



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 2020, 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of 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.

Material Uncertainty Relating to Going Concern

We draw your attention to Note no. – 33 of the Financial Statements regarding non viability of the existing business activities of the Company. It has discontinued said activities with effect from 07th December, 2019 and surrendered various licenses for the said activities pending the future course of action.



These events raise significant uncertainty on the ability of the Company to continue as a "Going Concern". These events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be communicated in our report.

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

The 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.

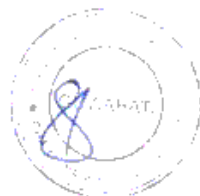
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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.

The 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 uncertainty 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. The accounts are prepared on a basis that it is not 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

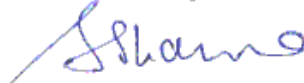
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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, , in our opinion and to the best of our information and explanations given to us, clause (i) of section 143(3) of Companies Act 2013 is not applicable as per Notification No. G.S.R. 464 (E) dated 13th Day of June, 2017.

- (g) As required by Section 197 (16) of the Act, we report that, the Company has not paid any remuneration to its directors during the year which requires compliance 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 does not have any pending litigations which would impact its financial position.
 - 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**
Chartered Accountants
Firm ICAI Registration No. 326114E



SANDEEP SHARMA
Proprietor
Membership No. 062857
UDIN:20062857AAAACP5436



Place: Guwahati
Date: 10-06-2020

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 2020, 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, GST, 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.

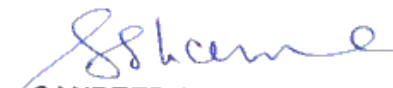
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, GST, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2020 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.
- (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 explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies 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
UDIN: 20062857AAAACP5436



Place: Guwahati
Date: 10-06-2020

Synergy Films Private Limited
CIN U25206AS2007PTC008292
Balance Sheet as at 31st March, 2020

		Amount (Rs.)		
	Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
ASSETS				
(1)	Non-current assets			
	(a) Property, Plant and Equipment	2	-	10,018,852
	(b) Financial Assets			
	(i) Loans	3	973,987	1,009,987
	Total non-current assets		973,987	11,028,839
(2)	Current assets			
	(a) Inventories	4	48,102	5,124,857
	(b) Financial Assets			
	(i) Trade Receivables	5.1	5,900	2,829,868
	(ii) Cash and cash equivalents	5.2	1,425,103	3,143,768
	(iii) Loans	5.3	-	72,400
	(v) Others (to be specified)	5.4	47,179	47,179
	(c) Other current assets	6	318,947	1,739,777
	(d) Assets classified as held for Sale	7	7,116,483	2,131,481
	Total current assets		8,961,714	15,089,331
TOTAL ASSETS			9,935,701	26,118,170
EQUITY AND LIABILITIES				
Equity				
	(a) Equity Share capital	8	11,953,600	11,953,600
	(b) Other Equity	9	(4,730,543)	(4,265,786)
	Total equity		7,223,057	7,687,814
Liabilities				
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	10	1,565,494	12,804,896
	(b) Provisions	11	-	633,956
	(c) Deferred tax liabilities (Net)	12	-	640,559
	(d) Other non-current liabilities	13	-	2,538,379
	Total non current liabilities		1,565,494	16,617,790
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade payables	14.1		
	a) Total Outstanding Dues of Micro Enterprises and Small Enterprises			
	b) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		860,868	861,810
	(b) Other current liabilities	15	153,647	668,710
	(c) Provisions	16	132,635	282,046
	Total current liabilities		1,147,150	1,812,566
TOTAL EQUITY AND LIABILITIES			9,935,701	26,118,170

The accompanying notes from 1 to 33 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



