIED AS HELD FOR SALE**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Property, plant and equipment		
Plant and machinery retired from active use (Refer Note 9.1)	2,131,481	-
<b>TOTAL</b>	<b>2,131,481</b>	<b>-</b>

9.1 The Company intends to dispose off the extrusion machinery. On the basis of approval by relevant Board of Directors, it is considered that the criteria relevant for classification as 'Assets Held For Sale' have been met.

Further, no impairment loss is recognised on reclassification of the plant & equipment as held for sale since the company expects the fair value less cost to sell of these assets to be higher than its carrying value

**9. EQUITY SHARE CAPITAL**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorised</b>		
1,00,00,000 Equity Shares of ₹ 10/- each	100,000,000	100,000,000
15,00,000 Equity Shares of ₹10/- each	15,000,000	
<b>Issued, Subscribed and Paid up</b>		
30,00,000 Equity Shares of ₹ 10/- each fully paid up	30,000,000	30,000,000
11,95,360 Equity shares of ₹ 10/- each fully paid up with Voting right.	-	
Recognition of Financial Guarantee		
Fair valuation of Interest free loan	-	
<b>Total</b>	<b>30,000,000</b>	<b>30,000,000</b>

**Notes:**
**Reconciliation of number of shares outstanding at the beginning and end of the year:**

Authorised share capital:	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March,2018</b>	10,000,000	100,000,000
Add / (Less): Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March,2019</b>	10,000,000	100,000,000
Issued, Subscribed and paid up share capital:	No. of shares	Amount
<b>Balance as at 31<sup>st</sup> March,2018</b>	3,000,000	30,000,000
Add / (Less): Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March,2019</b>	3,000,000	30,000,000

9.1 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share

9.2 The Paid-up Capital includes 1,500,000 Equity Shares of ₹10 each allotted as fully paid up Bonus shares by capitalising ₹ 5,000,000 out of General Reserve and ₹10,000,000 out of Revaluation Reserve prior to listing of Company's Equity Shares.

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

9.4 The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

9.5 During the Year there are no Changes in Number of Shares outstanding at the end of the reporting period in comparison to number of Shares Outstanding at the beginning of the reporting period.

**9.6 Details of shares held by each shareholder holding more than 5% shares in the Company:**

Equity share of ₹ 10 each fully paid up with voting rights	% Holding	Number of fully paid equity shares
Mrs Amita J.Desai As at 31 <sup>st</sup> March, 2018	18.07%	542,146
<b>As at 31<sup>st</sup> March, 2019</b>	<b>18.07%</b>	<b>542,146</b>
Mrs Charulata N.Patel As at 31 <sup>st</sup> March, 2018	12.80%	383,911
<b>As at 31<sup>st</sup> March, 2019</b>	<b>13.03%</b>	<b>390,752</b>
Silver Stream Properties LLP As at 31 <sup>st</sup> March, 2018	15.89%	476,827
<b>As at 31<sup>st</sup> March, 2019</b>	<b>15.89%</b>	<b>476,827</b>

**10. OTHER EQUITY**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(a) Securities premium</b>		
Balance as per last Balance Sheet	30,000,000	30,000,000
<b>Closing Balance</b>	<b>30,000,000</b>	<b>30,000,000</b>
<b>(b) General reserve</b>		
Balance as per last Balance Sheet	50,781,315	50,781,315
Add: Transferred from surplus in Statement of Profit and Loss	-	-
<b>Closing Balance</b>	<b>50,781,315</b>	<b>50,781,315</b>
<b>(c) Retained Earnings</b>		
Balance as per last Balance Sheet	159,949,884	129,186,923
Add: Profit for the year	28,932,997	35,095,835
	<b>188,882,881</b>	<b>164,282,759</b>
<b>Less: Appropriations</b>		
Payment of final Dividend to equity shareholders (₹1.50 per share)	4,500,000	3,600,000
Payment of Dividend distribution tax on final dividend	924,990	732,875
<b>Closing Balance</b>	<b>183,457,891</b>	<b>159,949,884</b>
<b>(d) Other Comprehensive income</b>		
Balance as at beginning of the year	(1,528,471)	(1,874,765)
Add: Remeasurement of Net defined benefit liability/(asset) (net of tax)	(1,924,397)	346,294
	<b>(3,452,867)</b>	<b>(1,528,471)</b>
<b>Total</b>	<b>260,786,338</b>	<b>239,202,728</b>

**10.1 Securities premium**

Securities premium used to record the Premium on issue of shares. This reserve is utilized in accordance with the provisions of the Act.

**10.2 General Reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

### 10.3 Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to the general reserve, dividends or other distributions paid to shareholders

### 10.4 Other Comprehensive income

These are actuarial gains/ losses on employee benefit obligations.

### 11. NON CURRENT BORROWINGS

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Secured</b>		
<b>Term Loans</b>	-	-
Bank of Baroda Coporate Loan	8,415,000	18,706,045
<b>Total</b>	<b>8,415,000</b>	<b>18,706,045</b>

*Details:*

11.1 The above are valued at Amortized cost.

11.2 The above Loans are Secured by Equitable Mortgage of Land & Factory Building of the Company at Abrama-Valsad, Office Premises at Andheri (East) Mumbai & hypothecation of Plant and Machineries, Electrical Installations, Furniture & Fixtures, Office Equipments and Other Movable Fixed Assets of the Company, both present and future and hypothecation of raw materials, stock in process, Stores & Spares, packing materials and finished goods and book debts of the Company both present and future and further secured by personal guarantee of Managing Director.

