

Transformation for growth

A DRIVE TOWARDS EXCELLENCE

2017-18

Polyplex Corporation Limited | 33rd Annual Report

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Board of Directors and Corporate Information

Board of Directors

Mr. Sanjiv Saraf
Chairman

Mr. Brij Kishore Soni

Mr. Jitender Balakrishnan

Ms. Pooja Haldea

Mr. Ranjit Singh

Mr. Sanjiv Chadha

Dr. Suresh Inderchand Surana
(upto 11.06.2018)

Mr. Pranay Kothari – Executive Director

Chief Financial Officer

Mr. Manish Gupta

Company Secretary

Mr. Ashok Kumar Gurnani

Registered office

Lohia Head Road, Khatima-262308
Distt: Udham Singh Nagar, Uttarakhand
Phone: 05943-250136
Fax: 05943-250281

Corporate office

B-37, Sector 1, NOIDA
Distt. Gautam Budh Nagar
Uttar Pradesh-201 301
Board: +91.120.2443716-19
Fax: +91.120.2443723 & 24

Works

1. Lohia Head Road
Village Amau Khatima-262 308
Distt: Udham Singh Nagar,
Uttarakhand
2. Plot No 227 MI - 228 MI
Banna Khera Road Village
Vikrampur
Tehsil Bajpur-262 401
Distt: Udham Singh Nagar,
Uttarakhand

Auditors

S S Kothari Mehta & Co.,
Chartered Accountants

Bankers

Axis Bank Limited
DBS Bank Limited
HDFC Bank Limited
IDBI Bank Limited
State Bank of India
UniCredit Bank, AG
YES Bank Limited

Registrar and Share Transfer Agent (RTA)

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli
Financial District, Nanakramguda,
Hyderabad-500032
Tel: +91-40-6716 2222
Toll free no.: 1800-345-4001
Fax: +91-40-2300 1153
Website: www.karvy.com

For more than three decades, Polyplex Corporation Limited focused on the interplay of three drivers.

Passion. Discipline. Long-term.

The result has been the ability to overcome commodity cycles and enhance value for stakeholders.

Going ahead, we believe that our commitment to these three drivers will enhance business sustainability.

Everyday, Polyplex Touches Millions of Lives!



The **shampoo sachet** that you snip
The **cheese cubes** top lid that you peel off
The **milk carton** that you sip
The **tea bag** that retains the freshness of your morning cuppa
The **chips pack** from which you snack out of
The **credit card** that you swipe to buy daily grocery need
The **laptop screen** that you see every day
The **instant photo** that you click for a sudden visa requirement
The **film surface** that your cherished wedding photograph is printed on
The **shrink sleeve** that prevents contamination and adds value to your cosmetic product

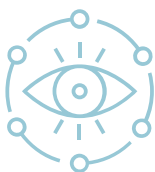
All these comprise PET films as an integral and non-substitutable substrate for the respective end use

Know Polyplex

Polyplex Corporation Limited is one of the largest global integrated manufacturer of thin PET film operating close to regional markets with supply points spread across the globe.

Since our inception in 1984, we have grown from a small single-line facility to become a half a billion dollar Company with international presence. Over the years we have moved closer to our markets to deliver more efficiently and effectively. We have a diversified business portfolio ranging from BOPET, BOPP, Blown PP/PE and CPP films which are manufactured through our state-of-the-art manufacturing facilities. Our fully integrated green field film lines with upstream resin plants and downstream metallizers and other offline coating capabilities ensure cost-competitiveness, minimized environmental impact besides bringing the advantage of being a single-point for a portfolio of film products to our customers.

Vision



We envision to continuously grow and create value in all our businesses and establish global leadership in the plastic film business.

Mission



Our mission is to create value for our stakeholders through delivering profitable value to customers and maximizing their satisfaction.

Values



- Seamless- We leverage synergies across hierarchies, functions and locations.
- Care- We value our people and are committed towards their development. We build a long-term relationship with all our major stakeholders.
- Ownership and Responsibility- We honor our commitments towards all our stakeholders.
- Excellence- We improve our processes and encourage ideas which are new as well as better.

Expanding Our Presence

5 ::

Number of countries
we are present with
manufacturing facilities

Our expansion journey is driven by an inspired vision to create value for our stakeholders. With manufacturing facilities spread across five locations, we market our products to leading clients in India and the world.

Countries we are present in

1 India



2 Thailand



3 Turkey



4 USA



5 Indonesia*



*Under implementation

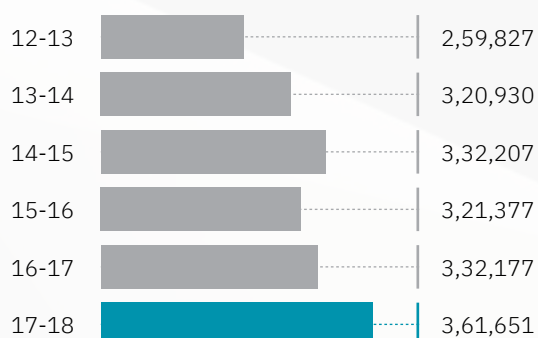


1890

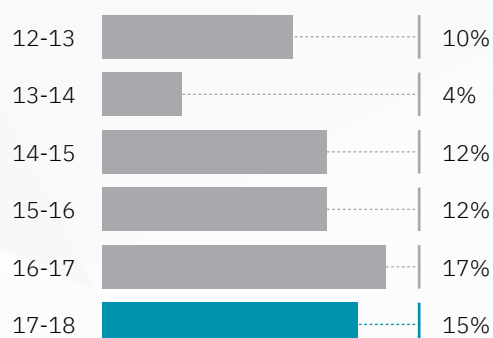
Number of employees

Steady Financial Performance (consolidated)

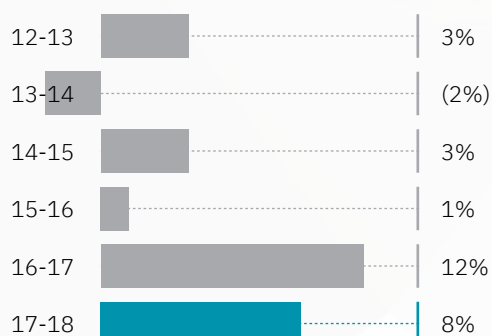
Revenues (₹ in lacs)



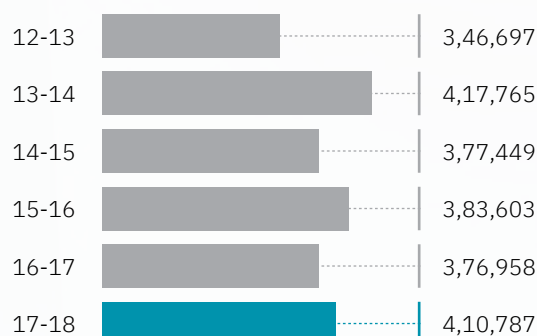
EBITDA margin (%)



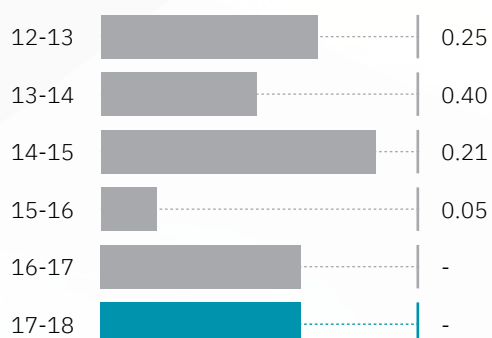
ROE (%)



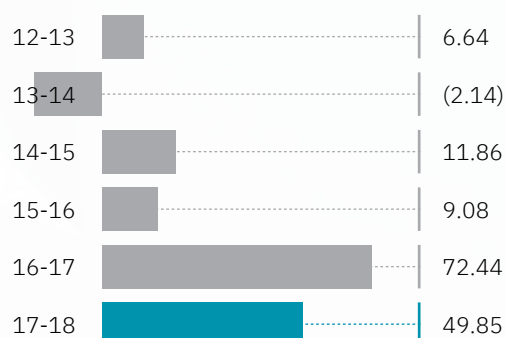
Gross fixed assets (%)



Debt-equity ratio (times)



Earnings per share (₹)



Numbers for the FY 2016-17 have been regrouped in accordance with the requirements of Ind AS

Notes:

1. Revenues = Total Revenue including other income
2. EBITDA Margin as % of Sales & Other Income
3. ROE (%) = PAT (Pre - Minority interest) as % to average equity incl. Minorities
4. Gross Fixed Assets includes Capital Work in Progress
5. Net Debt includes Long Term Debt + Short Term Debt + Current Portion of Long Term Debt - Cash & Bank Balance
6. Equity includes Shareholders' Funds + Minority Interest

Message from Chairman and CEO



◀ **Sanjiv Saraf**
Chairman

Pranay Kothari
Chief Executive Officer



Dear Shareholders,

The year under review has seen significant improvement in the operational profitability after adjusting for unrealized FX losses on long term debt due to appreciation in the Euro towards the second half of the year. With market conditions also becoming favourable, the near term outlook looks promising.



5.88

(₹ in billion)

Operational EBITDA at consolidated level for 2017-18

Higher cash flows from operations and a strong balance sheet provides financial flexibility to access growth opportunities. The Company has commenced construction on a new greenfield facility near Jakarta in Indonesia for setting up the world's largest width PET film line, an integrated PET resin plant on direct melt technology as also a downstream Metallizer with start-up scheduled for the second quarter of FY 19-20. The Thai subsidiary is also adding a second (third in the Group) silicone coating line to enable further inroads into specific value added applications.

A slowdown in the pace of capacity addition has helped demand supply become more balanced with consequent increase in utilization rates globally. While this would inevitably lead to creation of additional capacity in the future to cater to the demand growth, we believe that growth in supply would be more moderate and rational as compared to the past.

Sales and Other Income were up 11% at ₹ 36.17 billion due to higher sales volume coupled with better selling prices partly resulting from increase in raw material prices. The Operational EBITDA (profit before interest, tax, depreciation and exceptional items) at the consolidated level was ₹ 5.88 billion, 19% higher as compared to the previous year.

The Company remains financially strong and confident about the future of this industry. A geographically diversified presence along with an extensive product offering and a widespread customer base has helped it to ensure higher sustainability in earnings. A new Metallizer in the US, a second

11%

Sales and other income growth as compared to previous year

Blown Polypropylene film line in Thailand and new Offline Coater in India besides ongoing investments in Holography capacity would start up in 2018 and provide further impetus to operations and margins.

There are growing concerns, in general, on the usage of single-use plastics. Flexible packaging is held to be a more environment friendly form of packaging as compared to traditional formats due to its lower packaging weight to product ratio with a significantly lower carbon footprint (GHG emissions), etc. However, its recyclability is an issue arising from technical challenges and lack of efficient & economic collection mechanism for post-consumer waste. The industry is working towards finding effective solutions. The recycling plant in Thailand is our initiative to address these concerns.

