



INDEPENDENT AUDITOR'S REPORT

To the members of
SYNERGY FILMS PRIVATE LIMITED

Report on the audit of the Standalone financial statements

Opinion

We have audited the accompanying financial statements of **SYNERGY FILMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 Loss 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 financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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 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 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 other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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.
- 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) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements, in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 change 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 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy



and operating effectiveness of the Company's internal financial controls with reference to the financial statements.

(g) 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.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 32 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SANDEEP S SHARMA & CO**

Firm Registration No: 326114E



(SANDEEP SHARMA)

PROPRIETOR

Membership No: 062857



Place: GUWAHATI

Date: 20-05-2019

Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, Fixed Assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the current year. No material discrepancy was noticed on physical verification of stocks by the management as compared to book stock.
- (iii) According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company has not granted loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') during the year. Hence paragraphs of clause (iii)(a)(b) and (c) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted loans, investments, guarantees and securities under the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public during the year. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company.
- (vi) Provisions relating to the maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of Excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

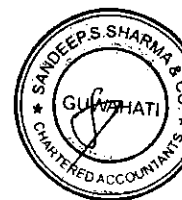


According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of sales tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following due of Central Excise Duty has not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount in (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Central Excise Duty	3,46,567	F.Y.2013-14, 2014-15, 2015-16	Central Excise Tribunal ,Kolkata

- (viii) The Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or government during the year. The Company did not have any outstanding dues of debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us by the Management, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) 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.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act,




2013 where applicable and details of such transactions have been disclosed in the Note no.29 of financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the order are not applicable to the Company.

For SANDEEP S. SHARMA & CO
Chartered Accountants
Firm ICAI Registration No. 326114E




SANDEEP SHARMA
Proprietor
Membership No. 062857

Place: Guwahati
Date: 20-05-2019

Annexure-B to the Independent Auditor's Report

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 **Synergy Films Private Limited Guwahati** as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the information and explanation of the Company provided to us, Internal Financial Control framework and the report of the Internal Auditors 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 on Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Guwahati
Date: 20-05-2019



For SANDEEP S. SHARMA & CO
Chartered Accountants
Firm ICAI Registration No.326114E

A handwritten signature in black ink, appearing to read "S. Sharma".

SANDEEP SHARMA
Proprietor
Membership No. 062857

Synergy Films Private Limited
Balance Sheet as at 31st March, 2019

			Amount (Rs.)	
Particulars	Note No	31st March, 2019	As at 31st March, 2018	
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	2	1,00,18,352	1,34,55,960	
(b) Financial Assets				
(i) Loans	3	10,09,987	10,09,987	
Total non-current assets		1,10,28,339	1,44,65,947	
(2) Current assets				
(a) Inventories	4	1,04,21,410	1,04,21,410	
(b) Financial Assets				
(i) Trade Receivables	5.1	28,29,868	73,61,682	
(ii) Cash and cash equivalents	5.2	31,43,768	96,92,477	
(iii) Loans	5.3	1,72,400	1,22,415	
(v) Others (to be specified)	5.4	47,179	47,179	
(c) Other current assets	6	17,39,778	51,28,821	
(d) Assets classified as held for Sale	7	-	-	
Total current assets		1,50,89,331	3,27,73,984	
TOTAL ASSETS		2,61,18,170	4,72,39,931	
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	8	1,19,53,600	1,19,53,600	
(b) Other Equity	9	(42,65,785)	26,08,020	
Total equity		76,87,815	1,45,61,620	
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	10	2,58,44,347	2,58,44,347	
(b) Provisions	11	9,80,086	9,80,086	
(c) Deferred tax liabilities (Net)	12	(5,91,390)	(5,91,390)	
(d) Other non-current liabilities	13	28,49,201	28,49,201	
Total non current liabilities		1,66,17,790	2,90,82,244	
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	14.1	26,61,073	-	
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises				
b) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises				
(b) Other current liabilities	15	6,42,502	6,42,502	
(c) Provisions	16	2,92,492	2,92,492	
Total current liabilities		18,12,565	35,96,067	
TOTAL EQUITY AND LIABILITIES		2,61,18,170	4,72,39,931	

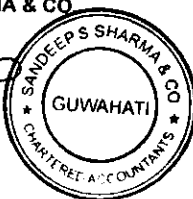
The accompanying notes from 1 to 34 are an integral part of the financial statements

In terms of our report attached.