11.3 Interest Rate Profile of Term Loans & Deposits are set out as below:

Particulars	Rate of Interest (p.a.)	Amount in ₹
Term Loan from Bank	10.15%	8,415,000

11.4 Maturity Profile of Term Loans & Deposits is set out below:

Particulars	Maturity Profile (Amount in ₹)		
	1-2 years	3-4 years	> 4 years
Term Loan from Bank-VII	5,223,000	3,192,000	-

### 12. PROVISIONS

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Provision for employee benefits:</b>		
Provision for compensated absences	6,292,972	4,840,592
Provision for gratuity	537,748	922,446
<b>Total</b>	<b>6,830,720</b>	<b>5,763,038</b>

**13. DEFERRED TAX LIABILITIES (NET)**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	8,835,532	12,969,565
Amortisation of government grant	86,471	102,767
	-	-
<b>Tax effect of items constituting deferred tax liability</b>	<b>8,922,003</b>	<b>13,072,332</b>
	-	-
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences, gratuity and other employee benefits	2,829,636	2,836,210
Provision for doubtful debts / advances	301,093	(581,180)
Provision for diminution in the value of investments	1,586,049	1,586,049
On Account of Retiring Gratuity	315,796	
Fair valuation of Loan from holding Company	-	(428,862)
<b>Tax effect of items constituting deferred tax assets</b>	<b>5,032,574</b>	<b>3,412,217</b>
	-	
<b>Net deferred tax Liability / (Asset)</b>	<b>(3,889,429)</b>	<b>(9,660,115)</b>

**14. OTHER NON-CURRENT LIABILITIES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Deferred Grant income	2,538,379	2,849,201
<b>Total</b>	<b>2,538,379</b>	<b>2,849,201</b>

**15.1. BORROWINGS (SHORT TERM)**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Secured(10.15%)	64,588,604	66,116,945
<b>From Others - Unsecured</b>		
Inter Corporate Deposits(11.25%)	8,000,000	8,000,000
<b>Total</b>	<b>72,588,604</b>	<b>74,116,945</b>

(i) (Secured by hypothecation of inventories, book debts of the Company both present & futures and collaterally secured by equitable mortgage of Company's Land and Factory Buildings at Abrama-Valsad and Office Premises at Andheri (East) Mumbai, hypothecation of Plant and Machineries, Electrical Installations, Furniture & Fixtures, Office Equipments and guaranteed by Managing Director)

(ii) The above are valued at Amortized cost.

**15.2. TRADE PAYABLES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Trade payables:</b>		
Micro, Small and Medium Enterprises	1,173,078	299,989
Trade Payable to Related Party	903,703	522,911
Others	74,976,588	86,986,071
<b>Total</b>	<b>77,053,369</b>	<b>87,808,971</b>

**(i) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 :**

Amount due to Micro, Small and Medium Enterprises as on 31<sup>st</sup> March, 2018 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Principal Amount due and remaining unpaid	1,173,078	36,551
Interest due on above and the unpaid interest	35,421	402
Interest paid during the year	-	-
Payment made beyond the appointed day during the year	5,249,324	222,421
Interest due and payable for the period of delay	35,421	365
Interest accrued and remaining unpaid	35,421	767
Amount of further interest remaining due and payable in succeeding years	35,421	26,356

This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**15.3. OTHER FINANCIAL LIABILITIES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Current maturities of long-term Secured Debts (Refer Note No. 11)	10,331,355	11,928,000
Unclaimed dividends	872,899	865,347
Unclaimed matured deposits and interest accrued thereon	18,710	18,710
Financial guarantee obligation	-	101,626
<b>Total</b>	<b>11,222,964</b>	<b>12,913,683</b>

**16. OTHER CURRENT LIABILITIES**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Deferred Grant income	310,822	310,822
<b>Other payables</b>		
Statutory dues payable	932,960	2,509,502
Advances from customers	2,745,550	2,116,975
Others -Net Salaries & Wages Payable	2,095,579	635,530
<b>Total</b>	<b>6,084,911</b>	<b>5,572,829</b>

**17. PROVISIONS**

Amount (₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Provision for employee benefits:</b>		
Provision for bonus	2,227,719	2,135,149
Provision for compensated absences	1,371,318	682,685
Provision for gratuity	7,198	945,542
<b>Total</b>	<b>3,606,235</b>	<b>3,763,376</b>

**18. REVENUE FROM OPERATIONS**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Sale of products		
<b>Manufactured goods</b>		
Plastic Film	994,732,966	1,031,556,326
Others	3,299,563	6,023,177
<b>Traded goods</b>		
Others	14,796,424	33,188,933
Other operating revenues		
Sale of Scrap	2,575,912	1,929,748
<b>Total</b>	<b>1,015,404,865</b>	<b>1,072,698,184</b>

Footnote:

**Impact of implementation of Goods and Services Tax (GST) on the financial statements**

In accordance with Ind AS 115 and Schedule III to the Companies Act, 2013, Sales for the period 01 April to 30 June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, Financial statements and in particular, Sales, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of sales, are not comparable with the figures of the previous year."