For and on behalf of the Board of Directors

N.B. Desai

Mr. N.B Desai
Director
DIN 02154208

Mr. M.D Desai
Director
DIN 03552685



Place Guwahati

Date 10.06.2020


Place : Valsad

Date 04.06.2020


			Amount (Rs.)	
	Particulars	Note No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
			IND AS	IND AS
I	Revenue from Operations	17	27,070,347	91,638,311
II	Other Income	18	3,967,808	533,305
III	TOTAL INCOME (I+II)		31,038,155	92,171,616
IV	Expenses			
	Cost of materials consumed	19	19,776,856	78,939,321
	Changes in inventories of finished goods, stock in trade and work-in-progress	20	1,945,763	566,262
	Employee benefits expense	21	1,925,640	4,661,311
	Finance costs	22	2,250,067	3,572,450
	Depreciation and amortization expense	2	723,286	2,256,607
	Other expenses	23	3,267,278	6,559,056
	TOTAL EXPENSES (IV)		29,888,890	96,555,007
V	Profit/(loss) before tax (III-IV)		1,149,265	(4,383,391)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		1,149,265	(4,383,391)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(640,559)	1,399,003
	(3) Tax in respect of Earlier Years		960,962	-
VII	Profit/(Loss) for the year (V-VI)		828,863	(5,782,394)
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		-	600,482
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	- Remeasurement of Defined benefit plans		-	167,054
	Total Comprehensive Income for the period (XIII + XIV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the period)		828,863	(5,014,858)
IX	Earnings per equity share:			
X	Basic and Diluted		0.69	(4.20)

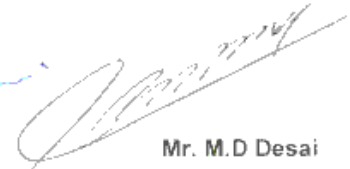
The accompanying notes from 1 to 33 are an integral part of the financial statements

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


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




Mr. N.B Desai
Director
DIN 02154208


Mr. M.D Desai
Director
DIN 03552685



Place : Guwahati
Date : 10.06.2020

Place : Valsad
Date : 04.06.2020

SYNERGY FILMS PRIVATE LIMITED

Cash Flow Statement for the year ended 31 March, 2020
CIN U25206AS2007PTC008292

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	Amount in Rs.		Amount in Rs	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		1,149,265		(4,383,391)
<i>Adjustments for:</i>				
Depreciation and amortization	723,288		2,256,607	
(Profit) / loss on sale / write off of assets	(452,011)		-	
Finance costs	2,250,067		3,572,450	
Other Comprehensive Income			600,482	
Interest income & Other Non-operating incomes	(3,967,808)		(533,305)	
		(1,446,467)		5,896,234
Operating profit / (loss) before working capital changes		(297,202)		1,512,843
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	5,076,755		5,296,563	
Trade receivables	2,823,968		4,531,814	
Short-term loans and advances	72,400		50,015	
Long-term loans and advances	36,000		-	
Other current assets	1,420,830		3,389,047	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(942)		(1,799,260)	
Other current liabilities	(515,064)		26,209	
Other non current liabilities	(2,538,379)		(310,822)	
Short-term provisions	(149,411)		(10,447)	
Long-term provisions	(633,956)		(346,131)	
		5,592,202		10,826,978
		5,295,001		12,339,821
Cash generated from operations		5,295,001		12,339,821
Net income tax (paid) / refunds		(960,962)		-
Net cash flow from / (used in) operating activities (A)		4,334,039		12,339,821
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances			(950,984)	
Proceeds from sale of fixed assets	4,762,581		-	
Interest received			533,305	
- Others	3,967,808			(417,679)
		8,730,389		(417,679)
Net cash flow from / (used in) investing activities (B)		8,730,389		(417,679)
C. Cash flow from financing activities				
Proceeds from long-term borrowings	(12,533,026)		(14,898,399)	
Finance cost	(2,250,067)		(3,572,453)	
		(14,783,093)		(18,470,852)
Net cash flow from / (used in) financing activities (C)		(14,783,093)		(18,470,852)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(1,718,665)		(6,548,710)
Cash and cash equivalents at the beginning of the year		3,143,768		9,692,478
Cash and cash equivalents at the end of the year		1,425,103		3,143,768
Cash and cash equivalents at the end of the year Comprises :				
(a) Cash on hand		805		2,445
(b) Balances with banks		1,424,298		3,141,323
(c) In deposit accounts (As Margin against Letter of Credit)		-		-
		1,425,103		3,143,768

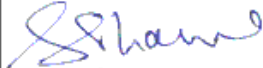
Notes:

- 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.
- The previous year's figures have been regrouped/ restated wherever necessary to conform to this year's classification.