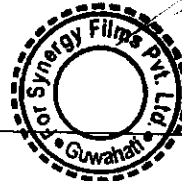
For SANDEEP S SHARMA & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sandeep Sharma
SANDEEP SHARMA
Proprietor
M.N - 062857
FRN No-326114E



N.B. Desai
Mr. N.B Desai
Director



M.D. Desai
Mr. M.D Desai
Director

Place : Guwahati
Date : 20/5/19

Place : Valsad
Date : 17/05/2019


Synergy Films Private Limited
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2019

			Amount (Rs.)	
	Particulars	Note No.	For the period ended 31.03.2019	For the period ended 31.03.2018
			IND AS	IND AS
I	Revenue from Operations	17	11,33,63,311	11,33,63,644
II	Other Income	18	67,94,382	67,94,382
III	TOTAL INCOME (I+II)		12,01,57,693	12,01,58,026
IV	Expenses			
	Cost of materials consumed	19	8,77,51,023	8,77,51,023
	Changes in inventories of finished goods, stock in trade and work-in-progress	20		
	Excise Duty	21	(2,48,025)	(2,48,025)
	Employee benefits expense	22	42,77,384	42,77,384
	Finance costs	23	53,85,579	53,85,579
	Depreciation and amortization expense	2	32,00,544	32,00,544
	Other expenses	24	33,88,086	33,88,086
	TOTAL EXPENSES (IV)		9,65,55,007	11,35,91,801
V	Profit/(loss) before tax (III-IV)		2,36,02,686	65,66,225
VI	Tax expense:			
	(1)Current tax		(43,83,391)	65,66,225
	(2)Deferred tax			-
	(3)Tax in respect of Earlier Years		(6,99,003)	(5,91,390)
VII	Profit for the year (V-VI)		1,86,20,292	-
VIII	Other Comprehensive Income			71,57,615
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(6,00,482)	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			-
	- Remeasurement of Defined benefit plans		(67,054)	-
	Total Comprehensive Income for the period (XIII + XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(50,14,858)	71,57,615
IX	Earnings per equity share:			
X	Basic and Diluted		(4.20)	5.99

The accompanying notes from 1 to 34 are an integral part of the financial statements

In terms of our report attached.
For SANDEEP S SHARMA & CO
Chartered Accountants

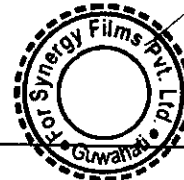
S. Sharma
SANDEEP SHARMA
Proprietor
M.N.-062857
FRN No-326114E



Place : Guwahati
Date : 20/5/19

N.B. Desai
Mr. N.B Desai
Director

M.D. Desai
Mr. M.D Desai
Director



Place : Valsad
Date : 17/05/2019

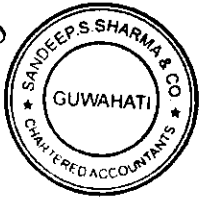
Synergy Films Pvt. Ltd.
Cash Flow Statement for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax				65,66,225
<i>Adjustments for:</i>				
Depreciation and amortization			33,88,086	
Finance costs			32,00,544	
Other Comprehensive Income				
Interest income & Other Non-operating Incomes			(67,94,382)	
Operating profit / (loss) before working capital changes				(2,05,752)
<i>Changes in working capital:</i>				63,60,473
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories			97,67,265	
Trade receivables			79,41,697	
Short-term loans and advances	50,015		(1,03,615)	
Long-term loans and advances			(2,90,437)	
Other current assets			(35,44,672)	
Other financial current assets			(47,179)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables			(1,20,18,888)	
Other current liabilities			(1,03,488)	
Other current financial liabilities			(97,727)	
Other non current liabilities			(3,10,822)	
Short-term provisions			2,92,492	
Long-term provisions			9,80,086	
Cash generated from operations				24,64,711
Net income tax (paid) / refunds				88,25,184
Net cash flow from / (used in) operating activities (A)				88,25,184
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances			(1,13,800)	
Proceeds from sale of fixed assets			13,78,044	
Interest received				
- Others			67,94,382	
Net cash flow from / (used in) investing activities (B)				80,58,626
C. Cash flow from financing activities				
Proceeds from long-term borrowings			(56,67,693)	
Finance cost			(32,00,547)	
Net cash flow from / (used in) financing activities (C)				(88,68,240)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)				80,15,567
Cash and cash equivalents at the beginning of the year				16,76,910
Cash and cash equivalents at the end of the year				96,92,477
Cash and cash equivalents at the end of the year Comprises :				
(a) Cash on hand				5,782
(b) Balances with banks				96,86,695
(c) In deposit accounts (As Margin against Letter of Credit)				-
				96,92,477

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 conform to this year's classification.

The accompanying notes from 1 to 34 are an integral part of the financial statements

In terms of our report attached.
For **SANDEEP S SHARMA & CO.**
Chartered Accountants
SANDEEP SHARMA
Proprietor
M.N - 062857
FRN No-326114E



For and on behalf of the Board of Directors
Mr. N.B Desai
Director
Mr. M.D Desai
Director



Place : Guwahati
Date : 20/5/2019

Place : Valsad
Date : 17/05/2019

Corporate Information

Synergy Films Pvt. Ltd. domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number U25206AS2007PTC008292. The Company is engaged in the business of manufacturing, processing and selling of Co-extruded Plastic Film for various applications. The principal place of business of the company is at Kala Pahar Industrial Area, Guwhati, Aasam.