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

Particulars	For the year ended 31 <sup>st</sup> March, 2019
Revenue as per contracted price	1,028,426,994
<b>Adjustments</b>	
Sales return	6,928,987
Sales Price/ Quantity Differecne	5,283,229
Development Cost - free Samples	628,609
Discounts	181,304
<b>Revenue from contract with customers</b>	<b>1,015,404,865</b>

**19. OTHER INCOME**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>Interest income</b>		
Interest from banks on Fixed Deposits	143,425	155,410
Interest Received-Security Deposit-APDCL	66,416	119,200
Interest on Deposit with Dakshin Gujarat Vij Co Ltd. & Others	446,212	512,318
Interest on Employees Loan	161,156	144,984
Interest subsidy	-	3,904,316
<b>Other non-operating income</b>	-	-
Profit on sale of fixed assets	355,336	149,579
Liabilities / provisions no longer required written back (net)	65,131	2,567,986
Insurance Claim Received	460,358	310,758
Gain on foreign currency transactions and translation (net)	2,167,898	5,899,364
Supervision Charges	11,860	-
Miscellaneous income	1,255,951	1,102,009
Sundry Creditors W.back/ W.off	55,493	97,671
Export Incentive - MEIS Duty Script	2,292,302	4,920,182
Fair Valuation of financial guarantee	101,626	-
Amortisation of government grant	310,822	-
<b>Total</b>	<b>7,893,986</b>	<b>19,883,777</b>

**20. COST OF MATERIALS CONSUMED**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Opening Stock	62,146,519	55,232,055
Add: Purchases	728,986,199	767,845,782
Less: Closing Stock	52,640,200	(62,146,519)
Purchases Includes ₹51,02,371/- for Traded Goods (Previous year ₹2,63,55,529/-)	-	-
<b>Total Cost of materials consumed</b>	<b>738,492,518</b>	<b>760,931,318</b>

**21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Inventories at the end of the year:		
Finished goods	30,321,798	21,746,678
Work-in-progress	11,847,428	12,303,339
	42,169,226	34,050,017
Inventories at the beginning of the year:		
Finished goods	21,765,943	12,858,700
Work-in-progress	12,303,339	14,924,043
	34,069,282	27,782,743
<b>Net (increase) / decrease</b>	<b>(8,099,944)</b>	<b>(6,267,274)</b>

**22. EXCISE DUTY**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Excise duty (Gross)	-	35,427,148
<b>Total</b>	<b>-</b>	<b>35,427,148</b>

**23. EMPLOYEE BENEFIT EXPENSES**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Salaries, Wages, Bonus and Other Allowances	75,431,511	67,333,929
Contributions to Provident and other funds	8,112,419	8,846,030
Staff Welfare expenses	1,500,351	1,845,916
<b>Total</b>	<b>85,044,281</b>	<b>78,025,875</b>

**Footnote:**

Contribution to Provident and other funds includes contribution to Provident fund for directors ₹ 7,38,000 (For 31<sup>st</sup> March, 2018: ₹ 6,76,800)

**24. FINANCE COSTS**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Interest expense	10,933,981	13,495,829
Other Borrowing costs	4,799,042	2,444,846
<b>Total</b>	<b>15,733,023</b>	<b>15,940,675</b>

**25. OTHER EXPENSES**

Amount (₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Consumption of Stores and Spare parts	2,205,630	1,438,749
Consumption of Packing Materials	21,330,108	20,865,432
Consumption of Printing Cylinders	3,587,132	2,476,529
Power and fuel	46,192,083	47,990,704
Conversion Charges Paid	306,978	907,927
Rent Paid	154,880	
Repairs and Maintenance - Buildings	3,238,853	2,222,045
Repairs and Maintenance - Machinery	8,005,801	7,778,535
Repairs and Maintenance - Others	986,550	873,634
Insurance	3,313,908	2,590,699
Rates and taxes	426,329	556,429
Communication	826,461	891,313
Travelling and Conveyance	5,624,833	6,523,276
Printing and Stationery	1,039,287	1,081,099
Freight and forwarding	16,984,455	12,678,054
Sales Commission	1,032,613	508,265
Business promotion	94,377	64,399
Donations and contributions	313,600	350,600
Motor Car Expenses	1,175,823	834,686
Security Charges	1,838,765	1,817,909
Royalty Paid	2,214,026	4,492,543
Directors Sitting Fees	750,000	900,000
Commission to Non-Executive Directors	336,456	446,231
Legal and Professional	4,277,484	6,901,008
Payments to Auditors	767,350	808,722
Rent including lease rentals	60,480	99,788
Bad Trade Receivables	358,034	-
Provision for doubtful trade receivables	502,257	-
Other Miscellaneous Expenses	5,503,071	8,286,130
<b>Total</b>	<b>133,447,620</b>	<b>134,384,705</b>
Payments to the auditors comprises		
(a) To statutory auditors		
Audit Fees	420,000	420,000
Taxation Matters	-	60,000
Company Law Matters	-	-
Tax Audit Fees	70,000	-
Certification and Other Services	140,000	270,894
Reimburesment of Expenses	137,350	57,828
<b>Total</b>	<b>767,350</b>	<b>808,722</b>

26. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## a. Equity Share Capital:

Particulars	Amount (₹)	
		Amount
<b>Balance as at the 31 March 2018</b>		30,000,000
Changes in equity share capital during 2018-19		-
<b>Balance as at the 31 March 2019</b>		30,000,000