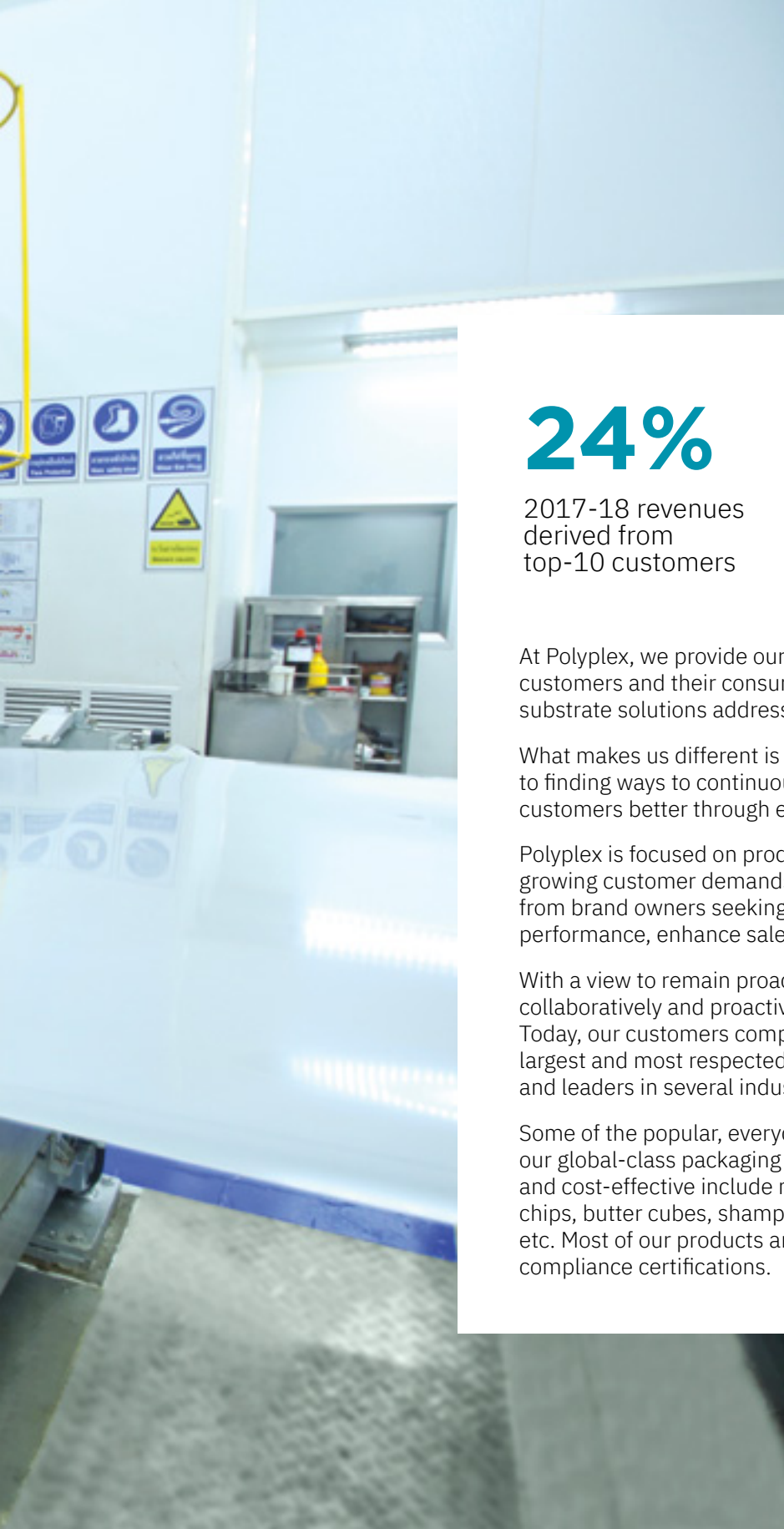
On behalf of the Board, we would like to thank all the shareholders and other stakeholders including business partners and the employees of the Company for their continued support and hard work.

Pranay Kothari
Chief Executive Officer

Sanjiv Saraf
Chairman

Enhancing the Consumer Experience





24%

2017-18 revenues
derived from
top-10 customers

At Polyplex, we provide our intermediaries, customers and their consumers innovative packaging substrate solutions addressing their everyday needs.

What makes us different is the passion that we bring to finding ways to continuously improve and service customers better through enhanced solutions.

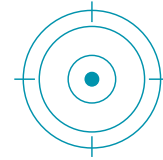
Polyplex is focused on product innovation to address growing customer demands and cost-effectiveness from brand owners seeking to enhance product performance, enhance sales and reduce costs.

With a view to remain proactive, we work collaboratively and proactively with our customers. Today, our customers comprise some of the world's largest and most respected packaging conglomerates and leaders in several industrial end-use markets.

Some of the popular, everyday consumer goods that our global-class packaging keeps safe, fresh, hygienic and cost-effective include milk, tea, coffee, potato chips, butter cubes, shampoo, toothpaste, cookies, etc. Most of our products are 'food safe', enjoying FDA compliance certifications.

Focusing on Leading the Industry





4,108

(₹ in crore)

Gross block size as at
31st March 2018

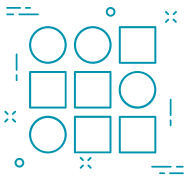
Polyplex is among the leading players in the thin PET film packaging business with a globalized asset and resource base. Our current market share is more than 5% in the thin PET film industry which has been retained over the last five years through consistent capacity addition.

As of 31st March'18 we have gross block size of (including capital work in progress) of ₹ 4,108 crores. We funded all the capex through a judicious mix of internal accruals and debt, making it possible to create a low-cost, high-quality asset base that sustains our relevance across all market cycles in a competitive and commoditized business.

As these plants have been started over the past many years, the replacement cost of these assets on the books is much higher. Our Balance Sheet strength is reflected in our virtual debt-free status (on a net debt level), cash and liquid balances of ₹ 1,547 crores including unutilized working capital limits of ₹ 295 crores.

At Polyplex, our integrated and global asset base, technology orientation, diverse product base, expansive client profile and strong financial strength make it possible to lead the global PET film packaging industry and create a future-ready platform of profitability and sustainability.

Shaping the Future



At Polyplex, our business is wired around customer responsiveness and expanding our product range. We collaborate closely with our customers to design and develop packaging products that provide profitability-enhancing solutions.

Our vision starts and ends with the customer. In a typical lifecycle engagement process with a customer, we believe in the 'first in, last out' philosophy which enhances contract and business sustainability.

Even as we are domiciled in India, we have commissioned facilities and distribution points the world over to service leading global PET film packaging businesses. We pioneered globalization of the PET film business out of India; we were the first in the country to establish a state-of-the-art PET film line in Thailand, a strategic growth market. Thereafter, we deployed our steady cash flows generated out of the business to set up modern plants across other key regional markets that enabled us to move closer to customers, effectively service their demand and stay close to their innovation cycles.

This 'on-shoring' model has emerged as a global quality asset base comprising 10 lines of PET films (including 1 PET line under

implementation in Indonesia) and one PP (polypropylene) line comprising a range of products manufactured across thickness and sizes. Besides, a truly globalized presence enables us to draw best practices, leverage a common pool of intellectual capital and serve a wider number of global customer locations through our large asset base spread across continents. This large geographic presence helps mitigate geographic/ location risks in terms of demand and customer retention.

While a large number of industry players continued to focus on the commodity end of the business, we extended to value-added products to remain ahead of the competitive curve and generate value-added margins.

In line with this objective, we incorporated metallizing, offline coating, holography and silicone coating capacities to create technology-driven differentiation while addressing specific downstream applications. Our Saraprint, an innovative non-tearable and highly accurate polyester film designed especially for the digital print media segment, proved to be industry-leading and poised to transform the photographic surface industry on account of its attention to detail, durability, longevity and high-gloss.





Board of Directors



▲
Sanjiv Saraf
Chairman



▲
Mr. Pranay Kothari
Executive Director



▲
Mr. Sanjiv Chadha
Non-Executive Director



▲
Mr. Brij Kishore Soni
Independent Director



▲
Mr. Jitender Balakrishnan
Independent Director



▲
Dr. Suresh Inderchand Surana
Independent Director
(upto 11.06.2018)



▲
Mr. Ranjit Singh
Independent Director



▲
Ms. Pooja Haldea
Independent Director

Management Team

India



▲
Mr. Kapil Gupta
Profit Centre Head - India



▲
Mr. Sunil Kumar
Corporate Head - HR



▲
Mr. Manish Gupta
Chief Financial Officer



▲
Mr. Rajpal Yadav *
Corporate Head - Projects



▲
Mr. R.S. Gaur
Operations Head - India



▲
Mr. R.R. Kuchipudi
Corporate Head - NPD, R&D and Tech Services



▲
Mr. Manoj Agarwal
Corporate Expert - Resins



▲
Mr. A.K. Gurnani
Company Secretary



▲
Mr. Harminder Singh
Indirect Taxation & Administration Head - India



▲
Mr. Rakesh Kakkar
Sales & Marketing Head - India



▲
Mr. Saleem Ahmad
Business Unit Head
BOPET & Chips, India



▲
Mr. Amarnath J. Parida
Business Unit Head
BOPP, India



▲
Mr. Ravindra K. Gupta
Services, PDC & Civil Head
India

USA



▲
Mr. Amit Kalra
Profit Centre Head - USA



▲
Mr. Ravi Singhal
Plant Head - USA



▲
Mr. Bhavin R. Patel
Business Head - Saracote



▲
Mr. Manav S. Nim
Sales & Marketing Head
USA

Thailand & Turkey



▲
Mr. Amit Prakash
Profit Centre Head
Thailand & Turkey



▲
Mr. S.K. Jha
Plant Head - Thailand



▲
Mr. Vaibhav K. Jain
Business Head - Turkey



▲
Mr. Ashish K. Ghosh
Sales & Marketing Head
Thailand



▲
Mr. Ramesh K. Gupta
Business Head - Saralam

* Currently stationed in Indonesia

Management Discussion and Analysis



Corporate overview

In this document, the terms ‘Company’, ‘Polyplex’ and ‘Group’ refer to the consolidated operations of Polyplex Corporation Ltd.

Polyplex is one of the leading global integrated producers of thin polyester (PET) films. Polyester is an integral part of our everyday lives – when we eat or drink, at home, at office, when we shop, besides many other daily activities. The largest application of thin PET films is flexible packaging. Flexible packaging provides unmatched value as compared to rigid packaging by consuming lower raw material owing to being light weight, occupies lesser shelf space, generates relatively lesser waste and is the most cost-effective method for packaging. Better packaging not only improves the shelf life of products but is also essential for improving product appeal in a competitive consumer goods industry. Flexible packaging companies supply laminates to consumer product companies for packaging food products, household goods, and personal care products, among others.

Polyplex also offers other substrates (BOPP, CPP and Blown PP/PE) used in the flexible packaging industry. BOPP, CPP and Blown PP films are polypropylene-based films. They are used in packaging besides certain industrial applications like tapes,