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 (Rs.). All figures appearing in the financial statements are rounded off to the Rupee, except where otherwise indicated.

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 06 th, May, 2019.

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;
- Evaluation of recoverability of deferred tax assets; and
- 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.



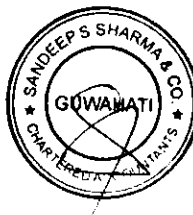
1.2. Property, Plant and Equipment

- 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.

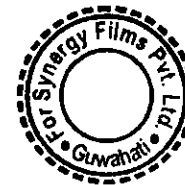
Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition 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 the inception date 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

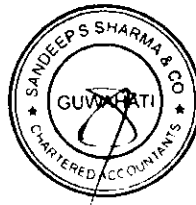
1.10.1. The cost for the purpose of valuation of Finished and Semi - Finished goods is arrived at on FIFO basis and includes Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, 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 or Net Realizable Value
- Finished and Semi - Finished goods – at lower of cost or net realizable value
- Scrap - net realizable value

1.10.2. 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."

1.10.3. 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.

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.

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

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. 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.

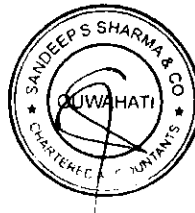
Compensated Absences :

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 avilment of leave whilst in service and qualifying salary on the date of avilment 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.



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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 31st 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. Government Grants

1.15.1.

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.

1.15.2.

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.



1.16. Provisions, Contingent Liabilities and Capital Commitments

- 1.16.1. 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.
- 1.16.2. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.
- 1.16.3. 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.
- 1.16.4. 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.
- 1.16.5. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- 1.16.6. Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.



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1.17. Fair Value measurement

- 1.17.1. The Company measures certain financial instruments at fair value at each reporting date.
- 1.17.2. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
- 1.17.3. 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.
- 1.17.4. 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.
- 1.17.5. 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)
- 1.17.6. 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.
- 1.17.7. 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.
- 1.17.8. 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.



1.18. Financial Assets

1.18.1.

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.

1.18.2.

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

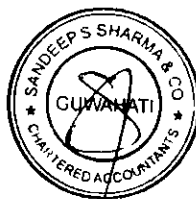
- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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.

1.18.3.

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

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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.

1.18.4.

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.



1.19. Financial Liabilities

1.19.1.

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.

1.19.2.

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.

1.20. 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.

1.21. 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.

1.22. 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.



1.23. Taxes on Income

1.23.1.

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.

1.23.2.

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.

1.24. 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.

1.25. 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.



1.26. 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.

1.27. 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.

1.28. Standards Issued but not Effective

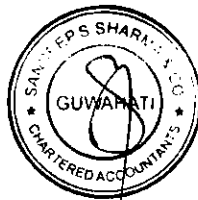
On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendments to existing Ind AS. The company has not applied them as they are effective from annual periods beginning on or after 1st April,2019

a) Ind AS 116: Leases

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.



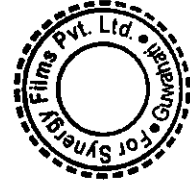
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Synergy Films Private Limited
Notes to Financial Statements for the year ended 31st March, 2019

Notes to financial statements for the year ended 31st March, 2019
 Note 2: Property, Plant & Equipment and Intangible Assets

Particulars	Amount (Rs.)									
	Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Computer	Vehicles	CCTV	Air conditioner	Total	Total
Gross carrying value as on 31st March, 2017	80,07,577	1,29,36,227	37,725	4,39,695	40,080	1,657	32,727	82,007	2,15,77,695	
Additions		1,13,800							1,13,800	
Deletions		13,78,044							13,78,044	
Gross carrying value as on 31st March, 2018	80,07,577	1,16,71,983	37,725	4,39,695	40,080	1,657	32,727	82,007	2,03,13,451	
Additions		9,39,984	11,000						9,50,984	
Deletions ****		21,31,481							21,31,481	
Gross carrying value as on 31st March, 2019	80,07,577	1,04,80,486	48,725	4,39,695	40,080	1,657	32,727	82,007	1,91,32,954	
Accumulated depreciation as on March 31, 2017	3,39,302	29,56,395	18,894	1,34,629	12,017	-	2,569	5,603	34,69,409	
Depreciation charge for the year	3,39,302	28,79,798	14,168	1,34,629	12,017	-	2,569	5,603	33,88,086	
Accumulated depreciation as on March 31, 2018	6,78,604	58,36,193	33,062	2,69,258	24,034	-	5,138	11,206	68,57,495	
Depreciation charge for the year	3,39,302	17,61,740	747	1,34,629	12,017	-	2,569	5,603	22,56,607	
Accumulated depreciation as on March 31, 2019	10,17,906	75,97,933	33,809	4,03,887	36,051	-	7,707	16,809	91,14,102	
Carrying value										
At 31st March, 2017	76,68,275	99,79,832	18,831	3,05,066	28,063	1,657	30,158	76,404	1,81,08,286	
At 31st March, 2018	73,28,973	58,35,790	4,663	1,70,437	16,046	1,657	27,589	70,801	1,34,55,960	
At 31st March, 2019	69,89,671	28,82,553	14,916	35,808	4,029	1,657	25,020	65,198	1,00,18,852	