## b. Other Equity:

Particulars	Reserves and Surplus			Other Comprehensive Income (OCI)	Total Equity
	General Reserve	Securities Premium	Retained Earnings		
<b>As at 31<sup>st</sup> March, 2017</b>	<b>50,781,315</b>	<b>30,000,000</b>	<b>129,186,923</b>	<b>(1,874,765)</b>	<b>208,093,474</b>
Profit for the year	-	-	35,095,835	-	35,095,835
<b>Other comprehensive income for the year</b>					
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	346,294	346,294
Additions/deletions during the year					
Corporate Dividend					
Corporate Dividend Tax					
<b>As at 31<sup>st</sup> March, 2018</b>	<b>50,781,315</b>	<b>30,000,000</b>	<b>159,949,884</b>	<b>(1,528,471)</b>	<b>239,202,728</b>
Profit for the year			28,932,997		28,932,997
<b>Other comprehensive income for the year</b>					
Remeasurement of the Net Defined benefit liability/asset, net of tax effect				(1,924,397)	(1,924,397)
Corporate Dividend					
Corporate Dividend Tax					
<b>As at 31<sup>st</sup> March, 2019</b>	<b>50,781,315</b>	<b>30,000,000</b>	<b>183,457,891</b>	<b>(3,452,867)</b>	<b>260,786,338</b>

**27. EARNINGS PER SHARE (EPS)**

Basic EPS amounts are 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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

**i. Profit attributable to Equity holders of Company**

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Profit attributable to equity holders of the company for basic and diluted earnings per share	28,932,997	35,095,836

**ii. Weighted average number of ordinary shares**

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Number of issued equity shares	3,000,000	3,000,000
Nominal Value per share	10	10
Weighted average number of shares at 31 <sup>st</sup> March for basic and diluted earnings per share	3,000,000	3,000,000
<b>Basic and Diluted earnings per share (in ₹)</b>	<b>9.64</b>	<b>11.70</b>

**28. TAX EXPENSE**
**(a) Amounts recognised in profit and loss**

Amount (₹)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current tax expense</b>		
Current year	11,304,000	16,757,000
Short/(Excess) provision of earlier years	(470,461)	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(4,102,593)	687,719
<b>Tax expense recognised in the income statement</b>	<b>6,730,946</b>	<b>17,444,719</b>

**(b) Amounts recognised in other comprehensive income**

Particulars	For the year ended 31 <sup>st</sup> March, 2019			For the year ended 31 <sup>st</sup> March, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(1,505,552)	(418,845)	(1,924,397)	260,248	86,046	346,294
Equity Instruments through Other Comprehensive Income			-			-
	<b>(1,505,552)</b>	<b>(418,845)</b>	<b>(1,924,397)</b>	<b>260,248</b>	<b>86,046</b>	<b>346,294</b>

## (c) Reconciliation of effective tax rate

Particulars	For the year ended 31 <sup>st</sup> March, 2019		For the year ended 31 <sup>st</sup> March, 2018	
	%	Amounts	%	Amounts
<b>Profit before tax</b>		35,663,944		52,540,555
Less: Profit of subsidiary on which tax is not payable		3,558,306		(5,572,453)
<b>Net profit on which tax is payable</b>		39,222,250		46,968,102
Tax using the Company's domestic tax rate	27.82%	10,911,630	33.06%	15,527,654
<b>Tax effect of:</b>				
Expenses not deductible for tax purposes	1.00%	392,370	2.61%	1,227,929
Short/(Excess) provision of earlier years		(470,461)		
Income exempt from Income taxes				
Tax due to change in tax rate				
Others	-10.46%	(4,102,593)	1.47%	689,135
<b>Effective income tax rate</b>	<b>18.4%</b>	<b>6,730,946</b>	<b>37.1%</b>	<b>17,444,719</b>

## (d) Movement in deferred tax

Particulars	As at 31 <sup>st</sup> March, 2018				As at 31 <sup>st</sup> March, 2019		
	Net balance March 31, 2018	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	Net	Deferred tax asset	Deferred tax liability
<b>On difference between book balance and tax balance of fixed assets</b>	12,969,565	(4,134,032)			8,835,532		8,835,532
Amortisation of government grant		(16,296)			(16,296)		
Provision for compensated absences, gratuity and other employee benefits	(2,836,210)	(412,271)	418,845		(2,829,636)	2,829,636	
Provision for doubtful debts / advances	581,180	(882,273)			(301,093)	301,093	
Provision for diminution in the value of investments	(1,586,049)	-			(1,586,049)	1,586,049	
<b>Tax assets (Liabilities)</b>	<b>9,128,486</b>	<b>(5,444,873)</b>	<b>418,845</b>		<b>4,102,458</b>	<b>4,716,778</b>	<b>8,835,532</b>
Reversal of Opening DTL	-				-	-	-
<b>Tax assets (Liabilities) (Net)</b>	<b>9,128,486</b>	<b>(5,444,873)</b>	<b>418,845</b>		<b>4,102,458</b>	<b>4,716,778</b>	<b>8,835,532</b>

## 29. FINANCIAL INSTRUMENTS

### A. Capital Management:

The Company's policy is to maintain a strong capital base so as to ensure that the Company is able to continue as going concern to sustain future development of the business. The capital structure of the Company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market conditions.

#### Its guiding principles

- i) Maintenance of financial strength to ensure the highest ratings;
- ii) Ensure financial flexibility and diversify sources at financing;
- iii) Manage Company exposure in forex to mitigate risks to earnings;
- iv) Leverage optimally in order to maximum shareholders returns while maintaining strength and flexibility of the balance sheet.