The accompanying notes from 1 to 33 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
Proprietor
M.N - 062857
FRN No-326114E




Mr. N.B. Desai
Director
DIN 02154208


Mr. M.D. Desai
Director
DIN 03552685

Place Guwahati
Date 10-06-2020

Place : Valsad
Date : 04.06.2020

NOTES FORMING PARTS OF THE ACCOUNTS

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, Guwahati, Assam.

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. However in view of the fact that there exist a material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, the accounts are prepared on not a going concern basis

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 04 th, June, 2020.

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



NOTES FORMING PARTS OF THE ACCOUNTS

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.



NOTES FORMING PARTS OF THE ACCOUNTS

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.



NOTES FORMING PARTS OF THE ACCOUNTS

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 capitaized 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.



NOTES FORMING PARTS OF THE ACCOUNTS

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 lower of Cost or Net Realizable
- 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.



NOTES FORMING PARTS OF THE ACCOUNTS

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



NOTES FORMING PARTS OF THE ACCOUNTS

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



NOTES FORMING PARTS OF THE ACCOUNTS

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.



NOTES FORMING PARTS OF THE ACCOUNTS

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.



NOTES FORMING PARTS OF THE ACCOUNTS

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.



NOTES FORMING PARTS OF THE ACCOUNTS

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.



NOTES FORMING PARTS OF THE ACCOUNTS

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

- 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.



NOTES FORMING PARTS OF THE ACCOUNTS

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.



NOTES FORMING PARTS OF THE ACCOUNTS

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.



NOTES FORMING PARTS OF THE ACCOUNTS

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



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

Note 2: Property, Plant & Equipment and Intangible Assets

Particulars	Amount (Rs.)								
	Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Computer	Vehicles	CCTV	Air conditioner	Total
Gross carrying value as on 31st March, 2018	8,007,577	11,671,983	37,725	439,695	40,080	1,657	32,727	82,007	20,313,451
Additions		939,984	11,000						950,984
Deletions ****		2,131,481							2,131,481
Gross carrying value as on 31st March, 2019	8,007,577	10,480,486	48,725	439,695	40,080	1,657	32,727	82,007	19,132,954
Additions		-	-	-					-
Deletions ****		2,115,110	14,217	35,808		1,657		12,291	2,179,083
Reclassified as Assets held for sale	8,007,577	391,823			4,029		22,451	47,813	8,473,693
Gross carrying value as on 31st March, 2020	-	7,973,553	34,508	403,887	36,051	-	10,276	21,903	8,480,178
Accumulated depreciation as on March 31, 2018	678,604	5,836,193	33,062	269,258	24,034	-	5,138	11,206	6,857,495
Depreciation charge for the year	339,302	1,761,740	747	134,629	12,017		2,569	5,603	2,256,607
Accumulated depreciation as on March 31, 2019	1,017,906	7,597,933	33,809	403,887	36,051	-	7,707	16,809	9,114,102
Depreciation charge for the year	339,304	375,620	699	-	-		2,569	5,094	723,286
Reclassified as Assets held for sale	1,357,210	-	-	-	-		-	-	1,357,210
Accumulated depreciation as on March 31, 2020	-	7,973,553	34,508	403,887	36,051	-	10,276	21,903	8,480,178
Carrying value									
At 31st March, 2018	7,328,973	5,835,790	4,663	170,437	16,046	1,657	27,589	70,801	13,455,960
At 31st March, 2019	6,989,671	2,882,553	14,916	35,808	4,029	1,657	25,020	65,198	10,018,852
At 31st March, 2020	-	-	-	-	-	-	-	-	-