**** Value of Assets classified as Held for Sale shown separately in Note 7



Synergy Films Private Limited
Notes to Financial Statements for the year ended 31st March, 2019

NOTE NO. 3 : LOANS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security deposits - Considered good	10,09,987	10,09,987
TOTAL	10,09,987	10,09,987

NOTE NO. 4 : INVENTORY

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	31,45,925	77,24,212
Packing Materials	29,969	1,81,973
Semi Finished Goods	19,45,763	25,12,025
Stores and Spares	3,200	3,200
TOTAL	51,24,857	1,04,21,410

Footnote:

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

NOTE NO. 5.1 : TRADE RECEIVABLES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables Considered Good-Unsecured	28,30,631	73,80,657
Less: Provision for doubtful receivables	(763)	(18,974)
TOTAL	28,29,868	73,61,682

NOTE NO. 5.2 : CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
In Current accounts	31,41,323	96,86,695
Cash on hand	2,445	5,782
TOTAL	31,43,768	96,92,477



Synergy Films Private Limited
Notes to Financial Statements for the year ended 31st March, 2019

NOTE NO. 5.3 : LOANS (CURRENT)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans and advances to employees Unsecured, considered good	72,400	1,22,415
TOTAL	72,400	1,22,415

NOTE NO.5.4 : OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest Receivable-APDCL-Electrical Security Deposit	47,179	47,179
	47,179	47,179

NOTE NO. 6 : OTHER CURRENT ASSETS

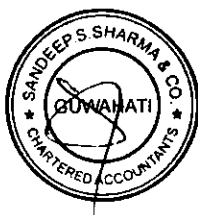
Particulars	As at 31st March, 2019	As at 31st March, 2018
Prepaid expenses	2,54,708	1,89,930
Advance to Trade Payables	32,579	1,15,243
Balances with Central Excise / VAT Authorities	11,572	1,80,930
Interest Subsidy Receivable		39,04,316
Income Tax Refunds Due	14,40,918	7,38,402
TOTAL	17,39,778	51,28,821

NOTE NO. 7:ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at 31st March, 2019	As at 31st March, 2018
Property, plant and equipment Plant and machinery retired from active use (Refer Note 7.1)	21,31,481	-
TOTAL	21,31,481	-

7.1: 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



NOTE NO. 8 : EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised 15,00,000 Equity Shares of Rs. 10/- each	1,50,00,000	1,50,00,000
Issued, Subscribed and Paid up 11,95,360 Equity shares of ` 10/- each fully paid up with Voting right	1,19,53,600	1,19,53,600
Total	1,19,53,600	1,19,53,600

Notes:

8 Reconciliation of number of shares outstanding at the beginning and end of the year:

Authorised share capital:	No. of shares	Amount
Balance as at 31st March, 2018	15,00,000	1,50,00,000
Add / (Less): Changes during the year		-
Balance as at 31st March, 2019	15,00,000	1,50,00,000

Issued, Subscribed and paid up share capital:	No. of shares	Amount
Balance as at 31st March, 2018	11,95,360	1,19,53,600
Add / (Less): Changes during the year		-
Balance as at 31st March, 2019	11,95,360	1,19,53,600

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share

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.

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.

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.

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

Equity share of Rs. 10 each fully paid up with voting rights	% Holding
Ecoplast Ltd. As at 31st March, 2018	100%
As at 31st March, 2019	100%



NOTE NO.9 : OTHER EQUITY

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities premium account 11,73,200 Equity shares of Rs. 10/- each issued at a Premium of Rs. 2/- per Share.		
Closing Balance	23,46,400	23,46,400
Retained Earnings Opening Deficit	(1,41,79,804)	(2,13,37,419)
Profit for the year	(57,82,394)	71,57,615
Closing Balance	(1,99,62,197)	(1,41,79,804)
(d)Other Comprehensive income Balance as at beginning of the year		
Add: Remeasurement of Net defined benefit liability/(asset) (net of tax)	7,67,536	-
Closing Balance	7,67,536	-
Other Equity Fair valuation of Interest free loan	1,25,82,476	1,44,41,424
Closing Balance	1,25,82,476	1,44,41,424
Total	(42,65,785)	26,08,019

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.

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.