The policy is also adjusted based on underlying macro-economic factors affecting business environment, financial and market conditions.

The Company monitors capital on the basis of the following debt equity ratio:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Borrowings	8,415,000	18,706,045
Less: Cash and bank balances	4,731,436	11,223,653
<b>Net debts</b>	<b>3,683,564</b>	<b>7,482,392</b>
Total equity	290,786,338	269,202,728
<b>Net debt to equity ratio</b>	<b>1.27%</b>	<b>2.78%</b>

### B Fair value measurement hierarchy:

Particulars	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018			
	Carrying amount	Level of input used in			Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>	-	-	-	-	-	-	-	-
<b>At FVTPL</b>	-	-	-	-	-	-	-	-
<b>At FVTOCI</b>	-	-	-	-	-	-	-	-
<b>At Amortized cost</b>	-	-	-	-	-	-	-	-
Trade Receivables	169,227,833	-	-	-	173,272,290	-	-	-
Cash and cash equivalents	4,731,436	-	-	-	11,223,653	-	-	-
Bank balances other than above	1,780,496	-	-	-	2,713,904	-	-	-
Loans	4,046,298	-	-	-	1,968,385	-	-	-
Other financial assets	2,000,810	-	-	-	897,421	-	-	-
<b>Financial liabilities</b>	-	-	-	-	-	-	-	-
<b>At FVTPL</b>	-	-	-	-	-	-	-	-
<b>At Amortized cost</b>	-	-	-	-	-	-	-	-
Borrowings	81,003,604	-	-	-	92,822,990	-	-	-
Trade payables	77,053,369	-	-	-	87,808,971	-	-	-
Other financial liabilities	11,222,964	-	-	-	12,913,683	-	-	-

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31<sup>st</sup> March, 2017.

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

- i) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
- ii) Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate as at the reporting date.
- iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### C Calculation of fair values:

Financial assets and liabilities measured at fair value as at Balance Sheet date:

Other financial assets and liabilities:-

- Cash and cash equivalents, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.
- Loans and Investments 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.

## 30. FINANCIAL RISK MANAGEMENT

### Risk management framework

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks, commodity risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

The Company has exposure to the following risks arising from financial instruments:

- A) Credit risk;
- B) Liquidity risk;
- C) Market risk; and
- D) Interest rate risk
- E) Commodity Risk

### A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹16,63,97,965/- and ₹16,59,10,607/- as at March 31, 2019 and March 31, 2018, respectively.

The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables.

The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages of delinquency to write off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

#### Ageing of Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Not due	116,705,053	120,695,674
1-180 Days	52,205,440	52,179,151
181-360 Days	4,656	410,329
361-500 Days	418,240	24,024
More Than 500 days	644,835	543,137
Allowance for doubtful trade receivables (Expected credit loss allowance)	(1,064,079)	(580,025)
<b>Total</b>	<b>168,914,145</b>	<b>173,272,291</b>

#### Movement in provisions of doubtful debts

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Opening provision	(580,025)	(892,277)
Additional provision made		
Provision Reverse	484,054	(312,252)
<b>Closing provision</b>	<b>(1,064,079)</b>	<b>(580,025)</b>

#### Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 47,31,436 as at 31<sup>st</sup> March, 2019 (31<sup>st</sup> March, 2018: ₹ 1,12,23,653). The cash and cash equivalents are held with banks.

## B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which 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.

#### Exposure to liquidity risk

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Particulars	As at 31 <sup>st</sup> March, 2018			
	Carrying amount			
	Carrying amount	Within one year	One to five years	More than five years
<b>Non-derivative financial liabilities</b>				
Borrowings	92,822,990	74,116,945	18,706,045	
Trade and other payables	87,808,971	87,808,971	-	-
Other financial liabilities	12,913,683	12,913,683	-	-
<b>Derivative financial liabilities</b>				
	<b>193,545,644</b>	<b>174,839,599</b>	<b>18,706,045</b>	-

Particulars	As at 31 <sup>st</sup> March, 2019			
	Carrying amount			
	Carrying amount	Within one year	One to five years	More than five years
Non-derivative financial liabilities				
Borrowings	81,003,604	72,588,604	8,415,000	-
Trade and other payables	77,053,369	77,053,369	-	-
Other financial liabilities	11,222,964	11,222,964	-	-
Derivative financial liabilities				
	<b>169,279,937</b>	<b>160,864,937</b>	<b>8,415,000</b>	<b>-</b>

\* Guarantees issued by the Company on behalf of joint venture/subsidiary are with respect to borrowings raised by the respective entity. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiary/joint venture have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees.

### C Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company operates internationally and portion of the business is transacted in several currencies. Consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the company are significantly lower in comparison to its imports.

The Company holds derivative financial instruments such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposure. The exchange rate between rupee and foreign currency has changed substantially in recent years and may fluctuate substantially in future. Consequently, the results of the Company's operation are adversely affected as the rupee appreciates/ depreciates against these currencies.