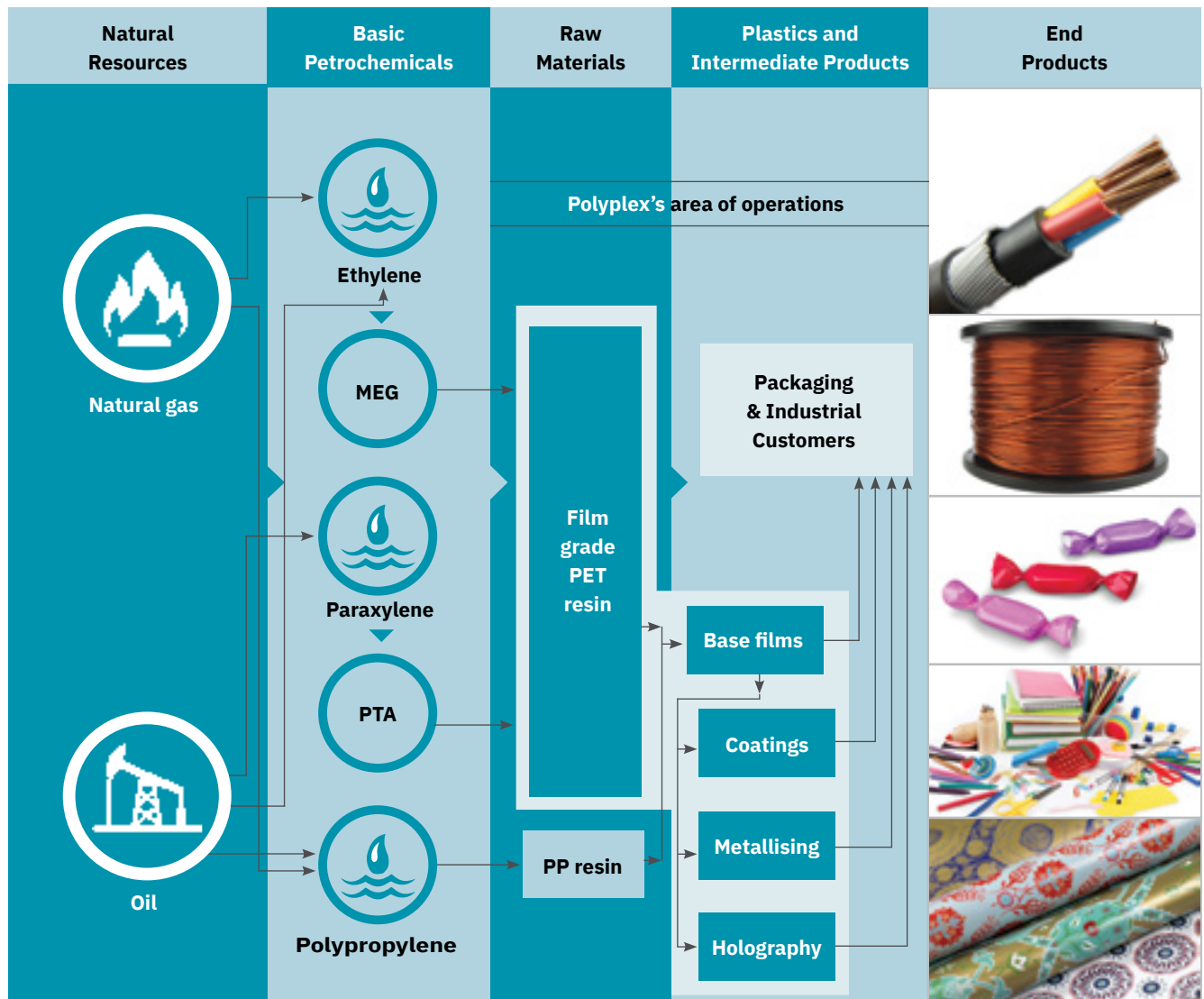
labels and thermal lamination. Polyplex’s thick PET film is suitable for a range of industrial applications including imaging and graphics, photo-voltaic and optical applications.

Downstream businesses like metallizing, silicone coating, extrusion coating, holography and offline chemical coating have enabled Polyplex to offer products for a variety of applications - general packaging, specialty packaging, electrical, liners, roofing and a whole gamut of other industrial applications. The Blown PP lines in Thailand have helped expand the product line of the downstream silicone coating business. The Company has also introduced a non-tear polyester film in India designed especially for digital print media segments.

One of the Company’s other ventures is a recycling unit in Thailand to provide sustainable solutions for film-based process waste.

PET film is made from Polyester resin (chips), which in turn is produced from Purified Terephthalic Acid (PTA) and Mono-Ethylene Glycol (MEG). The Company produces its own PET resin

The value chain for the Company's main businesses is depicted below:



PET films business

Polyplex has traditionally operated predominately in the area of thin PET films, which accounts for three-fourths of the overall global PET film demand. Higher growth in flexible packaging, relative to other applications has gradually shifted the production and usage patterns of thin PET films. The Company's relevant segments of packaging, industrial and electrical constitute almost 100% of the total thin film demand.

The Thick Film line which was started in FY 2013-14 in Thailand has enabled Polyplex to straddle the entire spectrum of end-uses by accessing the traditional industrial and electrical applications for thick films with significant progress in catering to several new and promising applications in optical and photovoltaic segments. The first film line in India which was revamped in December 2011 and further upgraded in 2014 to produce intermediate thicknesses as well as specialty films also contributes to the Company's growth/margins.

Global operations

Polyplex has attained leadership in the thin PET film business with manufacturing and distribution operations in seven countries (India, Thailand, Turkey, USA, Indonesia, China and the Netherlands), along with additional warehouses in Poland, Spain, Germany, Italy and Mexico. A new greenfield project is currently under implementation in Indonesia which is expected to commence commercial operational in H1 FY 2019-20.

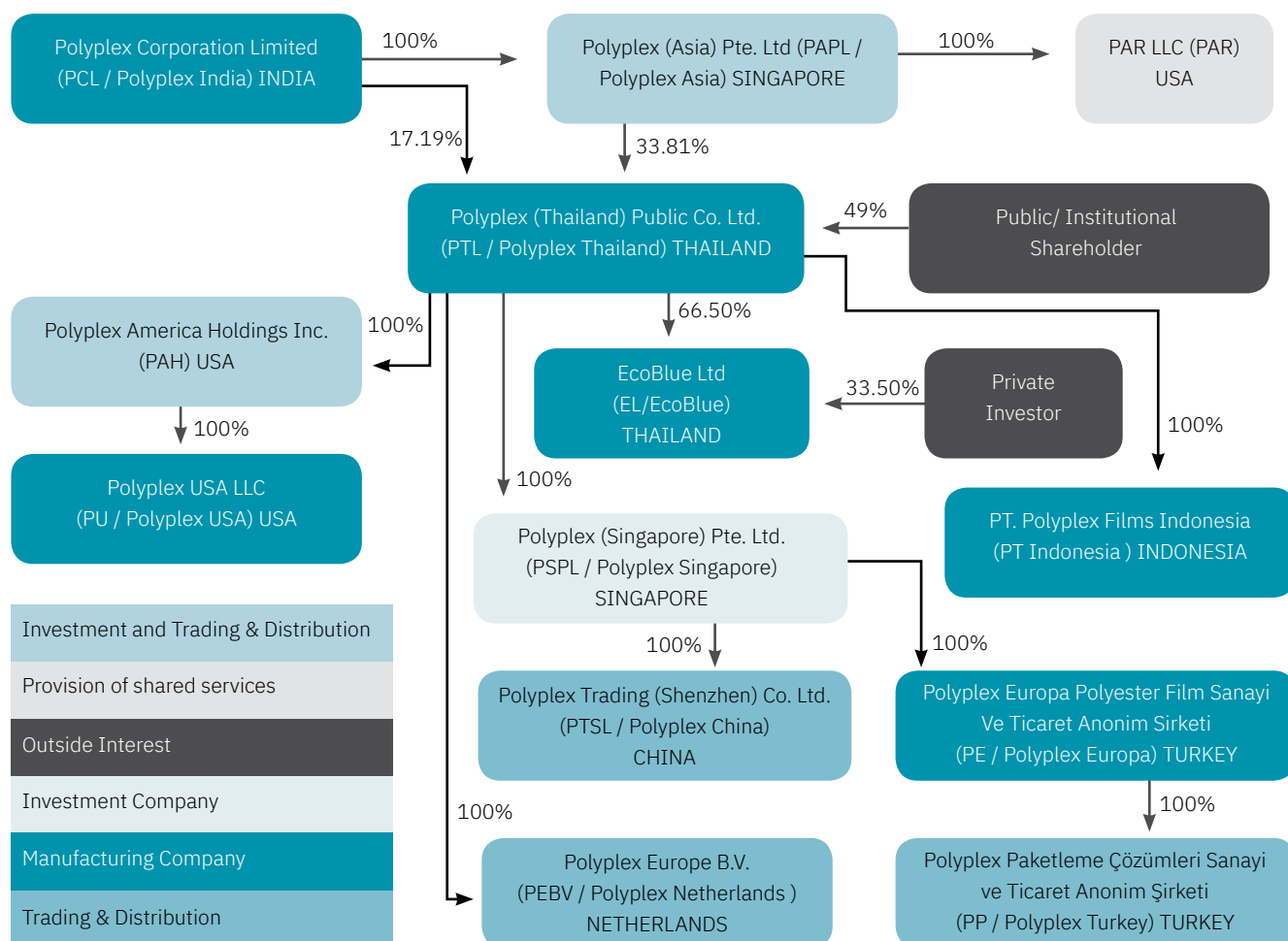
The Company has

5

manufacturing facilities in India, Thailand, Turkey, USA and upcoming project in Indonesia.

The current Polyplex Group structure

POLYPLEX GROUP- STRUCTURE (As on 31 03 2018)



Production Capacities

Manufacturing capacities of various locations:

Location	Base Films					Upstream	Downstream		
	PET Thin	PET Thick	BOPP Film	CPP	Blown Film	PET Resin	Metallizer	Holographic Films	Coating
India	55,000		35,000			77,600	28,500	2,640	286
Thailand	42,000	28,800		10,000	8,845	80,500	21,700		915
Turkey	58,000					57,600	17,700		140
USA	31,000					57,600	9,500		
Indonesia	44,000					73,000	6,000		
Polyplex Group	2,30,000	28,800	35,000	10,000	8,845	3,46,300	83,400	2,640	1,341

Notes:

- Except Coated Films where the capacity is in Million SQM per annum, the capacity of all other product lines is in MT per annum.
- The above graph includes the proposed investments in Blown PP Line-2 in Thailand (which has been commissioned and became operational in July 2018), Silicon coating Line-3 in Thailand, a new replacement metallizer in USA, 3 Holographic lines in India, Offline Coater 2 in India and the greenfield PET Film line alongwith Metallizer & Resin project in Indonesia which are under implementation.



PET film industry overview

The traditional segmentation of PET films has been thin and thick films based on distinct applications and lack of supply side substitutability. Thick films generally refer to films with a thickness range of 50-350 micron whereas films below 50 micron are characterized as thin film. In recent years, several intermediate thickness lines (with thickness ranging between 8-150 micron) have also been installed. The PET film industry has seen various structural changes over the years with Asia now dominating production and consumption. Film producers from Asia (mostly headquartered in India) have become major global players.

Thin PET Film market

The largest application of thin PET films is flexible packaging, which accounts for 72% of the total thin film used. Flexible packaging plays a key role in source reduction based on the principle of 'use less packaging material in the first place'. This has resulted in higher-than-GDP growth in the global flexible packaging industry. PET film, being a higher-end preferred substrate within packaging, has grown more rapidly than other substrates, averaging around 7-8% per annum. Packaging demand is resilient as it is driven by the consumption of food products and consumer staples, usage of which are non-

discretionary in nature. This packaging segment characteristic has resulted in steady demand growth, despite recurring economic turbulence.

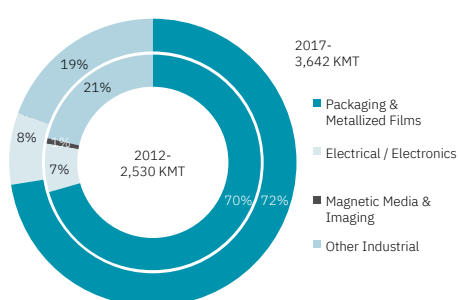
An increase in purchasing power in developing countries has been accompanied by a rise in per capita packaging material consumption. The key demand growth drivers in these regions comprise an increase in organized sector share in retailing, increasing consumerism, population growth and lifestyle changes arising out of higher disposable incomes, need for brand differentiation, continuous product innovation, health awareness, favorable demographics and a need for convenient packaging. However, when compared with mature markets, per capita packaging material consumption in developing countries is still low.

Asia is the largest market for thin PET films, accounting for 68% of global consumption. Growing Asian demand is the main driving force in the global markets. Within Asia, India and China are the largest consumers.

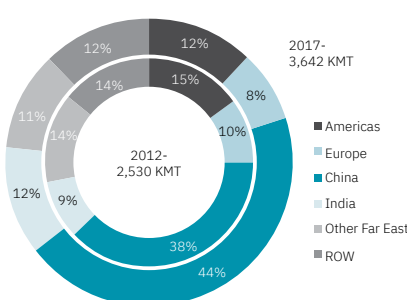
A similar trend is also evident on the supply-side with most new capacities being added in low-cost developing countries. A large proportion of the new capacity is focused on the packaging segment, with an emphasis on productivity and cost management. These companies are now the global leaders in terms of both volume and pricing in the commodity sector. This has impacted traditional large producers of PET film operating with high cost structures, who have chosen to concentrate on niche technology oriented segments like films for Optical applications, solar panels and specific high-end applications within packaging. While trade defense measures like anti-dumping and countervailing duties were invoked in the past, they were unable to address the problems of inefficient assets in developed countries producing standard films.