NOTE NO.10: BORROWINGS (LONG TERM)

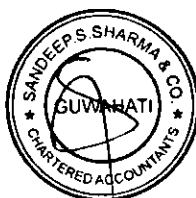
Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans and advances from related party - Unsecured Interest Free Loan from Holding Company		
Total	1,28,04,896	2,58,44,346
	1,28,04,896	2,58,44,346

Details:

The above are valued at Amortized cost. Refer Note no 28 B : liquidity risk

NOTE NO 11 PROVISIONS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits: Provision for compensated absences	96,208	57,640
Provision for gratuity	5,37,748	9,22,446
Total	6,33,956	9,80,086



Synergy Films Private Limited
Notes to Financial Statements for the year ended 31st March, 2019

NOTE NO 12 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	4,19,433	9,28,636
Amortisation of government grant	86,471	1,02,767
Tax effect of items constituting deferred tax liability	5,05,904	10,31,403
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	1,80,907	3,31,544
Provision for doubtful debts / advances	5,279	(7,66,680)
Fair valuation of Loan from holding Company	9,60,277	8,75,150
Tax effect of items constituting deferred tax assets	11,46,462	4,40,013
Net deferred tax (Liability) / Asset	6,40,559	(5,91,390)

NOTE NO.13 : Other Non-current liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Government Grant	25,38,379	28,49,201
Total	25,38,379	28,49,201



Synergy Films Private Limited
Notes to Financial Statements for the year ended 31st March, 2019

NOTE NO.14.1 : TRADE PAYABLES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables		
Micro, Small and Medium Enterprises	-	-
Holding Company	-	-
Others	8,61,810	26,61,073
Total	8,61,810	26,61,073

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 :

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Principal Amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid during the year	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

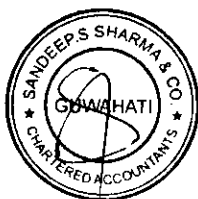
This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE NO. 15 : OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Dues Payable	3,54,706	3,20,288
Advances against orders	3,182	11,392
Deferred Government Grant	3,10,822	3,10,822
Total	6,68,710	6,42,502

NOTE NO 16 PROVISIONS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits:		
Provision for bonus	2,65,726	2,69,814.00
Provision for compensated absences	9,121	4,283.00
Provision for gratuity	7,198	18,394.00
Total	2,82,045	2,92,491.00



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Synergy Films Private Limited
Notes to Financial Statements for the year ended 31st March, 2019

17 REVENUE FROM OPERATIONS

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND AS	IND AS
Sale of products		
<u>Manufactured goods</u>		
Plastic Film	6,08,38,854	10,50,07,333
Others		19,32,127
<u>Traded goods</u>		
Others	1,00,22,765	59,45,041
Other operating revenues		
Sale of Scrap	7,77,000	4,79,143
Revenue from operations (gross)	9,16,38,311	11,33,63,644

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 the amount of revenue recognised in the statement of profit and loss with the

Particulars	March 31, 2019
Revenue as per contracted price	9,30,75,292
Adjustments	
Sales return	12,77,219
Sales Price/ Quantity Difference	19,361
Discounts	1,40,401
Revenue from contract with customers	9,16,38,311

18 OTHER INCOME

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND AS	IND AS
Interest income		
Interest Received-Security Deposit-APDCL	66,416	1,19,200
Interest subsidy		39,04,316
Other non-operating income		
Profit on sale of fixed assets		82,846
Liabilities / provisions no longer required written back (net)	66,193	23,18,846
Gain on foreign currency transactions and translation (net)	90,551	57,552
Miscellaneous income	385	800
Amortisation of government grant	3,10,822	3,10,822
Total	5,33,305	67,94,382



Synergy Films Private Limited
Notes to Financial Statements for the year ended 31st March, 2019

19 COST OF MATERIALS CONSUMED

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND AS	IND AS
Opening Stock	79,06,185	1,38,91,185
Add: Purchases	77,97,080	8,17,66,023
Less: Closing Stock	36,58,394	79,06,185
Purchases Includes Rs. 59,76,691 for Stock in Trade (Previous Year Rs.36,32,550)		-
Total Cost of materials consumed	119,45,763	8,77,51,023

20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND AS	IND AS
Inventories at the end of the year:		
Finished goods	-	-
Work-in-progress	19,45,763	25,12,025
	19,45,763	25,12,025
Inventories at the beginning of the year:		
Finished goods	-	-
Work-in-progress	25,12,025	22,64,000
	25,12,025	22,64,000
Net (increase) / decrease	(5,66,262)	(2,48,025)



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Synergy Films Private Limited
Notes to Financial Statements for the year ended 31st March, 2019

21 EXCISE DUTY

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND/AS	IND AS
Excise duty (Gross)		42,77,384
Total		42,77,384

22 EMPLOYEE BENEFIT EXPENSES

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND/AS	IND AS
Salaries, Wages, Bonus and Other Allowances	36,20,541	35,86,688
Contributions to Provident and other funds	6,83,810	14,33,102
Staff Welfare expenses	86,959	3,65,789
Total	43,91,310	53,85,579