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (Foreign currency)		Assets (Foreign currency)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
In US Dollars (USD)	267,578	440,362	288	-
In Euro (EUR)	31,355	-	-	-
In AED	-	-	725	-

Particulars	Liabilities (INR)		Assets (INR)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
In US Dollars (USD)	19,229,399	28,553,241	19,966	-
In Euro (EUR)	2,508,440	-	-	-
In AED	-	-	13,629	-

### Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD, EUR

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

#### Impact on profit or loss and total equity

Particulars	USD impact	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Increase in exchange rate by 5%	(960,472)	(1,427,662)
Decrease in exchange rate by 5%	960,472	1,427,662

Particulars	Euro impact	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Increase in exchange rate by 5%	(125,422)	-
Decrease in exchange rate by 5%	125,422	-

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and one year. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

#### D Interest rate risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 11 and 14.1

#### 31 Employee Benefits

##### [A] Defined contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹41,34,710 (As at 31<sup>st</sup> March, 2018: ₹36,57,165) for Provident Fund contributions and ₹24,97,147 (As at 31<sup>st</sup> March, 2018: ₹ 24,10,166) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

##### [B] Defined benefit plan:

The Employees' gratuity fund scheme managed by LIC of India is a defined benefit plan. The present value of obligation for gratuity and leave encashment is determined on the basis of Actuarial Valuation Report made at the year end.

- i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On death in service: As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

These plans typically expose the Company to actuarial risks such as : investment risk, interest risk, longevity risk and salary risk.

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

**Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan assets.

**Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2018.

a) <b>Changes in present value of obligations (PVO)</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Present Value of Benefit Obligation at the Beginning of the Period	17,794,896	16,996,022
Interest cost	1,397,087	1,235,611
Past Service Cost	-	538,615
Current service cost	946,498	1,718,678
Benefits paid from the fund	(829,038)	(2,508,094)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	115,981	(1,004,719)
Actuarial (Gains)/Losses on Obligations - Due to Experience	424,077	818,783
<b>PVO at the end of the year</b>	<b>19,849,501</b>	<b>17,794,896</b>

b) <b>Fair value of plan assets:</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Fair value of plan assets at the beginning of the year	15,926,908	15,572,629
Adjustment to opening fair value of plan assets	-	-
Return on plan assets excl. interest income	(965,494)	74,312
Interest income	1,250,262	1,132,130
Contributions by the employer	5,057,057	1,655,931
Benefits paid from the fund	(829,038)	(2,508,094)
<b>Fair value of plan assets at the end of the year</b>	<b>20,439,695</b>	<b>15,926,908</b>

c) <b>Amount to be recognized in the balance sheet:</b>	<b>Gratuity - Funded</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
PVO at the end of period	19,849,501	17,794,896
Fair value of plan assets at end of the period	20,439,695	15,926,908
Funded status (Surplus/(Deficit))	590,194	(1,867,988)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>590,194</b>	<b>(1,867,988)</b>

d) Expense recognized in the statement of profit or loss:	Gratuity - Funded	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Current service cost	946,498	1,718,678
Net interest Cost	146,825	103,481
Past Service Cost	-	538,615
Expense recognized in the statement of profit or loss	1,093,323	2,360,774

e) Other comprehensive income (OCI):	Gratuity - Funded	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Actuarial (Gain)/Loss on Obligation for the period	540,058	(1,004,719)
Return on plan assets excluding Interest Income	965,494	(74,312)
Net (Income)/Expense For the Period Recognized in OCI	1,505,552	(1,079,031)

f) Actual return on the plan assets:	Gratuity - Funded	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
	284,768	1,206,442

g) Category of Assets	Gratuity - Funded	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Insurance Fund	20,439,695	15,926,908

h) Assumption:	Gratuity - Funded	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Expected Rate on Plan Assets	7.79%	7.85%
Rate of Discounting	7.79%	7.85%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate during employment	IALM (2006-08)	IALM (2006-08)
Mortality Rate After employment	N.A	N.A

**Assumption:**

**1. Analysis of Defined Benefit Obligation**

The number of members under the scheme have decreased by 0.95%. However the total salary increased by 11.15% during the accounting period. The resultant liability at the end of the period over the beginning of the period has decreased by 222.43%.

**2. Expected rate of return basis**

The scheme funds are invested with Trustee of the Company which is based on rate of return declared by fund managers.

**3. Description of Plan Assets**

100 % of the Plan Asset is entrusted to trustees of the Company under their Group Gratuity Scheme.

**i) Expected Payout:**

Year	PVO payouts 31 <sup>st</sup> March, 2019	PVO payouts 31 <sup>st</sup> March, 2018
1 <sup>st</sup> Following Year	3,583,348	1,418,495
2 <sup>nd</sup> Following Year	473,590	497,218
3 <sup>rd</sup> Following Year	547,621	2,318,793
4 <sup>th</sup> Following Year	540,316	522,149
5 <sup>th</sup> Following Year	779,671	517,410
Sum of years 6 to 10	8,636,085	5,904,203
Sum of years 11 and above	39,780,507	39,709,206

**j) Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Projected Benefit Obligation on Current Assumptions	19,849,501	17,794,896
Delta Effect of +1% Change in Rate of Discounting	(1,763,905)	(1,662,865)
Delta Effect of -1% Change in Rate of Discounting	2,090,133	1,971,335
Delta Effect of +1% Change in Rate of Salary Increase	1,727,195	1,632,589
Delta Effect of -1% Change in Rate of Salary Increase	(1,564,516)	(1,455,585)
Delta Effect of +1% Change in Rate of Employee Turnover	60,501	63,611
Delta Effect of -1% Change in Rate of Employee Turnover	(67,451)	(70,613)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Total employee benefit liabilities</b>			
Other current liabilities	16	-	(1,867,988)
Other current assets	8	590,194	-

**(k) General Assumptions****(i) Leave Policy:**

Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accumulated up to 31 March 2019 is available for encashment on separation from the company upto a maximum of 90 days

(ii) The assumption of future salary increases, considered in actuarial valuations, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.