Global thin PET film growth is expected at about 5-7% for the next few years; demand in India and 'Other Asia' is growing at 9-10%. Companies with consistent quality products, diversified product portfolio, access to international customers and stronger supply chains stand a better chance of participating in market growth and delivering margins above the industry average.

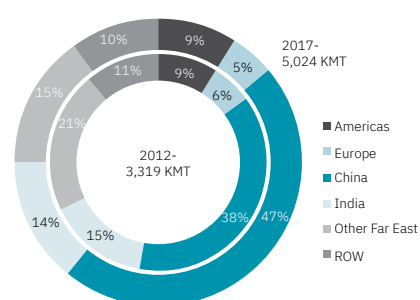
Global Thin PET Film demand by End Use



Global Thin PET Film demand by Region

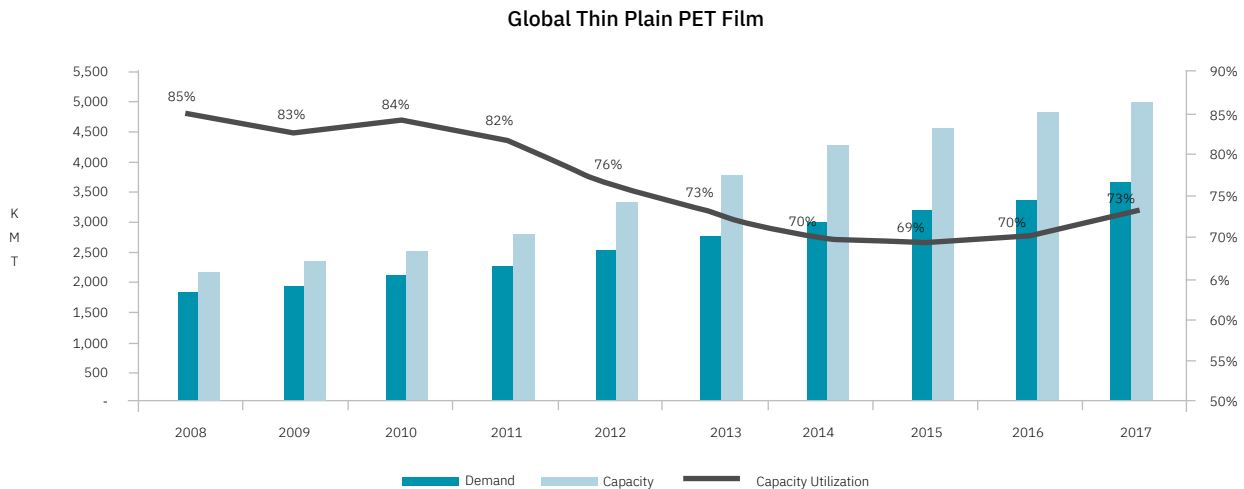


Global Thin PET Film Capacity by Region



Source: Updated Company estimates

The trend in global capacity utilization for thin PET film is as under:



Source: Updated Company estimates

During 2008 to 2011, global average capacity utilization in thin PET films was in the range of 80-85% of rated or nameplate capacity. Since 2012, the utilization rates have declined sharply to 70-75% due to excess capacity build up. Levels between 80-90% can be considered high and close to the full producible capacity. In practice, some producers produce lower than the nameplate capacity as the assets are older and inefficient while some produce with capacity utilization even higher than 100% of the nameplate capacity using new and modern machinery and based on their expertise and experience.

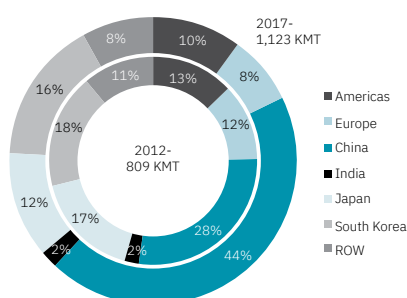
consumption. Electronics and electrical applications are the key end-use segments in the thick film industry. The demand of thick PET film has grown at a CAGR of about 5-7 % over the past few years. Global growth has been apparent in all end use sectors with the exception of the medical/other X-ray. Over the past few years, China has emerged as the largest market for thick PET films with the market share of 44%. New innovation and applications like Flat Screen panel, photovoltaic etc. are driving growth, which should help the industry grow at a CAGR of about 4-6% in the medium-term.

Thick PET Film

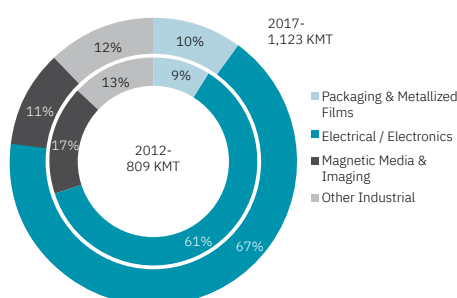
The demand for thick PET film is concentrated in Central and East Asia regions, which account for around 75% of the global

Similar to the thin PET film business, the capacity addition of thick PET film in China has been significant, followed by South Korea. Producers in Japan, Europe and USA constituted only around 25% of world capacity in 2017.

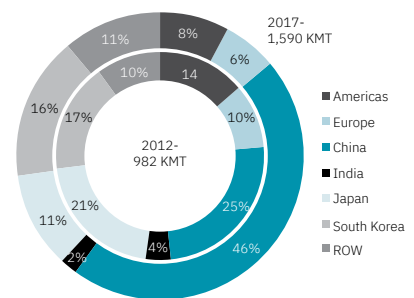
Global Thick PET Film demand by Region



Global Thick PET Film demand by Use

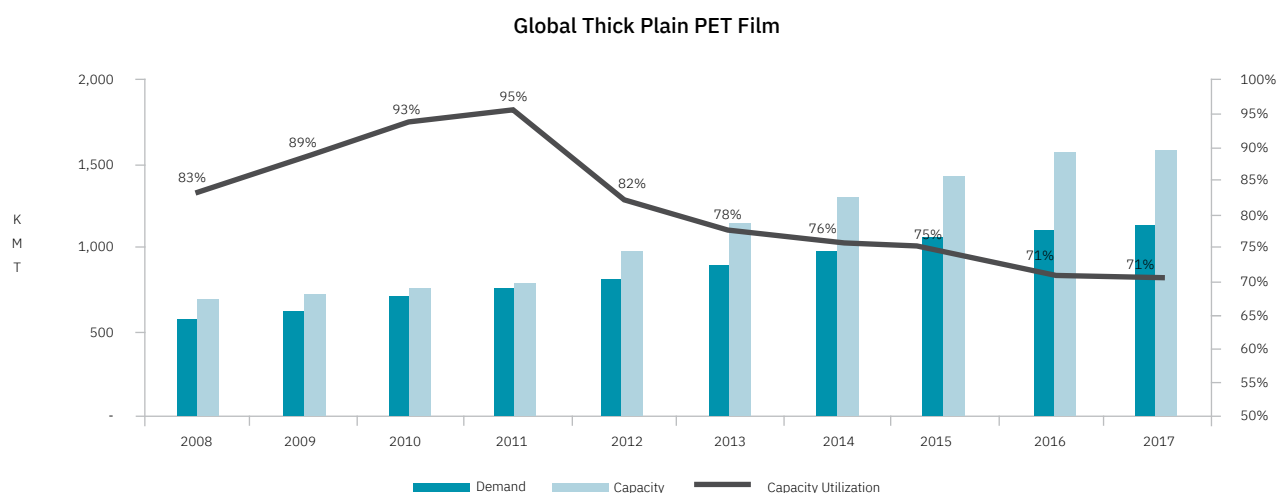


Global Thick PET Film capacity by Region



Source: Updated Company estimates

The trend in global capacity utilization for thick PET film is as under:



Source: Updated Company estimates

Up to 2011, global average demand increased at a CAGR of 8% whereas capacity increased at a CAGR of 5%, strengthening utilization rates. Since 2011, the increase in capacities was substantial at a CAGR of 16-17% whereas the demand increased only by 5-7%, resulting in excess supply and lower utilization levels.

Demand drivers for plastic films



Population growth



Urbanisation



Improved quality of life



Increasing environmental awareness



Increasing consumerism

Population growth: According to a UN report, the world population of 7.3 billion is expected to reach 8.5 billion by 2030, 9.7 billion in 2050 and 11.2 billion in 2100.

Urbanization: Urban population will continue to rise at nearly twice the pace of total population growth and it is projected that by 2050, about 66% of the world's population will be urban. About 90% of the continuing population growth and urbanization is expected to be concentrated in Asia and Africa.

Improved quality of life: With growing life expectancy and quest for quality, consumers are expected to move towards packaged product consumption.

Increasing environmental awareness: Owing to increasing global environmental awareness, PET films are gaining popularity owing to lower environmental impact (emitting lower greenhouse gases and lighter in weight).

Increasing consumerism: The income growth has led to an increase in global consumer spends, influencing in turn the PET film industry. The projected growth for 2030 suggests world per capita GDP growing to around USD 14,000 from USD 10,000 in 2016.

Indian flexible packaging market

India is one of the world's biggest and fastest growing flexible packaging markets. The thin PET film market size in India was estimated at around 433,000 tonnes for FY 2017-18. During FY 2018-19, growth of 10-12% is expected, with similar growth in the flexible packaging industry. The total current capacity of BOPET thin films in India is about 672,000 tonnes per annum with some of the surplus being exported. The Indian BOPP market in FY 2017-18 is estimated at about 400,000 tonnes per annum with a current capacity of 828,000 tonnes. Demand is expected to grow at around 11-13% annually.

BOPP and CPP films business

The BOPP film industry is driven by markets and areas of the world that historically were considered 'developing nations'. Similar dynamics were also seen in the CPP business. Growth in Asia (China and India) has been strong and expected to continue. These businesses are regional in nature and regional demand-supply balances are relevant. The long-term fundamentals of these businesses continue to be good.

Silicone coating and extrusion coating businesses

The silicone coating business produces release liner, which is used for carrying adhesive labels until these are removed from the release liner and are applied to the final surface. Applications of siliconized films include release liner for adhesive tapes, cast polymer materials, electronic applications, roofing and other industrial uses. Company has decided to invest in another coating line at Thailand in the existing premises to strengthen its product portfolio and to increase business in electronic release liner market segment. This new Coating line should be operational in Q1 FY 2019-20.

PTL had commissioned a Blown PP/PE line in October 2013. This new base film enabled better use of the silicone coating facility with a broadening of the product range (including the 'Peel & Stick' liner segment for the roofing market in North America and Europe). The second Blown PP line in Thailand has been successfully implemented which will help the Company to enter into new segments/new applications which the Company is currently unable to fully cater to due to capacity constraints.

The extrusion coating business involves a combination of PET/BOPP film with an extruded adhesive layer to produce thermal lamination film. Thermal lamination film is used for laminating printed documents on one/both sides to improve durability and aesthetics of the printed documents. The principal uses comprise teaching aids, maps, certificates, posters, menu cards, book covers, carton board boxes, reflective insulation and food packaging. PTL is successfully running both its extrusion coating lines and has expanded sales in markets beyond USA/EU.

Offline coating business

Polyplex has successfully commercialized various specialty offline coated products for both packaging and industrial segments. These include specialties like transparent barrier films, lidding films, digital print media, etc.

Digitization is rapidly growing in various application segments like labels, shrink sleeves, flexible packaging, graphics, etc. Polyplex has taken up various digital print media development programs to provide total solutions for graphics, display and packaging segments. These products are suitable for both dry toner and liquid inks. Applications of these media cover a wide range of photo books, greeting cards, business presentations, point-of-sale displays and colour proofing etc. The possibilities are endless.

Holography business

Polyplex has successfully commercialized holography film production film in India for printing application that provides protection from counterfeiting, fraud and brand protection besides hot stamping foil, label and packaging applications.