23 FINANCE COSTS

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND/AS	IND AS
Interest expense	34,51,752	29,28,542
Other Borrowing costs	1,20,698	2,72,002
Total	35,72,450	32,00,544

24 OTHER EXPENSES

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND/AS	IND AS
Consumption of stores and spare parts	98,526	-
Power and fuel	40,86,986	49,54,971
Rent including lease rentals	60,480	67,788
Repairs and maintenance - Machinery	2,48,772	2,87,853
Repairs and maintenance - Others	1,44,866	83,928
Insurance	1,84,091	1,59,199
Rates and taxes	82,578	1,29,195
Communication	48,812	50,817
Travelling and conveyance	64,184	48,339
Freight and forwarding	6,05,476	8,16,095
Donations and contributions	13,600	5,600
Legal and professional	2,30,977	2,14,993
Payments to the Auditors	20,000	80,000
Miscellaneous expenses	16,69,710	29,38,432
Total	65,59,056	98,37,210

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
	IND/AS	IND AS
Payments to the Auditors comprises		
Audit Fees	20,000	20,000
Taxation Matters		60,000
Total	20,000	80,000



Synergy Films Pvt. Ltd.
Statement of Changes in Equity for the year ended 31st March, 2019

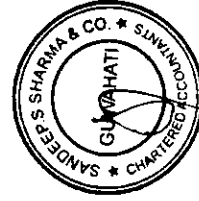
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a. **Equity Share Capital:**

Particulars	Amount
Balance as at the 31 March 2018	1,19,53,600
Changes in equity share capital during 2018-19	-
Balance as at the 31 March 2019	1,19,53,600

b. **Other Equity:**

Particulars	Reserves and Surplus		Other Comprehensive Income (OCI)	Total Equity
	Share Premium	Retained Earning		
As at 31st March, 2017	23,46,400	(2,13,37,418)	-	(45,49,594)
Profit for the year		71,57,615		71,57,615
As at 31st March, 2018	23,46,400	(1,41,79,803)	-	26,08,020
Profit for the year		(57,82,394)		(57,82,394)
Restating Fair Value of Loan				(18,58,948)
Other comprehensive income for the year			7,67,536	7,67,536
Remeasurement of the Net Defined benefit liability/asset, net of tax effect				
As at 31st March, 2019	23,46,400	(1,99,62,197)	7,67,536	1,25,82,476
				(42,65,785)



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Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR YEAR ENDED 31ST MARCH 2019

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 31st March, 2019	For the year ended 31st March, 2018
Profit attributable to equity holders of the company for basic and diluted earnings per share	(50,14,858)	71,57,615

ii. Weighted average number of ordinary shares

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Number of issued equity shares	11,95,360	11,95,360
Nominal Value per share	10	10
Weighted average number of shares at 31st March for basic and diluted earnings	11,95,360	11,95,360
Basic and Diluted earnings per share (in Rs)	(4.20)	5.99



Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR YEAR ENDED 31ST MARCH 2019

27 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	As at
	31st March, 2019	31st March, 2018
Borrowings	1,28,04,896	2,58,44,347
Less: Cash and bank balances	31,43,768	96,92,477
Net debts	96,61,128	1,61,51,870
Total equity	76,87,815	1,45,61,620
Net debt to equity ratio	125.67%	110.92%

B Fair value measurement hierarchy:

Particulars	As at				As at			
	31st March, 2019				31st 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	
Financial assets								
At FVTPL				-	-	-	-	-
At FVTOCI								
At Amortized cost								
Trade Receivables	28,29,868			73,61,682	-	-	-	-
Cash and cash equivalents	31,43,768			96,92,477	-	-	-	-
Bank balances other than above				-	-	-	-	-
Loans	72,400			1,22,415	-	-	-	-
Other financial assets	47,179			47,179	-	-	-	-
Financial liabilities								
At FVTPL				-	-	-	-	-
At Amortized cost								
Borrowings	1,28,04,896			2,58,44,347	-	-	-	-
Trade payables	8,61,810			26,61,073	-	-	-	-
Other financial liabilities				-	-	-	-	-

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 31st March, 2018.

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.

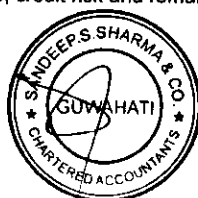
C Calculation of fair values:

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.



Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR YEAR ENDED 31ST MARCH 2019

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

Ageing of Trade receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not due	27,92,463	68,41,895
1 - 180 Days	38,168	4,34,018
181-360 Days	-	87,887
361-500 Days	-	16,856
More Than 500 days	-	-
Allowance for doubtful trade receivables (Expected credit loss allowance)	(763)	(18,974)
Total	28,29,868	73,61,682

Movement in provisions of doubtful debts

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening provision	(18,974)	(23,37,821)
Add: Additional provision made	(763)	23,18,846
Less:-Provision Reverses	18,974	-
Closing provision	(763)	(18,974)

Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 31,43,768 as at 31st March, 2019 (31st March, 2018: Rs. Rs.96,92,477). The cash and cash equivalents are held with banks.