(iii) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.

(iv) Short term compensated absences have been provided on actual basis.

### 32. RELATED PARTY TRANSACTIONS

The disclosure of related party transactions is presented on an aggregate basis for shareholders and companies controlled by shareholders, joint ventures and associates. In addition, there may be additional disclosures of certain significant transactions (balances and turnover) with certain related parties.

**I) Name of the related party and nature of relationship: -**

Sr No	Particulars	2018-19	2017-18
a)	<b>Key Managerial Personnel (KMP)</b>		
	Managing Director		
	Mr. J. B. Desai		
	Remuneration Paid	9,155,496	7,562,796
	Dividend Paid	154,563	123,650
	Sale of Used Car	-	295,000
	Mr. M. B. Desai : Chairman/ Non Executive/Independent Director		
	Sitting Fees Paid	210,000	240,000
	Commission Paid on Profit	100,402	58,077
	Dividend Paid	14,775	11,580
	Mr. P. P. Kharas :		
	(Upto 20.09.2017)		
	Sitting Fees Paid	-	140,000
	Commission Paid on Profit	-	58,077
	Dividend Paid	-	98,376
	Mrs. C. N. Patel : Non Executive Director		
	Sitting Fees Paid	80,000	80,000
	Commission Paid on Profit	100,402	58,077
	Dividend Paid	586,128	460,693
	Mr. B. M. Desai : Non Executive/Independent Director		
	Sitting Fees Paid	230,000	230,000
	Commission Paid on Profit	100,402	58,077
	Dividend Paid	150	120
	Mr. D. T. Desai : Non Executive/Independent Director		
	Sitting Fees Paid	-	-
	Commission Paid on Profit	-	-
	Dividend Paid	-	-
	Mr. J. A. Moos : Non Executive/Independent Director		
	Sitting Fees Paid	230,000	210,000
	Commission Paid on Profit	100,402	58,077
	Dividend Paid	750	600

Sr No	Particulars	2018-19	2017-18
	Others :		
	Mr. M. D. Desai : Chief Finance Officer Remuneration Paid	2,869,464	2,631,348
	Mr. Antony Alapat : Company Secretary Remuneration Paid	756,000	504,120
<b>B)</b>	<b>Relatives of KMP</b>		
	-	-	-
<b>C)</b>	<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>		
	<b>Propack Industries (Prop. Kunal Plastics Pvt. Ltd.)</b>		
	Sales of Goods	4,120,165	7,233,652
	Purchase of Goods	4,762,411	3,174,252
	Render Services	-	185,379
	Receiving Services	1,158,671	1,079,090
	Balance Receivable	520,970	17,659
	Balance Payable	903,703	522,911
	<b>Transactions with KMP</b>		
	Short Term benefits	14,688,934	12,583,668
	Post employment benefits	-	-
	Other Long term benefits	-	-
	Termination benefits	-	-
	Share based payment	-	-

**\*As the liabilities for defined benefit plans are provided on actuarial basis for the Group as a whole, the amounts pertaining to Key Management Personnel are not included.**

**Footnotes:**

- (i) All Related party transactions entered during the year were on ordinary course of business and are on arm's length basis.
- (ii) Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

**33. (I). CAPITAL COMMITMENTS**

Particulars	Year ended	
	As at 31 March, 2019	As at 31 March, 2018
On account of Capital Commitments (Net of advances)	3,400,116	6,453,142
<b>TOTAL</b>	<b>3,400,116</b>	<b>6,453,142.00</b>

**(ii). Contingent liabilities**

Particulars	Year ended	
	As at 31 March, 2019	As at 31 March, 2018
On account of Income Tax/ Sales Tax and Service Tax demand under contest	1,149,258	1,600,555
<b>TOTAL</b>	<b>1,149,258</b>	<b>1,600,555</b>

#### 34. SEGMENT INFORMATION :

The Company's sole business segment is Plastic Films and all activities are incidental to this sole business segment. Given this fact and that the Company services its domestic and export markets from India only, the financial statements reflect the information required by Ind AS 108 'Operating Segments' for the sole business segment of Plastic Films. The whole of the business assets are situated in India.

#### 35. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES / TRANSITION TO NEW STANDARDS

Ind AS 115 Revenue from contracts with customers was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exception, to all revenue arising from contracts with its customers. Under Ind AS 115, revenue is recognised when a customer obtains control of goods or services. The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. 1 April, 2018. Accordingly, the comparative information i.e. information for the year ended 31 March 2018, has not been restated. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

##### a Impact on Retained Earnings:

There is no material impact on adoption of IndAS 115 on adoption of Ind AS 115

##### b Balance Sheet Reconciliation:

There is no material impact on adoption of IndAS 115 on adoption of Ind AS 115

##### c Adjustments to Statement of profit and loss:

There is no material impact on adoption of IndAS 115 on adoption of Ind AS 115

##### d Adjustments to the Statement of Cash Flows:

There is no material impact on adoption of IndAS 115 on adoption of Ind AS 115

#### 36. Leases

Operating lease:

The Company has acquired leasehold land from Assam Industrial Infrastructure Development Corporation under operating lease. These rentals recognized in the Statement of Profit and Loss Account for the year is ₹2,20,400 (31<sup>st</sup> March, 2018: ₹ 99,788). The future minimum lease payments and payment profile of non cancellable operating leases are as under:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Not later than one year	71,364	71,364
Later than one year but not later than five years	285,456	285,456
More than five years	3,068,652	3,140,016
<b>Total</b>	<b>3,425,472</b>	<b>3,496,836</b>

37. The Company has imported Plant and Machineries under Export Promotion Capital Goods Scheme (EPCG) without payment of Custom Duty. In the event of non-fulfilment of export obligations as specified, Company may be held liable to pay custom duty of ₹32.21 lacs (Previous year ₹65.65 lacs) in terms of the said Scheme. As on 31<sup>st</sup> March 2018 Company is not in any default under the Scheme.