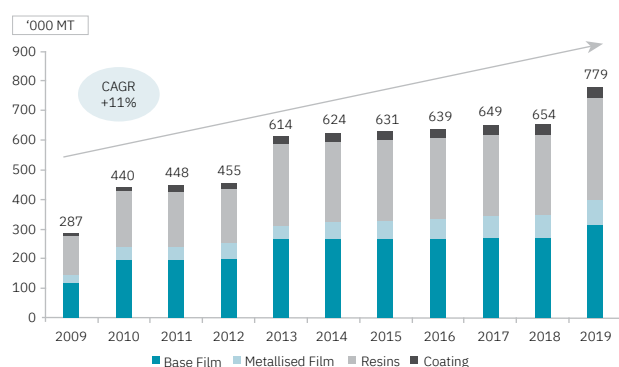
Strategy

Polyplex seeks to maximize long-term returns following a differentiated approach that responds proactively to business and environmental changes. The key elements of this strategy are as under:

- Manufacturing and distribution presence in key regional markets (India, Thailand, Turkey and USA and by 2019 in Indonesia) and distribution operations in two countries (China and the Netherlands). The warehouses in Poland, Spain, Germany, Mexico and Italy and liaison offices in Malaysia and Korea with Japan to be added in 2018 have strengthened our global delivery capabilities.
- Diversification has helped the Company to establish itself as a complete packaging substrate provider. The investments into CPP line, Thick PET film line and Blown PP lines in Thailand and BOPP line in India were steps in this direction.
- The Company accelerated investments in niche downstream products to exploit synergies, broad-base the portfolio and provide a scalable platform. The setting up of Extrusion Coating lines in Thailand, Silicone Coating lines in India and Thailand, Offline Coaters in Turkey for packaging and in India for the digital print media segment comprised such downstream investments.
- The ongoing investments in Holography machines and paper metallizing business in India will further provide opportunities for wider range of value added products.
- In order to increasing the sales of specialty film and reduction in wastage, modifications have been done and more upgrades are planned in existing manufacturing lines at India, Thailand and Turkey.
- The integrated manufacturing facilities complemented with high productivity assets enhance competitiveness
- Continuous improvements (productivity and cost optimization) were made through the use of rice husk boilers for heating instead of expensive furnace oil, packing and freight cost reductions, quality improvements and waste reduction and standardization of business processes, etc.
- Systems have been created and strengthened to enhance cross-learning and sharing best practices/benchmarking across various units and businesses of the Group to enhance efficiency and synergy.
- Technical services and new products are being developed by leveraging in-house R&D capabilities and experience.

- Focus on innovation and collaborative application development helps the Company become a preferred supplier/partner with several large multinational customers.
- A liquid and strong Balance Sheet enhances flexibility to address growth opportunities.
- A plant in Thailand helps recycling in-house and sourced plastic waste addressing growing concerns and for directional needs of our businesses.

This strategy has resulted in continuous growth (CAGR of 11% in capacity over the past 10 years).



Note:

- Coater capacities converted into MT based on current product mix.
- Figures for 2018 and 2019 includes proposed investments (which are under implementation) for Offline coater and Holography films in India, new offline silicon coating line in Thailand and PET Film line, Resin plant, Metallizer in Indonesia respectively.
- Figures have been restated & revised, wherever necessary for previous years.

Despite the challenging environment, the Company continues to identify growth avenues and is poised to enhance long-term shareholder value.

Business process excellence

To enhance our competitive advantage and differentiation, the Company has been continuously investing in Business Process Improvement and Excellence programs. A BPE (Business Process Excellence) team was formed to undertake several Group-level initiatives for optimizing costs in the areas of freight, packaging and inventory management, electrical and thermal energy consumption, indigenization of spares, CRM and customer complaint handling. The benefits from these BPE programs have been continuously accruing over the last 3-4 years and incremental benefits are expected in the future as well.

Projects

The following projects are under implementation:

- Greenfield PET Film project in Indonesia** – In order to capture growing demand of the local Indonesia market and to increase share in South East Asia market, the Company is constructing a new plant of 44,000 MT per annum which will be backward integrated with PET resin line of about 73,000 MT per annum and a metallizer of 6,000 MT per annum. It is expected to be commissioned in H1 FY 2019-20.
- New Saracote line in Thailand** – In order to enhance product portfolio and service the demand for new application and segments, the Company will set up a third siliconized coating line in Thailand with annual capacity of 50 million sqm. It is expected to be commissioned in Q4 FY 2018-19.

The second Blown PP line has been successfully implemented and commercial production has started in July'18. The new metallizer in the USA is also under final commissioning and expected to start-up within Q2 of FY 2018-19. The Offline Coater 2 in India is expected to start-up in Q3 FY 2018-19. The 3 Holography lines under implementation would be commissioned in a phased manner by Q1 of FY 2019-20.



Performance during the year

All discussion here is in the context of the consolidated performance of the Company.

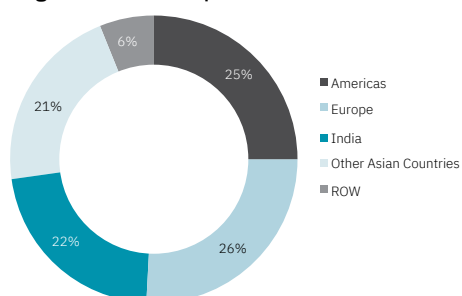
Sales and Operations

The Company has a large international presence with active sales in all major regional markets/countries with an extensive

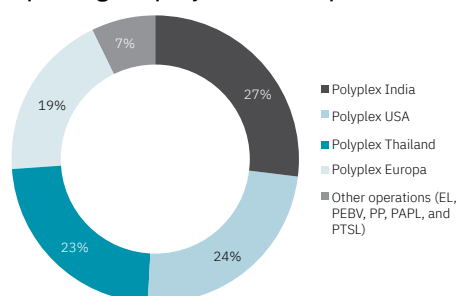
base of about 1,700 customers and low customer concentration. Its top-10 customers contributed 24% of revenues in FY 2017-18. Almost 66% of the Company's revenues were from PET films (Thin and Thick) in FY 2017-18. Of the total sales of the group, 62% was accounted by end-users leading to further diversification on risk.

The breakup of the Company's revenues from various regions, operating companies, business segments and applications is given below:

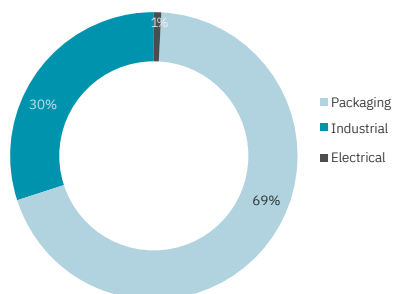
Region-wise breakup of sales



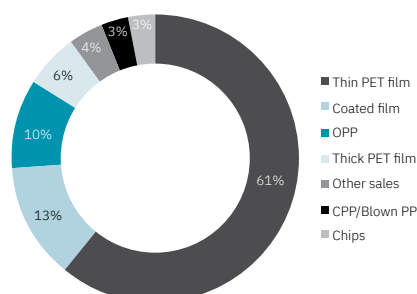
Operating company-wise breakup of sales



Application-wise breakup of sales



Business segment-wise breakup of sales

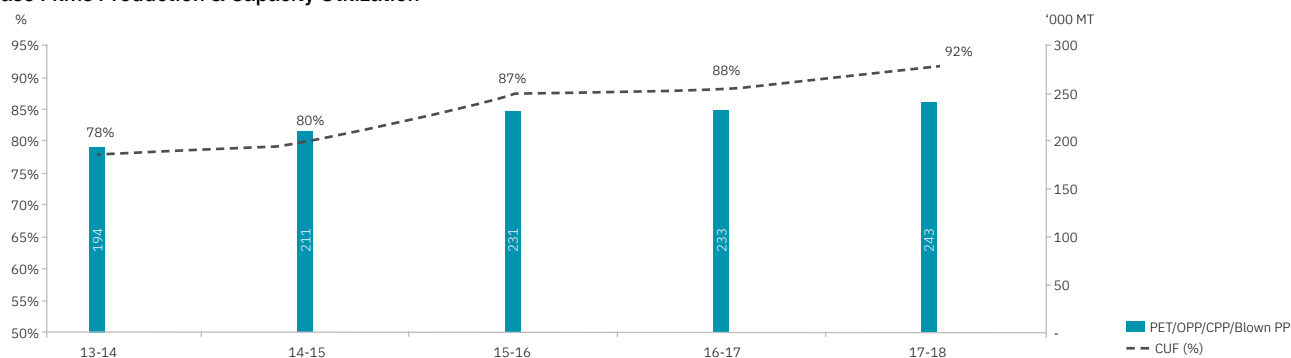


Note:

1. Other sales in the graph above comprise scrap sales and trading sales of non-manufactured products.
2. Other sales and Chips sales have not been considered in the application-wise breakup of sales

During the year under review, the capacity utilization for base films has increased. The trend in production and utilization levels for all base films (PET/OPP/CPP/Blown PP) in aggregate is as under:

Base Films Production & Capacity Utilization



Financial performance

A snapshot of the Income Statement for the last two years is given below:

Particulars	2017-18			2016-17			Change (YoY)
	(₹ in lacs)		% of total expenses	(₹ in lacs)		% of total expenses	
Sales & Other Income	361,651	100%		325,372	100%		
Manufacturing Expenses	246,400	68%	75%	223,493	69%	76%	11%
Operating and other Expenses	56,483	16%	17%	52,335	16%	18%	
Operational EBITDA	58,768	16%		49,544	15%		
Foreign exchange fluctuation loss/(gain)#	4,934	1%	1%	(6,805)	(2%)	(2%)	19%
EBITDA	53,834	15%		56,349	17%		
Interest & Finance Charges	3,943	1%	1%	4,702	1%	2%	(4%)
Depreciation and Amortization	18,501	5%	6%	19,663	6%	7%	
Income before Income Tax	31,390	9%		31,984	10%		
Exception Gain/ (Loss)	-	0%		5,628	2%		(2%)
Provision for Income Tax	2,978	1%		1,473	0%		
Net Income (Before Minority Interest)	28,412	8%		36,139	11%		
Minority Interest	12,456	3%		12,968	4%		(21%)
Net Income (After Minority Interest)	15,946	4%		23,171	7%		(31%)

Unrealized portion of foreign exchange loss/(gain) on foreign currency long term loan

FY 2017-18 was the first year for the Company for the implementation of IND-AS. Accordingly the numbers for the previous year has been regrouped/ recast to align with the new accounting standards.

During the year under review, the sales and other income has increased by 11% due to increase in capacity utilization both in PET as well as BOPP film business and increase in sales realization.

There is increase in operational EBITDA by 19%. This was mainly on account of higher sales volume and improved value addition as compare to previous year. However reported EBITDA is lower by 4% mainly due to unrealized foreign exchange fluctuation loss amounting to ₹ 4,934 lacs during the current year, in comparison to unrealized foreign exchange fluctuation gain of ₹ 6,805 lacs during the previous year.

This was on account of foreign exchange rate difference arising as a result of restatement of long-term foreign currency loans charged to the Profit and Loss account as per applicable accounting regulations.

During the previous year, there was an exceptional gain arising from partial stake sale in Polyplex (Thailand) Public Company Limited, Thailand (PTL) held by Polyplex (Asia) Pte. Limited, Singapore.

Sales and other income

	2017-18	2016-17	Change
	(₹ in lacs)	(₹ in lacs)	(YoY)
Sales	355,118	317,970	12%
Other Income	6,533	7,402	(12%)
Total	361,651	325,372	11%

An increase in topline during the year under review was mainly due to increase in sales volume of the base films and higher selling price of PET Films. This was partially offset by a decline in sales prices of OPP Films.

Other incomes during the previous year were on higher side due to operational forex gains. Other income also included interest income generated through deployment of surplus cash in low-risk market instruments and fixed deposits.

The break-up of sales and operational income reveals that 66% of the overall revenues are derived from thin/thick PET films (65% in FY 2016-17), 3% from PET chips (2% in FY 2016-17), 13% from coating business (13% in FY 2016-17), 10% from BOPP films (12% in FY 2016-17) and 7% from CPP films/Blown films/other sales (8% in FY 2016-17).