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Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR YEAR ENDED 31ST MARCH 2019

B Liquidity risk

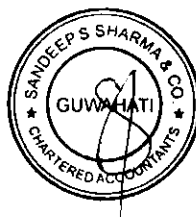
Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price.

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

Particulars	As at 31st March, 2018			
	Carrying amount			
	Carrying amount	Within one year	One to five years	More than five years
Non-derivative financial liabilities				
Borrowings	2,58,44,347	-		2,58,44,347
Trade and other payables	26,61,073	26,61,073		-
Other financial liabilities	-	-		-
Derivative financial liabilities				
	2,85,05,420	26,61,073		2,58,44,347

Particulars	As at 31st March, 2019			
	Carrying amount			
	Carrying amount	Within one year	One to five years	More than five years
Non-derivative financial liabilities				
Borrowings	1,28,04,896	41,87,462	86,17,434	-
Trade and other payables	8,61,810	8,61,810	-	-
Other financial liabilities	-	-	-	-
Derivative financial liabilities				
	1,36,66,706	50,49,272	86,17,434	-



Synergy Films Pvt. Ltd.
Notes Forming Part of Financial Statements for the year 2018-19

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 Impact of Market risk is not material since the Company is not exposed to foreign exchange risk as it does not have exposure in foreign currencies

D Interest rate risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in note 9 and 13.1



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Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

29 Employee Benefits

[A] Defined contribution plans

The Company makes Provident Fund Contribution 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 `Rs.2,88,096 (As at 31st March, 2018: Rs. 2,89,323) for Provident 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 present value of obligation for gratuity and leave encashment is determined on the basis of Actuarial Valuation Report made at the year end and the same is charged to Statement of Profit and Loss.

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.

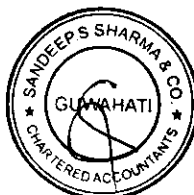
Salary risk:

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 31st March, 2019.

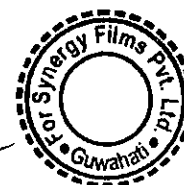
a) Changes in present value of obligations (PVO)	Gratuity - Funded	
	31st March, 2019	31st March, 2018
PVO at the beginning of the year	9,40,840	-
Interest cost	74,044	-
Current service cost	1,30,544	9,40,840
Benefits paid	-	-
Actuarial (Gains)/Losses	6,565	-
Actuarial (Gains)/Losses	(6,07,047)	-
PVO at the end of the year	5,44,946	9,40,840

b) Fair value of plan assets:	Gratuity - Funded	
	31st March, 2019	31st March, 2018
Fair value of plan assets at the beginning of the year	-	-
Adjustment to opening fair value of plan assets	-	-
Return on plan assets excl. interest income	-	-
Interest income	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-



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Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

c) Amount to be recognized in the balance sheet	Gratuity Funded	
	31st March 2019	31st March 2018
PVO at the end of period	5,44,946	9,40,840
Fair value of planned assets at end of year	-	-
Funded status	(5,44,946)	(9,40,840)
Net asset/(liability) recognized in the balance sheet	(5,44,946)	(9,40,840)

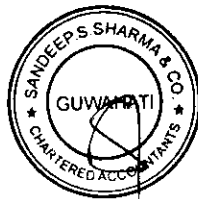
d) Expense recognized in the statement of profit or loss	Gratuity Funded	
	31st March 2019	31st March 2018
Current service cost	1,30,544	9,40,840
Net interest	74,044	-
Expense recognized in the statement of profit or loss	2,04,588	9,40,840

e) Other comprehensive income (OCI)	Gratuity Funded	
	31st March 2019	31st March 2018
Actuarial (Gain)/Loss recognized for the period	(6,00,482)	-
Return on plan assets excluding net interest	-	-
Total actuarial (Gain)/Loss recognized in OCI	(6,00,482)	-

f) Actual return on the plan assets	Gratuity Funded	
	31st March 2019	31st March 2018
	-	-

g) Asset information	Gratuity Funded	
	31st March 2019	31st March 2018
Total amount	-	-
Gratuity fund (Trustee of the Company)	-	-

h) Assumption	Gratuity Funded	
	31st March 2019	31st March 2018
Mortality		
Interest/Discount rate	7.79	7.87
Rate of increase in compensation	8.00	8.00
Expected average remaining service	2.00	2.00
Employee attrition rate		



Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

i) Expected Payout:

Year	PVO payouts	
	31st March, 2019	31st March, 2018
1st Following Year	9,121	18,394
2nd Following Year	9,730	20,268
3rd Following Year	54,023	22,053
4th Following Year	12,494	59,926
5th Following Year	13,816	24,476
Sum of years 6 to 10	84,485	1,48,956
Sum of years 11 and above	20,69,191	42,17,235

j) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected

Particulars	31st March, 2019	31st March, 2018
Projected Benefit Obligation on Current Assumptions	5,44,946	9,40,840
Delta Effect of +1% Change in Rate of Discounting	(74,912)	(1,40,620)
Delta Effect of -1% Change in Rate of Discounting	91,868	1,74,920
Delta Effect of +1% Change in Rate of Salary Increase	90,740	1,72,901
Delta Effect of -1% Change in Rate of Salary Increase	(75,411)	(1,41,644)
Delta Effect of +1% Change in Rate of Employee Turnover	(5,069)	(3,855)
Delta Effect of -1% Change in Rate of Employee Turnover	5,413	4,266

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and

	Note	As at 31st March, 2019	As at 31st March, 2018
Total employee benefit liabilities			
Other current liabilities	10 & 15	(5,44,946)	(9,40,840)
Other current assets	7.4	-	-

(k) General Assumptions

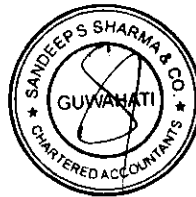
(i) Leave Policy:

Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the

(ii) The assumption of future salary increases, considered in actuarial valuations, takes account of inflation, seniority, promotion,

(iii) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit

(iv) Short term compensated absences have been provided on actual basis.



Synergy Films Pvt. Ltd.
Notes Forming Part of Financial Statements for the Year ended 31st March, 2019

30 Related Party Transactions

Disclosure of transactions with Related Parties, as required by Ind As 24 "Relate Party Disclosures" is given below :

l) Name of the related party and nature of relationship: -

Sr No	Particulars	2018-19	2017-18
A)	Holding Company Ecoplast Ltd.		
	Sales of Goods	-	17,21,250
	Purchase of Goods	34,92,519	3,06,53,482
	Balance Receivable	-	-
	Balance Payable	-	-
	Inter Corporate Deposit Paid Including Interest	1,28,04,896	3,51,00,000
	Collaterals Gurantee to Bank	-	4,06,50,497
B)	Key Managerial Personnel (KMP)		
	Mr.M.D.Desai : Director		
	Remuneration Paid	-	-
	Dividend Paid	-	-
	Mr.N.B.Desai : Director		
	Remuneration Paid	-	-
	Dividend Paid	-	-
	Mr.H.J.Intwala : Director		
	Remuneration Paid	-	-
	Dividend Paid	-	-

Transactions with KMP

Sr No	Particulars	2018-19	2017-18
	Short Term benefits	-	-
	Post employment benefits	-	-
	Other Long term benefits	-	-
	Termination benefits	-	-
	Share based payment	-	-

Footnotes:

(i) All Related party transactions entered during the year were on ordinary course of business and are on arm's length basis.



Synergy Films Pvt. Ltd.
Notes to financial statements for the year ended 31st March 2019

31 Segment information :

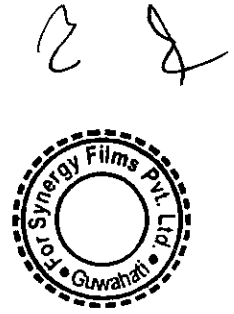
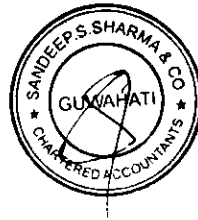
The Company's sole business segment is Plastic Films and all activities are incidental to this sole business segment. Given this fact and that the Company services its domestic and export markets from India only, the financial statements reflect the information required by Ind AS 108 'Operating Segments' for the sole business segment of Plastic Films. The whole of the business assets are situated in India.



Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

32 Contingent liabilities

Particulars	Year ended	
	As at 31 March, 2019	As at 31 March, 2018
On account of Capital Commitments (Net of advances)		
On account of Central Excise demand under contest	3,46,567	3,46,567
TOTAL	3,46,567	3,46,567



Synergy Films Private Limited
Notes Forming Part of Financial Statements for the year ended 31st March, 2019

33 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

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



Synergy Films Pvt. Ltd.
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

34 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 Rs.65,520 (31st March, 2018: Rs. 67,788). The future minimum lease payments and payment profile of non cancellable operating leases are as under:

Particulars	RS ₹ 31st March, 2019	RS ₹ 31st March, 2018
Not later than one year	71,364	71,364
Later than one year but not later than five years	2,85,456	2,85,456
More than five years	30,68,652	31,40,016
Total	34,25,472	34,96,836

The accompanying notes from 1 to 34 are an integral part of the financial statements

In terms of our report attached.

For SANDEEP S SHARMA & CO.

Chartered Accountants

S. Sharma

SANDEEP SHARMA

Proprietor

M.N - 062857

FRN No-326114E



Place : Guwahati

Date : 20/05/2019.

For and on behalf of the Board of Directors

N.B. Desai

Mr. N.B Desai
Director

M.D. Desai

Mr. M.D Desai
Director



Place : Valsad

Date : 17/05/2019