**** 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, 2020

NOTE NO. 3 : LOANS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security deposits - Considered good	973,987	1,009,987
TOTAL	973,987	1,009,987

NOTE NO. 4 : INVENTORY

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials	47,793	3,145,925
Packing Materials	309	29,969
Semi Finished Goods	-	1,945,763
Stores and Spares	-	3,200
TOTAL	48,102	5,124,857

Footnote:

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

NOTE NO. 5.1 : TRADE RECEIVABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Receivables Considered Good-Unsecured	5,900	2,830,631
Less: Provision for doubtful receivables	-	(763)
TOTAL	5,900	2,829,868

NOTE NO. 5.2 : CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks		
In Current accounts	1,424,298	3,141,323
Cash on hand	805	2,445
TOTAL	1,425,103	3,143,768



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

NOTE NO. 5.3 : LOANS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans and advances to employees Unsecured, considered good	-	72,400
TOTAL	-	72,400

NOTE NO.5.4 : OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019
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, 2020	As at 31st March, 2019
Prepaid expenses	45,005	254,708
Advance to Trade Payables	22,165	32,579
Balances with Central Excise / VAT Authorities	24,536	11,572
Income Tax Refunds Due	227,241	1,440,918
TOTAL	318,947	1,739,777

NOTE NO. 7:ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at 31st March, 2020	As at 31st March, 2019
Property, plant and equipment Plant and machinery retired from active use (Refer Note 7.1)	7,116,483	2,131,481
TOTAL	7,116,483	2,131,481

7.1: The Company has classified a non-current asset comprising of Net block value of building and other Misc asset as held for sale. Company has discontinued its existing activities in a Building Constructed on Leasehold Land and has surrendered various licenses required for the said activities on 7th December, 2020, pending the decision for future course of actions . A Company has measured a non-current asset classified as held for sale at Carrying amount only which is lower than fair value less cost of sale.

(Previous Year : 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)



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

NOTE NO. 8 : EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised 15,00,000 Equity Shares of Rs.10/- each	15,000,000	15,000,000
Issued, Subscribed and Paid up 11,95,360 Equity shares of ` 10/- each fully paid up with Voting right	11,953,600	11,953,600
Total	11,953,600	11,953,600

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,2019	1,500,000	15,000,000
Add / (Less): Changes during the year	-	-
Balance as at 31st March,2020	1,500,000	15,000,000

Issued, Subscribed and paid up share capital:	No. of shares	Amount
Balance as at 31st March,2019	1,195,360	11,953,600
Add / (Less): Changes during the year	-	-
Balance as at 31st March,2020	1,195,360	11,953,600

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, 2019	100%
As at 31st March, 2020	100%



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

NOTE NO.9 : OTHER EQUITY

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities premium account 11,73,200 Equity shares of Rs. 10/- each issued at a Premium of Rs. 2/- per Share	2,346,400	2,346,400
Closing Balance	2,346,400	2,346,400
Capital Reserve Central Capital Subsidy	-	-
Retained Earnings Opening Deficit	(19,962,198)	(14,179,804)
Profit (Loss) for the year	828,863	(5,782,394)
Closing Balance	(19,133,335)	(19,962,198)
(d)Other Comprehensive income Balance as at beginning of the year	767,536	-
Add: Remeasurement of Net defined benefit liability/(asset) (net of tax)	-	767,536
Closing Balance	767,536	767,536
Other Equity Fair valuation of interest free loan	11,288,856	12,582,476
Closing Balance	11,288,856	12,582,476
Total	(4,730,543)	(4,265,786)

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, 2020	As at 31st March, 2019
Loans and advances from related party - Unsecured Interest Free Loan from Holding Company	1,565,494	12,804,896
Total	1,565,494	12,804,896