Manufacturing expenses

	2017-18	2016-17	Change
	(₹ in lacs)	(₹ in lacs)	(YoY)
Raw Materials Consumed (Incl. Stock Accretion/ Decretion)	201,523	181,074	11%
Power & Fuel	20,570	19,196	7%
Packing Material Consumed	13,448	12,489	8%
Stores & Spares Consumed	7,682	7,821	(2%)
Repairs and Maintenance	3,177	2,913	9%
Total Manufacturing Expenses	246,400	223,493	10%
as a % of Sales and Other Income	68%	67%	

Manufacturing expenses increased by 10% in absolute terms due to increase in raw material consumption on account of higher sales volume and increase in raw material prices. Further,

power and fuel costs and packing cost increased due to higher sales volume. Repair & maintenance costs have increased due to uneven expenses arising from scheduled repair and maintenance activity.

Operating and other expenses

	2017-18 (₹ in lacs)	2016-17 (₹ in lacs)	Change (YoY)
Personnel Expenses	30,324	29,349	3%
Administrative Expenses	8,945	8,309	8%
Selling Expenses	17,133	14,420	19%
Other Expenses	81	257	(69%)
Total Operating and other Expenses	56,483	52,334	8%
as a % of Sales and Other Income	16%	16%	

Operating and other expenses in absolute term have increased by 8%. Operating and other expenses like personal expenses, selling expenses and administrative expenses are marginally higher reflecting the impact of inflation and increase in sales volume.

Interest and finance charges

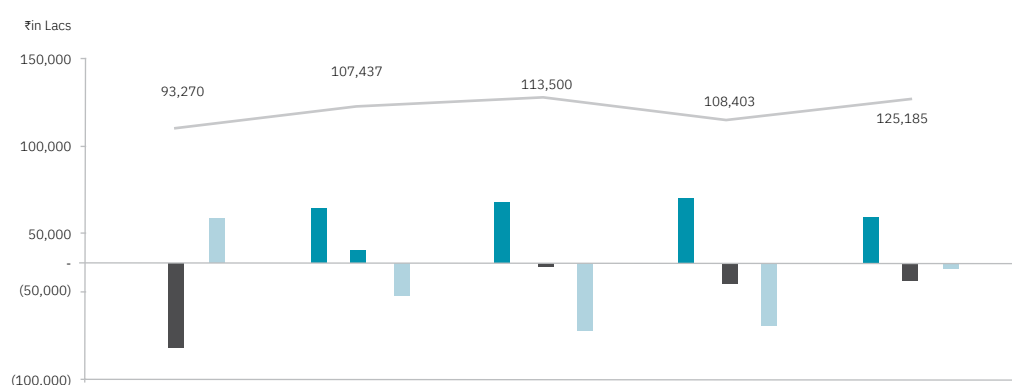
	2017-18 (₹ in lacs)	2016-17 (₹ in lacs)	Change (YoY)
Interest Expense	2,918	3,506	(17%)
Bank & Other Financial Charges	1,025	1,195	(14%)
Total Interest and Finance Charges	3,943	4,702	(16%)
as a % of Sales and Other Income	1.10%	1.40%	

Financial expenses are lower than the previous year due to repayment / prepayment of term loans during the year under review, which is partly off-set by higher working capital interest due to increase in working capital borrowing.

Liquidity and capital resources

The Company ensures access to sufficient funding at acceptable costs to meet its business needs and financial obligations through business cycles. The Company relies on cash from operations and short-term/long-term debt for meeting its requirements. It continues to maintain adequate liquidity for its operations with a close watch on the debt service and leveraging ratios. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments aggregated to more than ₹ 154,718 lacs (including unutilized working capital limits of ₹ 29,533 lacs) as at the end of the reporting period.

Cash flows for the last five financial years



	FY (2013-14)	FY (2014-15)	FY (2015-16)	FY (2016-17)	FY (2017-18)
Net Cash flow from Operating activities	11,353	37,601	41,404	44,120	30,750
Net Cash flow from Investing activities	(57,696)	8,433	(2,044)	(14,390)	(12,635)
Net Cash flow from Financing activities	31,060	(23,431)	(47,299)	(43,578)	(4,176)
Total Cash & Bank Balance including investment at the end of the year #	93,270	107,437	113,500	108,403	125,185

Net Cash flow from Operating activities
Net Cash flow from Investing activities

Net Cash flow from Financing activities
Total Cash & Bank Balance including investment at the end of the year #

Cash & Bank balance include fixed deposits with maturity more than 12 months

Details of Cash & Bank Balance Including Investments at the end of year:

Particulars	(₹ in Lacs)	
	As at March 31, 2018	As at March 31, 2018
Cash & Bank Balances	18,374	6,391
Fixed Deposits with Banks	93,463	92,038
Investment in Bonds	13,255	9,847
Liquid Investment	94	128
Total	125,185	108,403

Cash flow from operations

For the year under review, cash-flow from operating activities (before change in working capital) has increased to ₹ 55,934 lacs as compared to ₹ 47,115 lacs in previous year mainly due to expanded scale of operations and higher margin. However during the year, on account of significant increase in net working capital invested in business, (Inventories, trade receivable, and other assets), cash-flow from operating activities (after change in working capital) is lower at ₹ 30,705 lacs.

Cash flow from investing activities

The cash generated was used in investment in fixed assets to the tune of ₹ 13,755 lacs in FY 2017-18 (₹ 6,629 lacs in FY 2016-17), mainly towards capital advance for new project at Indonesia and multiple smaller investments in various locations.

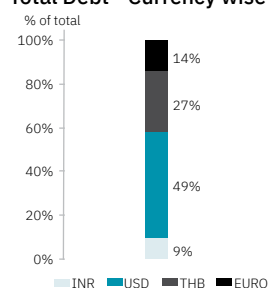
Cash flow from financing activities

During the year a net amount of ₹ 7,740 lacs was borrowed (after accounting for repaid / prepaid borrowings) against long-term and short-term debt (₹ 44,924 lacs net repaid / prepaid in FY 2016-17). Interest paid during the year was ₹ 4,014 lacs (₹ 4,746 lacs in FY 2016-17). The Company paid dividend of ₹ 7,902 lacs in FY 2017-18 (₹ 1,891 lacs in FY 2016-17).

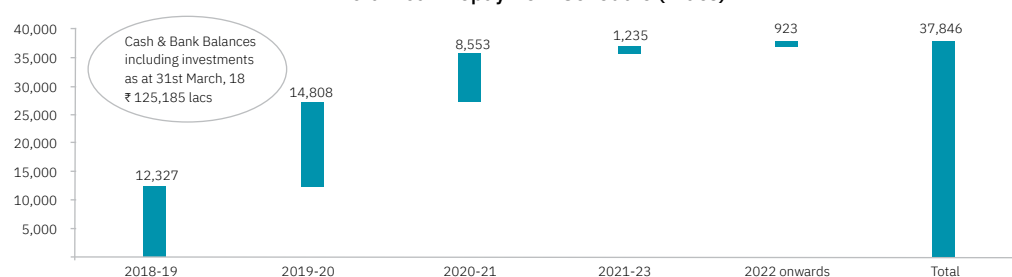
Debt profile

Total debt as on March 31, 2018 is ₹ 86,234 lacs, an increase of ₹ 4,989 lacs over the previous year (₹ 81,245 lacs). This is mainly due to the increase in working capital borrowing which has been partially set off on account of net payment/pre-payment of long term debt.

Total Debt - Currency wise



Total Loan Repayment Schedule (₹ lacs)



Sustainability

Polyplex is committed towards sustainability and aims to be a total packaging substrate solution provider for its customers while developing products with minimal environmental impact and providing the highest standards of health and safety to the workforce. As an organisation, the Company continually strives to:

- Improve production and operational efficiencies to ensure optimal consumption of resources like electricity, water and raw materials.
- Limiting the impact on the environment by reducing emission levels of industrial waste and effluents.
- Improve safety and health standards by continuously improving working conditions, minimising workplace hazards and raising awareness through involvement, participation and continuous training of the shopfloor workforce.
- Engage with stakeholders to promote sustainable business practices.

Polyplex has undertaken the following decisive initiatives in the realm of environmental conservation:

- Operationalized latest technologies to save power across plant locations which resulted in substantial improvements in terms of energy efficiency.
- Through its R&D initiatives, Polyplex has promoted the use of bio-based renewable raw materials and energy sources for the manufacture of polyester films.
- Dedicated recycling unit in Thailand which provides sustainable solutions for plain and coated film waste.
- Reduced waste generation through the re-use of process trims.
- Reduced greenhouse gas generation by using husk-fired heaters at its Indian facilities.
- Switched to LED lighting across plants.

The Company has been following best practices relating to the environment, health and safety and has been diligently following the guidelines that have been set out as per the following certifications:

Management System Standards		PCL-Khatima	PCL-Bajpur	PCL-Thailand	PE-Turkey	PU-USA
ISO 9001:2008	Quality Management System	Certified since 1996	Certified since 2010	Certified since 2004	Certified since 2006	implemented, Certification by Aug 2018
ISO 14001:2004	Environment Management System	Certified since 2002	Certified since 2010	Certified since 2004	Certified since 2009	
OHSAS 18001:2007	Occupational Health and Safety Management System	Certified since 2004	Certified since 2012	Certified since 2008	Certified since 2009	
ISO 22000:2005	Food Safety Management System	Certified since 2008	Certified since 2012	Certified since 2009	NA	Under implementation
BRC-IOP	Food Safety Management System	NA	NA	NA	Certified since 2006	Under implementation
ISO 50001:2011	Energy Management System	Certified since 2013	Certified since 2013	Under implementation, Certification by Oct 2018	Certified since 2014	Under implementation



Corporate social responsibility



Corporate social responsibility has been an important part of the mission of the Company. The Company has been undertaking various initiatives to help the communities in areas adjoining to its plants and improve the quality of life of its employees.

At its Khatima plant, the Company has been running a school for the past two decades. The school provides over 1,600 students with best-in-class educational facilities. Under a PPP model at Bazpur and Khatima, Polyplex has adopted two local schools and provides them with the necessary infrastructure. Polyplex also offers a slew of sports and educational sponsorships as well as full scholarships to the school-going children of deceased employees. Polyplex promotes religious harmony through its even-handed support to local religious activities and celebrations. Polyplex has also contributed to the Rekhta Foundation, which is a non-profit organisation established to promote and disseminate Urdu literature. In line with the requirements of Companies Act, 2013, the Company has also constituted a CSR Committee with a keen emphasis on delivering a positive impact across social, economic and environmental parameters. A detailed report on CSR expenditure is provided in the Directors' Report section.

Innovation

Polyplex's innovation center has adopted a 'lean innovation model' in order to create enduring value for customers. It aims to provide more than a new product or a substrate. Polyplex's innovation center has introduced value-added products in several areas through a well-defined customer engagement

process to align innovations with customer requirements. The Company also focuses on developing applications and replacing existing products with alternative solutions.

- **Commitment to open innovation:** Polyplex leverages the concept of co-creation while working on various innovation programmes with its stakeholders – customers, brand owners, packaging designers, suppliers and adhesive manufacturers. On the basis of this, it classifies customer engagement initiatives as V+ (value plus), W2 (win-win) and P1 (power of one).
- **Product and application development programmes:** The purpose of this programme is to continuously come up with differentiated products and applications. Innovation in this area is mainly based on developing new functional surfaces and properties for PET and PP-based products based on future needs of customers.

The Company offers innovative solutions to its partners. Consequently, the Company has successfully adopted the 3R (reduce, reuse and recycle) concept while coming up with new-age packaging substrate solutions. It has taken various initiatives to recycle waste, save energy and use clean technology to reassert its environmental commitment and continually strives to manufacture sustainable products which can gain global acceptance, for example green candy wraps, direct digital printable films, transparent chlorine-free high-barrier films, UV printable carton lamination films, shrink sleeve wraps and label films, etc.