38. The Company prior to it being listed had issued Bonus shares on 29<sup>th</sup> June, 1994 for ₹ 10 Million (10,00,000 equity shares of ₹ 10/- each) by capitalising part of its revaluation reserve. Accordingly, the paid up equity share capital of the company stands increased by ₹ 10 Million and the revaluation reserve stands reduced by that amount. The issue of bonus shares as aforesaid is contrary to the circular issued by the Department of Company Affairs issued in September, 1994 and the recommendations of the Institute of Chartered Accountants of India issued in November, 1994. However, the Hon'ble Supreme Court in the recent decision in the case of Bhagwati Developers Vs Peerless General Finance & Investment Co. & others (2005) Comp LJ 377 (SC) has held that there is no specific bar under the Companies Act for issue of Bonus Shares out of Revaluation Reserve and that the Department's Communique was advisory in nature, without any mandatory effect. The Management is therefore of the opinion that both according to the accounting principles and provisions of Company Law, the Company was justified in capitalizing its Revaluation Reserve.

**39. Event occurring after Balance Sheet date:**

The Board of Directors, at their meeting held on May 27, 2019, have proposed a dividend of ₹ 1.50 Per equity share for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹54,24,990/- including Dividend Distribution Tax. (Previous Year ₹1.50 pre Equity Share resulting in to total Outgo of ₹ 54,16,094/- Including Dividend Distribution Tax)

**40 Authorization of Financial Statements:**

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 27<sup>th</sup> May, 2019.

As per our Report of even date.

**For Y. B. Desai & Associates**

Chartered Accountants

Firm ICAI Registration No. 102368W

**MAYANK Y. DESAI**

Partner

Membership No : 108310

Place: Mumbai

Date : 27 th May,2019

**For and on behalf of the Board of Directors****MUKUL DESAI**

Chairman

**ANTONY ALAPAT**

Company Secretary

Place: Mumbai

Date : 27 th May,2019

**JAYMIN B. DESAI**

Managing Director

**M. D. DESAI**

C.F.O.



**ECOPLAST LTD**

Regd. Office: National Highway No. 8, Water Works Cross Road, Abrama, Valsad – 396 001

CIN: L25200GJ1981PLC004375

Tel: (02632) 226157

E-mail: investor@ecoplastindia.com, Website: www.ecoplastindia.com

**ATTENDANCE SLIP**

I hereby record my presence at the THIRTY SEVENTH ANNUAL GENERAL MEETING of the Company at the Country Club, at P.O. Vashier, Valsad 396 001 on FRIDAY, 6<sup>th</sup> September 2019 at 12.00 noon.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

- Notes:
1. Shareholder /Proxyholder wishing to attend the meeting must bring the Attendance slip to the meeting and hand it over at the entrance duly signed.
  
  2. Shareholder/Proxyholder desiring to attend the meeting should bring his / her copy of the Annual Report for reference at the meeting.



**FORM NO. MGT-11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**ECOPLAST LIMITED**

Regd. Office: National Highway No. 8, Water Works Cross Road, Abrama, Valsad – 396 001

CIN: L25200GJ1981PLC004375

Tel: (02632) 226157

E-mail: investor@ecoplastindia.com, Website : www.ecoplastindia.com

Name of the Member (s) : .....
Registered address: .....
E-mail Id: .....
Folio No./ Client ID: ..... DP ID No. ....

I / We, being the member(s) of ..... equity shares of the above named company, hereby appoint

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... , or failing him / her:
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... , or failing him / her:
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 37<sup>th</sup> Annual General Meeting of the Company at the Country Club, At P.O. Vashier, Valsad 396 001 on Friday, 6<sup>th</sup> September 2019 at 12.00 noon, and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr. No.	Resolutions	
1.	Consider & adopt:	
	a) Audited Financial Statements, Reports of the Board of Directors and the Auditors	
	b) Audited Consolidated Financial Statements	
2.	Declare Dividend on Equity shares for the financial year ended 31 <sup>st</sup> March, 2019	
3.	Reappointment of Ms. Charulata Patel (holding DIN 00233935) who retires by rotation.	
4.	Re-appointment of Mr. Mukul B. Desai as an Independent Director of the Company for a period of five consecutive years with effect from September 20, 2019 to September 19, 2024.	
5.	Re-appointment of Mr. Bhupendra M. Desai as an Independent Director of the Company for a period of five consecutive years with effect from September 20, 2019 to September 19, 2024.	
6.	Re-appointment of Mr. Jehangir A. Moos as an Independent Director of the Company for a period of five consecutive years with effect from September 20, 2019 to September 19, 2024.	
7.	Approve payment of commission to Non-Executive Directors of the Company	

Signed this ..... day of ....., 2019

.....  
Signature of Shareholder

.....  
Signature of Proxy Holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.