Details:

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

NOTE NO 11 PROVISIONS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits: Provision for compensated absences	-	96,208
Provision for gratuity	-	537,748
Total	-	633,956



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

NOTE NO 12 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	726,026	419,433
Tax effect of items constituting deferred tax liability	726,026	505,904
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	34,485	180,907
Provision for doubtful debts / advances	-	5,279
Adjesment	107,819	-
Fair valuation of Loan from holding Company	583,721	960,277
Tax effect of items constituting deferred tax assets	726,025	1,146,462
Net deferred tax (Liability) / Asset	(0)	640,559

NOTE NO.13 : Other Non-current liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Government Grant	-	2,538,379
Total	-	2,538,379



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

NOTE NO.14.1 : TRADE PAYABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables		
Micro, Small and Medium Enterprises	-	-
Holding Company	-	-
Others	860,868	861,810
Total	860,868	861,810

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

Amount due to Micro, Small and Medium Enterprises as on 31st March, 2020 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows .

Particulars	As at 31st March, 2020	As at 31st March, 2019
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, 2020	As at 31st March, 2019
Statutory Dues Payable	153,647	354,706
Advances against orders	-	3,182
Deferred Government Grant	-	310,822
Total	153,647	668,710

NOTE NO 16 PROVISIONS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits:		
Provision for bonus	-	265,726
Provision for compensated absences	56,481	9,121
Provision for gratuity	76,154	7,198
Total	132,635	282,045



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

17 REVENUE FROM OPERATIONS

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	IND AS	IND AS
Sale of products		
<u>Manufactured goods</u>		
Plastic Film	18,305,853	80,848,831
Others	-	-
<u>Traded goods</u>		
Others	8,377,633	10,022,465
Other operating revenues		
Sale of Scrap	386,861	767,015
Revenue from operations (gross)	27,070,347	91,638,311

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

Particulars	March 31, 2020	March 31, 2019
Revenue as per contracted price	27,179,926	93,075,292
Adjustments		
Sales return	-	1,277,219
Sales Price/ Quantity Difference	-	19,361
Discounts	109,579	140,401
Revenue from contract with customers	27,070,347	91,638,311

18 OTHER INCOME

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	IND AS	IND AS
Interest income		
Interest Received-Security Deposit-APDCL	-	66,416
Interest on Income Tax Refund	14,120	-
Other non-operating income		
Profit on sale of fixed assets	452,011	-
Excess Provision of Gratuity written Back	150,515	-
Liabilities / provisions no longer required written back (net)	100,028	65,131
Gain on foreign currency transactions and translation (net)	-	90,551
Central Excise PLA Refund	397,113	-
Miscellaneous income	4,821	385
Amortisation of government grant	2,849,201	310,822
Total	3,967,809	533,305



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

19 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	IND AS	IND AS
Opening Stock	3,175,894	7,906,185
Add: Purchases	16,649,064	74,209,030
Less: Closing Stock	48,102	3,175,894
Purchases Includes Rs. 63,90,730 for Stock in Trade (Previous Year Rs.59,76,691)	-	-
Total Cost of materials consumed	19,776,856	78,939,321

20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	IND AS	IND AS
Inventories at the end of the year:		
Finished goods	-	-
Work-in-progress	-	1,945,763
	0	1,945,763
Inventories at the beginning of the year:		
Finished goods	-	-
Work-in-progress	1,945,763	2,512,025
	1,945,763	2,512,025
Net (increase) / decrease	1,945,763	566,262



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March, 2020

21 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	IND AS	IND AS
Salaries, Wages, Bonus and Other Allowances	1,427,085	3,620,541
Contributions to Provident and other funds	197,487	683,811
Staff Welfare expenses	301,068	356,959
Total	1,925,640	4,661,311

22 FINANCE COSTS

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	IND AS	IND AS
Interest expense	2,245,081	3,451,752
Other Borrowing costs	4,986	120,698
Total	2,250,067	3,572,450