The Company has been consistently introducing specialty products with various innovative applications and uses. Recent examples include films for back sheets of solar panels, thick films for electrical and electronic appliances, easy-to-tear packaging films for food and cosmetics, foldable films for medical and industrial uses, high-barrier high-adhesion films for metallic surfaces, transparent barrier films for food packaging, specialty-coated PET films and films for print media suitable for digital printable and UV inks, among others.

The Company has come up with several projects focusing on CO₂ footprint reduction. Digital printing offers high-quality graphics without the usage of solvents unlike conventional printing techniques such as Flexo and Rotogravure. With a lot of technologies available for digital printing itself, Polyplex has been able to develop products for most segments suitable for different digital technologies such as inkjet, dry toner, liquid electro-photography, etc.

Another project focused on sustainability was an attempt to convert general packaging laminate structures from 3 layers to 2 layers, which basically contributes to both source reduction as well as CO₂ footprint reduction. With this idea in mind, Company now has a high barrier PE which is successfully being used in shampoo and detergent packaging where it essentially converted a 3 layer structure to 2 layers.

Today, consumers have become highly demanding and are looking for more and more convenience features in packaging formats. “Reclosability”, “Easy to tear” and “Save for later” have become regular concepts in the packaging market.

- ‘Easy and Straight’ tear PET film has facilitated customer convenience through easy opening of pouches.
- “Twist N Wrap” is one such development which is seen on the market shelves for leading chocolate brands in India. The concept of “Twist N Wrap” is seen as the most innovative and important feature and Polyplex’s innovation has made it possible to bring it to the consumer. Apart from this, the above-mentioned innovation has made possible the conversion from a 3 layer laminate to a 2 layer laminate structure.
- The Company is also working actively on nylon film replacement project with its Thermo-formable grades.
- The Company has also come up with specialty coated products for aesthetically pleasing packaging structures. They are targeted to impart a more natural and paper-like look for a soft and subtle appearance.

With the current discussions around sustainability, Company has dedicated enough resources solely for the development of environment friendly alternatives. PCR PET with more than 30% recyclable content is one such development.

The Company has already Biodegradable PET in the product portfolio and currently there is a lot of work going on for developing Biodegradable sealant layer options as well such

as Blown PE/PP and CPP. The Company intends to work in collaboration with adhesive manufacturers and converters in order to develop a fully biodegradable bilayer laminate which will be intended for use in Packaging applications.

The Company has been consistently working on developing mono-polymer structures for packaging applications. With polymeric modifications we were able to develop Heat Sealable PET films with high seal strength of upto 2kg/25mm. Such films are instrumental in designing mono-polymer PET laminates where PET films can also be used as sealant layers.

Human resources

Polyplex Group employs approximately 1,900 people across the globe with another 175 employees expected to be added once the new green field expansion in Indonesia is commissioned next year.

The Company closely monitors employee performance and accordingly creates career progression paths. Greater emphasis has been given to institutionalize Performance Management System (PMS) across the hierarchy.

The Company continues to employ students from various premier institutions of the country. This initiative, over the last five years, has helped young engineers and management professionals take up middle level leadership positions. Under this program, key executives are given direct exposure through structured role change for faster and all-round growth. This has helped in improving the available talent pipeline and employee retention. The new upcoming operation in Indonesia will give opportunity to optimally spread manpower cost and give opportunity of professional growth to employees from within.

Care is one of the four core values of Polyplex’s value system. Polyplex believes in holistic development of our employees. Many programs have been conducted across the Company for physical, emotional, intellectual and spiritual development of employees.

Employee engagement and employee welfare schemes continue to play its pivotal role in improving employee bonding. Polyplex has more than 50 structured and institutionalized employee engagement/welfare schemes covering employees at all plants and head office.

In order to appreciate the contribution of long serving employees, following initiatives have been taken during last financial year:

- Direct family members of employees are given opportunity of employment
- Employees at operating level are given growth to play larger role at the plants

Information technology

During the year under review, the Company continued to implement IT enablement initiatives for improving and optimizing processes. Deployment of a new application platform to replace

existing standalone business application has been completed in one unit and roll out is under progress in other location.

The focus is on effecting improvements in tools deployed to empower marketing and technical service teams, expanding coverage of web-based training and development portal for employees to improve their knowledge and skills in the areas relevant for their operations.

The Company continues to invest in upgradation of older networks and infrastructure components to contemporary standards. In order to provide better infrastructure for service applications like email and HRIS (human resources information system) – an employee self-service portal, Company is using hybrid cloud platforms.

Internal control systems and their adequacy

The Company believes that internal control is an essential element for Corporate Governance. It remains committed in ensuring an effective internal control environment that provides assurance to the Board of Directors, Audit Committee and the management that there is a structured system for:

- Active and close supervision by audit committee
- Ensuring statutory compliance framework and its effectiveness
- Evaluating and managing risks on the basis of pre-defined risk control matrix as per Internal Financial Control (IFC) guidelines
- Review of business plans and goals
- Safeguarding the Company's assets against unauthorized usage
- Prevention and detection of fraud and error
- Compliance of policies and delegation of authority
- Validation of IT security controls
- Timely preparation of reliable financial statements/information

The Company has an overall framework for managing risks in terms of its Enterprise Risk Management (ERM) policy. Inter-related control systems covering all financial and operating functions assure the fulfillment of these objectives.

Significant features of these control systems include:

- the organization planning system that ensures drawing up of challenging goals and formulation of detailed plans for achieving these goals.
- the risk assessment system that accounts for all likely threats to the achievement of the plans, and draws up contingency plans to mitigate all kinds of risks.
- Internal review mechanism that tracks the progress of the plan and ensure that timely remedial actions are taken, to minimize deviations from the plan.

The internal auditor reports are reviewed and discussed in Audit Committee and Board meetings on a quarterly basis. Besides, the Company uses Enterprise Resource Planning (ERP) which is supported by in-built IT controls on all major business processes that ensure reliable and timely financial reporting. The Company continuously upgrades its internal control system by measures such as strengthening of IT infrastructure and use of external management assurance services. Moreover, company-wide adherence to best practices is achieved through a combination of internal audits, management reviews and Audit Committee interventions.

Outlook and planned investments

The demand supply situation in global PET thin & thick film market has improved during the year and which is expected to further balance out in the near term. However, as some of the new capacities have been underperforming since being commissioned, it is expected that the pace of new investments will slow down over the next couple of years. The demand growth is expected to remain strong. The Company believes that its well-distributed manufacturing operations, diversified value-added product portfolio, quality consistency, international customer base, efficient supply chain and a conservative Balance Sheet has allowed it to grow profitably and withstand industry volatilities better.

Risk management

Polyplex's integrated risk management approach comprises compliance with prudential norms, structured reporting and effective controls. A combination of centrally-issued policies and locally-sensitized procedures has helped enhance process robustness, ensuring that business risks are effectively addressed.

Competition and business cycle risk

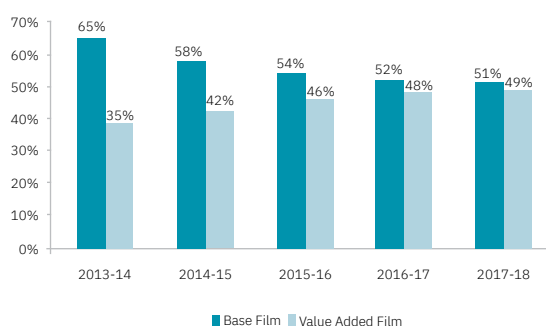
The industry margins in PET films hinge on the difference between PET film prices and raw material (PTA and MEG) prices. Whenever the demand-supply balance favours the suppliers, the gap between PET film and raw material prices widen and encourages manufacturers to increase production by expanding capacities. On the contrary, if PET film supply exceeds market demand, prices drop, thereby narrowing the gap between the film and raw material prices. This cyclical nature inevitably affects every sectoral player. Post the FY 2010-11 aberration, a lot of capacity addition took place in the PET film industry. This skewed the demand-supply scenario and impacted margins. However, the oversupply situation has improved in last year, with the slowdown in capacity additions and with demand growth catching up with existing oversupply.

Risk mitigation

The Company's business model is designed to moderate volatility in earnings and build long-term competitiveness. Its multi-locational manufacturing assets lend it the ability to

service key regional markets while minimizing logistics costs. A well-distributed manufacturing presence and diversified product portfolio provides better access to global markets and allows it to maintain a more balanced sales profile across regions, products, customers and currencies. Over the past five years, the Company's share of value-added films in the total film sales turnover has increased from 35% in FY 2013-14 to 49% in FY 2017-18. Value-added films comprise those product types which are a specialty either from the production/process perspective or from the margin perspective or both. Based on this criterion, the value-added films' share in the previous years has been recomputed.

Share in Film Sales Turnover



Price volatility risk

The basic raw material for production of PET film is PET resin, which in turn is produced from PTA and MEG. The cost of resin is the single-largest component of the total production costs. Hence, any adverse fluctuations in the cost of PET resin can impact the Company's operating margins depending upon the Company's ability to pass on cost increases to its customers. As selling prices are usually negotiated on a monthly/quarterly basis, in a balanced demand supply situation, the Company is able to adjust the selling prices following any changes in PET resin costs.

The oversupply in the Polyester film industry witnessed in the past has seen improvement in 2017-18 with the demand growth

continuing to catch up with the oversupply and no further major capacity addition. The increase in the crude prices in the recent past has impacted our raw material prices and the margins were squeezed for certain periods in between due to the time lag in adjusting the selling prices. Stability of crude oil at any particular level will help in improving business sentiment and enable all players along the entire supply chain, in overcoming uncertainty caused by crude oil volatility.

Although the raw material prices have increased but the impact has been passed on the customer due to improved demand supply situation. Analysis of historical data shows strong links between PTA/MEG and polyester film prices.

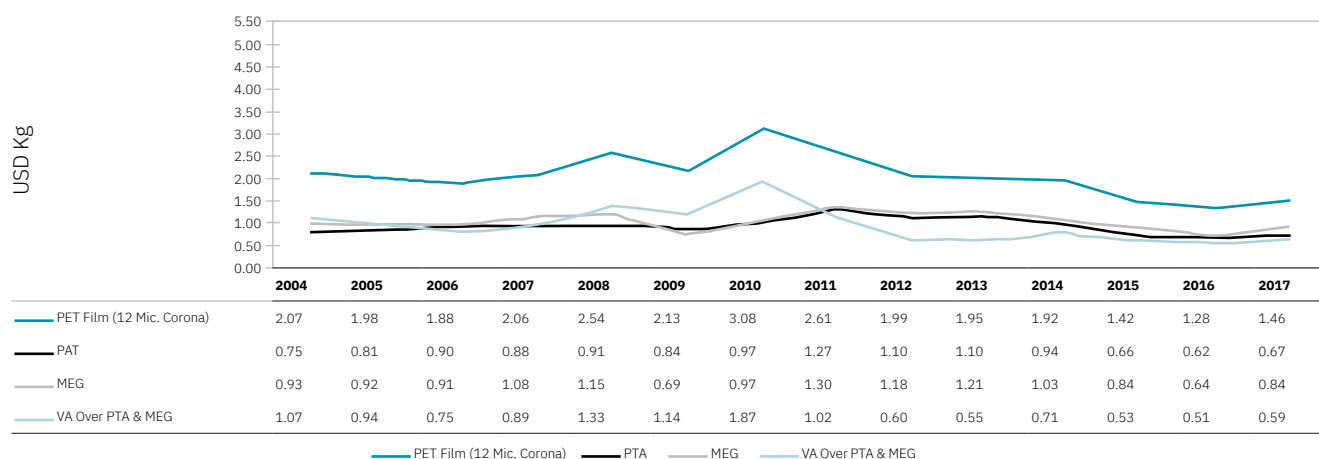
Risk mitigation

The Company monitors global and local input price trends carefully and determines its procurement plans accordingly. Moreover, unpredictable price movements of raw materials affect all industry participants and thus does not put Polyplex in a materially advantageous or disadvantageous position vis-à-vis its competitors. The prices of downstream products like silicone-coating, extrusion-coating and other specialty films are less susceptible to changes in raw material prices and thus reduce the Company's vulnerability in the face of volatile resin costs.