23 OTHER EXPENSES

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	IND AS	IND AS
Consumption of stores and spare parts	808	98,526
Power and fuel	1,784,804	4,086,986
Rent including lease rentals	60,585	60,480
Repairs and maintenance - Machinery	72,502	248,772
Repairs and maintenance - Others	43,300	144,866
Insurance	169,354	184,091
Rates and taxes	1,800	82,578
Communication	39,351	48,812
Travelling and conveyance	13,351	64,184
Freight and forwarding	147,006	605,475
Donations and contributions	4,100	13,600
Legal and professional	281,904	230,977
Payments to the Auditors	20,000	20,000
Loss on Sale of Assets	-	-
Miscellaneous expenses	628,414	669,710
Total	3,267,279	6,559,056

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	IND AS	IND AS
Payments to the Auditors comprises		
Audit Fees	20,000	20,000
Taxation Matters	-	-
Total	20,000	20,000



Synergy Films Private Limited

Statement of Changes in Equity for the year ended 31st March, 2020

24

a. Equity Share Capital:

Particulars	Amount
Balance as at the 31 March 2019	11,953,600
Changes in equity share capital during 2019-20	-
Balance as at the 31 March 2020	11,953,600

b. Other Equity:

Particulars	Reserves and Surplus		Other Comprehensive Income (OCI)	Other Equity	Total Equity
	Share Premium	Retained Earnings			
As at 31st March, 2018	2,346,400	(14,179,803)	-	14,441,424	2,608,021
Loss for the year		(5,782,394)			(5,782,394)
Restating Fair Value of Loan				(1,858,948)	(1,858,948)
Other comprehensive income for the year					
Remeasurement of the Net Defined benefit liability/asset, net of tax effect			767,536		767,536
As at 31st March, 2019	2,346,400	(19,962,197)	767,536	12,582,476	(4,265,785)
Profit/(Loss) for the year		828,863			828,863
Restating Fair Value of Loan				(1,293,620)	(1,293,620)
Other comprehensive income for the year					
Remeasurement of the Net Defined benefit liability/asset, net of tax effect					
As at 31st March, 2020	2,346,400	(19,133,335)	767,536	11,288,856	(4,730,543)



NOTES TO FINANCIAL STATEMENT FOR YEAR ENDED 31ST MARCH 2020

25 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 (Loss) attributable to Equity holders of Company

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit / (Loss) attributable to equity holders of the company for basic and diluted earnings per share	828,863	(5,014,858)

ii. Weighted average number of ordinary shares

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Number of issued equity shares	1,195,360	1,195,360
Nominal Value per share	10	10
Weighted average number of shares at 31st March for basic and diluted earnings	1,195,360	1,195,360
Basic and Diluted earnings per share (in Rs)	0.69	(4.20)



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

26 Financial instruments

A. Capital Management:

Capital of the Company, for the purpose of capital management, include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholders value

The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings

The Company monitors capital using gearing ratio, which is debt divided by total capital plus debt.

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Borrowings	1,565,494	12,804,896
Less: Cash and bank balances	1,425,103	3,143,768
Net debts	140,391	9,661,128
Total equity	7,223,057	7,687,814
Net debt to equity ratio	1.94%	125.67%
Equity and Debt	7,363,448	17,348,942
Capital gearing ratio	1.91%	55.69%

Decreasing capital gearing ratio reflects increase in equity to Shareholders.

B Fair value measurement hierarchy:

Particulars	As at				Carrying amount	As at		
	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	5,900	-	-	-	2,629,868	-	-	-
Cash and cash equivalents	1,425,103	-	-	-	3,143,768	-	-	-
Bank balances other than above	-	-	-	-	-	-	-	-
Loans	-	-	-	-	72,400	-	-	-
Other financial assets	47,179	-	-	-	47,179	-	-	-
Financial liabilities								
At FVTPL	-	-	-	-	-	-	-	-
At Amortized cost								
Borrowings	1,565,494	-	-	-	12,804,896	-	-	-
Trade payables	860,868	-	-	-	861,810	-	-	-
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, 2019.

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

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
- 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.
- 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.



27 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, 2020	As at 31st March, 2019
Not due	5,900	2,792,463
1 - 180 Days	-	38,168
181-360 Days	-	-
361-500 Days	-	-
More Than 500 days	-	-
Allowance for doubtful trade receivables (Expected credit loss allowance)	-	(763)
Total	5,900	2,829,868



Movement in provisions of doubtful debts

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening provision	(763)	(18,974)
Add: Additional provision made	-	(763)
Less:-Provision Reverses	763	18,974
Closing provision	-	(763)

Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 14,25,103 as at 31st March, 2020 (31st March, 2019: Rs. 31,43,768). The cash and cash equivalents are held with banks.



B Liquidity risk

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

Ultimate responsibility for liquidity risk management rests with the Board of Directors. Company may face Liquidity risk in future due to discontinuation of its existing activities.

Exposure to liquidity risk

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	12,804,896	4,187,462	8,617,434	-
Trade and other payables	861,810	861,810	-	-
Other financial liabilities	-	-	-	-
Derivative financial liabilities				
	13,666,706	5,049,272	8,617,434	-

Particulars	As at 31st March, 2020			
	Carrying amount			
	Carrying amount	Within one year	One to five years	More than five years
Non-derivative financial liabilities				
Borrowings	1,565,494	1,565,494	-	-
Trade and other payables	860,868	860,868	-	-
Other financial liabilities	-	-	-	-
Derivative financial liabilities				
	2,426,362	2,426,362	-	-



Synergy Films Private Limited

Notes Forming Part of Financial Statements

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



Synergy Films Private Limited

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

28 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.1,14,900 (As at 31st March, 2019: Rs. 2,88,096) 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 generally determined on the basis of Actuarial Valuation Report made at the year end and the same is charged to Statement of Profit and Loss. However during the year, all employees of the Company had resigned and Company had made full & final settlement of their dues. At the Reporting date, Company has only one employee. It has provided for Gratuity and leave encashment of one employee based on the rules of the Company.

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, 2020

a) <u>Changes in present value of obligations (PVO)</u>	Gratuity - Funded	
	31st March, 2020	31st March, 2019
PVO at the beginning of the year	-	940,840.00
Interest cost	-	74,044.00
Current service cost	-	130,544
Benefits paid	-	-
Actuarial (Gains)/Losses	-	6,565
Actuarial (Gains)/Losses	-	(607,047)
PVO at the end of the year	0	544,946



b) <u>Fair value of plan assets:</u>	Gratuity - Funded	
	31st March, 2020	31st March, 2019
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	-	-



Synergy Films Private Limited

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	Gratuity - Funded	
	31st March, 2020	31st March, 2019
c) Amount to be recognized in the balance sheet:		
PVO at the end of period	-	544,946
Fair value of planned assets at end of year	-	-
Funded status	-	(544,946)
Net asset/(liability) recognized in the balance sheet	-	(544,946)
d) Expense recognized in the statement of profit or loss:		
Current service cost	-	130,544
Net interest	-	74,044
Expense recognized in the statement of profit or loss	-	204,588
e) Other comprehensive income (OCI):		
Actuarial (Gain)/Loss recognized for the period	-	(600,482)
Return on plan assets excluding net interest	-	-
Total actuarial (Gain)/Loss recognized in OCI	-	(600,482)
f) Actual return on the plan assets:		
	-	-
g) Asset information:		
Total amount	-	-
Gratuity fund (Trustee of the Company)	-	-
h) Assumption:		
Mortality		
Interest/Discount rate	0.00	7.79
Rate of increase in compensation	0.00	8.00
Expected average remaining service	0.00	2.00
Employee attrition rate		



Synergy Films Private Limited

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

i) Expected Payout:

Year	PVO payouts 31st March, 2020	PVO payouts 31st March, 2019
1st Following Year	-	9,121
2nd Following Year	-	9,730
3rd Following Year	-	54,023
4th Following Year	-	12,494
5th Following Year	-	13,816
Sum of years 6 to 10	-	84,485
Sum of years 11 and above	-	2,069,191

j) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31st March, 2020	31st March, 2019
Projected Benefit Obligation on Current Assumptions	-	544,946
Delta Effect of +1% Change in Rate of Discounting	-	(74,912)
Delta Effect of -1% Change in Rate of Discounting	-	91,868
Delta Effect of +1% Change in Rate of Salary Increase	-	90,740
Delta Effect of -1% Change in Rate of Salary Increase	-	(75,411)
Delta Effect of +1% Change in Rate of Employee Turnover	-	(5,069)
Delta Effect of -1% Change in Rate of Employee Turnover	-	5,413

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Note	As at 31st March, 2020	As at 31st March, 2019
Total employee benefit liabilities			
Other current liabilities	10 & 15	-	(544,946)
Other current assets	7.4	-	-

The above disclosures is continued for this year as it has corresponding figures related to previous year.

(k) General Assumptions

(i) Leave Policy

Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accumulated up to 31.03.2020 is available for encashment on separation from the company.

(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 valued as per the rules of the Company (previous Year - actuarially valued as per Projected Unit Credit Method.) The change in valuation methodology is immaterial

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



Synergy Films Private Limited

Notes Forming Part of Financial Statements

29 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	2019-20	2018-19
A)	Holding Company Ecoplast Ltd.		
	Sales of Goods- Used Plant and Machinery	3,200,000	-
	Purchase of Goods	2,860,000	3,492,519
	Balance Receivable	-	-
	Balance Payable	-	-
	Inter Corporate Deposit	1,565,494	12,804,896
	Collaterals Guarantee to Bank	-	-
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.Intwaia : Director		
	Remuneration Paid	-	-
	Dividend Paid	-	-
	Mr.Antony Alapat : Director		
	Remuneration Paid	-	-
	Dividend Paid	-	-

Transactions with KMP

Sr No	Particulars	2019-20	2018-19
	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 Private Limited

Notes to financial statements for the year ended 31st March 2020

30 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 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.

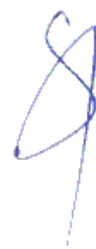


Synergy Films Private Limited

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

31 Contingent liabilities

Particulars	Year ended	
	As at 31 March, 2020	As at 31 March, 2019
On account of Capital Commitments (Net of advances)		
On account of Central Excise demand under contest	-	346.567
TOTAL	-	346,567



Synergy Films Private Limited

Notes to financial statements for the year ended 31st March 2020

32 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.60,585 (31st March, 2019: Rs. 65,520). The future minimum lease payments and payment profile of non cancellable operating leases are as under:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Not later than one year	71,364	71,364
Later than one year but not later than five years	285,456	285,456
More than five years	2,997,288	3,068,652
Total	3,354,108	3,425,472

33 Non Going Concern Assumption


In view of, non viability of existing activities company has discontinued the said activities w.e.f. 7 th December, 2019 and surrendered various Licences for the said activities, pending the decision for future course of actions.

The accompanying notes from 1 to 33 are an integral part of the financial statements


In terms of our report attached.

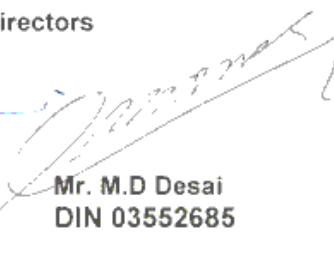
For SANDEEP S SHARMA & CO.
Chartered Accountants

For and on behalf of the Board of Directors


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




Mr. N.B Desai
DIN 02154208


Mr. M.D Desai
DIN 03552685



Director

Director

Place : Guwahati
Date : 10.06.2020

Place : Valsad
Date : 04.06.2020