Trade defense risk

International trade in PET film has been subject to trade defense measures for more than two decades through the imposition of anti-dumping duties and countervailing duties. Anti-dumping duty can be imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of similar products in the countries of the exporters. The important markets adopting this measure are the EU, the US and Brazil. Countervailing duties are tariffs levied on imported products to offset the impact of subsidies applicable for exporters in those nations. Such tariff measures increase prices of imported products, usually rendering exporters uncompetitive

PET Film- PAT - MEG Price Trend (Far East)



Risk mitigation

A summary of the AD/CVD duties applicable in the major export markets for PET Films are as under:

Country of Import	Polyplex Duty(AD+CVD)	Other India Producer Duty Rates (AD+CVD)(Min-Max)	Other Countries on whom AD/CVD applicable	Other Countries Duty rates (AD+CVD) except Polyplex Group (Min-Max)
USA	9.09%(PCL)	7.47%-65.59%	China Taiwan Brazil UAE	31.24%-76.72% 1.34%-4.48% 28.72%-44.36% 4.05%-18.90%
Brazil	259.79(\$/Mt)(PCL) 67.44(\$/Mt) (PE)	222.15(\$/Mt)-938.35(\$/Mt)	Turkey UAE Mexico Egypt China	646.12(\$/Mt) 436.78(\$/Mt)-576.32(\$/Mt) 1013.98(\$/Mt) 419.45(\$/Mt)-483.83(\$/Mt) 946.36(\$/Mt)
Korea	12.92%(PCL) 3.67%PTL)	12.92%	Japan Thailand Taiwan UAE China	5.95% 3.68%-3.71% 8.68% 7.98%-60.95% 7.42%-12.92%
Indonesia	8.5%(PCL) 2.20%(PTL)	4.00%-8.50%	China Thailand	2.60%-10.60% 5.40%-7.10%
Turkey	21.61%(PCL)	4.25%-21.61%		

The Company undertakes all safeguards to insulate itself against risks arising out of anti-dumping actions and other trade barriers imposed by importing countries. A well-diversified manufacturing presence and an end-to-end product portfolio also helps mitigate fallouts emanating from such actions.

Liquidity and solvency risk

Liquidity implies the ability to meet debt obligations and finance future investments. A less than optimal debt-equity ratio could limit the investment capacity of a corporate. Generally, if the cost of debt is lower than the return on investments, by increasing the financial leverage, a corporate can enhance return on equity. However, since there is an obligation to make fixed interest and principal repayments, volatile cash flows could strain the liquidity of a corporate. Also, higher debts could limit the ability to finance further investments.

Risk mitigation

The Company has sufficient cash reserves exceeding the level of debt. Cash and equivalents together with undrawn credit lines

(excluding project financing) and liquid investments (current and non-current) aggregated to more than ₹ 154,718 lacs. Free cash flows along with large unutilized credit lines available at Polyplex's disposal are expected to be quite adequate to deal with unforeseen contingencies.

Exchange rate and interest rate risk

These risks arise on account of unanticipated changes in exchange rates. As the Company deals in multiple currencies due to its operations across different locations, the Company is exposed to risks on account of currency mismatches. Interest rate risk is the risk borne by interest bearing debt and investments due to variability in interest rates. In case of financing done at floating rates, as the interest rates change, cost of borrowing also changes, thus impacting cash flows.

Risk mitigation

Since the currency markets are highly volatile, the Company minimizes such risks by adopting a consistent hedging strategy. A natural hedge is created by choosing the right currencies for taking loans. Thus, the Company fixes the currency of the liability in order to match with the currency of operational surplus. The remaining mismatched exposures are optimized by the Company by carefully identifying, measuring, monitoring and hedging the net exposures by using simple instruments like forwards with a 3 month rolling time horizon. This ensures that the maximum potential loss remains within defined limits. As there is a natural hedge available for all long-term borrowings, the Company does not cover the exchange rate risk on these liabilities. Therefore, the foreign exchange translation gain/ loss on these liabilities, as reported in the financial statements, may not have a corresponding impact on the cash flows of the Company as the payments for these loans are met via future receivables in the same currency. The forex risk is managed on a standalone basis as cash flows are not freely transferable between Group entities.

The currencies used for external borrowing by the Company are US Dollar, Euro, INR and Thai Baht. As the Company is net US Dollar surplus, the maximum external borrowings are in US Dollars (49% of the debt profile). This is followed by borrowings in Euros (14%) and the balance in INR and THB. Any spike in the US Dollar value has a negative impact on loan liabilities but with majority of the Company's exports being Dollar denominated, the impact on the Company's cash flow is minimized. Apart from this, there are related party borrowings too which are in Euros. Hence, there is a significant impact of Euro movement in terms of foreign exchange reinstatement gain/loss as reported in the financial statements, which is partially hedged through Euro-denominated exports.

There are various reasons for interest rate changes like economic growth, inflation expectations and unemployment, among others. All these factors are external and uncontrollable. In order to have a more balanced loan portfolio and taking into account the cost benefit analysis, the Company had shifted some of its floating rate debt to fixed rate through interest rate swaps.

Credit risk

Credit risk refers to the risk of non-payment by debtors. This risk increases in case of unsecured or open payment terms.

Risk mitigation

The Company has a well-defined and robust internal credit management system to monitor unsecured sales. The Company also has a global credit insurance cover to secure non-payment risks of customers. During FY 2017-18, the Company had 1700 customers and 24% of the total revenues were contributed by the top-10 customers. A strong internal credit risk management framework and credit insurance policy has enabled Polyplex to manage credit risks prudently. The average credit period during FY 2017-18 stood at 56 days as compared to 53 days in FY 2016-17.

Project implementation risk

Any delay in implementation, cost overrun, inability to stabilize production from the new investment and failure to meet the target investment objectives may significantly affect future profitability. Although the Company takes into consideration various regulatory aspects at the project feasibility stage, subsequent changes during the implementation phase may lead to project delays.

Risk mitigation

The risks are mitigated by forming a dedicated project management team, corporate management oversight, management commitment and suitable protection clauses in contractual arrangements and appropriate insurance products.

Geographic risk

An overt dependence on a particular geography may not bode well for the Company.

Risk mitigation

The installed capacity of base films as well as downstream units is quite evenly spread out among the four manufacturing country locations of India, Thailand, Turkey and the US. The new investment in Indonesia for PET Film line further mitigates geographical risk.

Though some political and economic problems have been faced in Thailand and Turkey from time to time, there has not any significant effect on business activities. In the event the ongoing problems in Turkey escalate, the impact is expected to be limited in the short term arising from a high export orientation, domestic sales being invoiced in Euro and other mitigating steps undertaken. However, no adverse long-term impact is envisaged.

Regulatory risk

Regulatory compliance is a key consideration for the PET industry. In order to ensure the safety of food that is packaged and consumed, extensive regulations have been put in place by various regulatory bodies like the USFDA, the EEC, among others.

Risk mitigation

The Company stringently conforms to the relevant FDA and EEC directives for food packaging applications.

Environmental and sustainability risk

The Indian packaging industry is prone to certain environmental and sustainability risks. Government notified latest updates with Plastic Waste Management Rules 2016 and Solid Waste Management Rules 2016 defining responsibilities and action plan which was extended to municipal authorities, manufacturers,

dealers and brand owners. Amendments to these rules made in March 2018 relaxed the regulations on usage of multilayer plastics factoring lack of alternatives. Several states have also come up with directives on limiting the usage of plastics in packaging, these are broadly not applicable to multilayer plastics for flexible packaging.

The current legislative framework has clarified that every producer or brand owner shall be responsible for safe disposal of plastic waste generated either in their premises or through post-consumer packaging material. They will have to register themselves with concerned authorities like SPCB/ CPCB and their agencies who will be disposing of above material.

At Global level also, there are increasing concerns on the usage of plastics in general especially to low rates of recycling of post-consumer waste and lack of efficient collection and sorting systems.

Risk mitigation

Flexible packaging is environment friendly compared to traditional rigid forms of packaging owing to its lower carbon footprint, light weight and lower requirement of landfill. The amendment to the Plastic Waste Management Rules in India has

significantly diluted the threat to multilayer flexible packaging as it defines recyclability by inclusion of other alternative usages like waste to energy as well as road construction, etc. There is increasing recognition among policy makers and other stakeholders that the functional properties of flexible packaging are unmatched and alternative options are not suitable. The Company continues to monitor the developments on this front and will consider additional mitigating steps when necessary. In any case, the multi country manufacturing and sales base of the Company reduce the extent of risk of any adverse development in any country / region.

Cautionary statement

This report contains forward-looking statements which may be identified by their use of words like 'plans,' 'expects,' 'will,' 'anticipates,' 'intends,' 'projects,' 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.



Directors' Report

Your Directors have pleasure in submitting the Thirty-third Annual Report together with Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2018.

Financial Highlights and Operations

During the year working results of the Company were as under:

a) Standalone Working Results

(₹ in Lacs)		
Particulars	2017-18	2016-17
Total Income (Net of Excise Duty)	115,265.77	99,376.02
Profit before Finance Cost, Depreciation and Amortization and Tax and Exceptional Items	14,270.54	12,721.05
Less : Finance Costs	1,584.34	1,903.15
Less : Depreciation and Amortization	4,750.96	5,277.47
Profit before Tax and Exceptional Item	7,935.24	5,540.43
Less: Exceptional Item – (Gain)/ Loss	0	0
Profit before tax but after exceptional item	7,935.24	5,540.43
Less/(Add):Tax expense and prior period adjustment	2,045.48	967.97
Profit after Tax (PAT)	5,889.76	4,572.46
Other Comprehensive Income	24.41	-24.78
Total Comprehensive Income for the period	5,914.17	4,547.68
Appropriations:		
Transfer to General Reserve	100.00	100.00
Interim Dividend paid during the year	1,599.23	959.54
Second Interim Dividend (Special)	9,595.38	0
Final Dividend Proposed	1,599.23	1,279.38

b) Consolidated Working Results:

(₹ in Lacs)		
Particulars	2017-18	2016-17
Total Income (Net of Excise Duty)	361,650.93	332,176.63
Profit before Finance Cost, Depreciation and Amortization and Tax and Exceptional Items	53,833.82	56,348.06
Less : Finance Costs	3,943.16	4,701.66
Less : Depreciation and Amortization	18,501.03	19,662.61
Profit before Tax and Exceptional Item	31,389.63	31,983.79
Less: Exceptional Item – (Gain)/ Loss	0	-5,627.95
Profit before tax but after exceptional item	31,389.63	37,611.74
Less/(Add):Tax expense and prior period adjustment	2,977.91	1,473.09
Profit after Tax (PAT)	28,411.72	36,138.65
Other Comprehensive Income	22,835.86	-13,549.98
Total Comprehensive Income	51,247.58	22,588.67
Total Comprehensive Income attributable to owner of the parent	27,464.67	14,735.19
Total Comprehensive Income attributable to Non-Controlling Interest	23,782.91	7,853.48
Earnings Per Share (of ₹ 10/- Each) (₹) (Basic & Diluted)	49.85	72.44

Year in Retrospect

During the year under review, Company earned total income of ₹ 116,835.93 Lacs as compared to ₹ 104,384.09 Lacs during the preceding year, on Standalone basis, including income by way of dividend from subsidiary(ies) amounting to ₹ 4,513.94 Lacs (Previous Year ₹ 2,024.18 Lacs). Profit before Tax improved to ₹ 7,935.24 Lacs as compared to ₹ 5,540.43 Lacs. Profit after Tax for the year was at ₹ 5,889.76 Lacs as compared to ₹ 4,572.46 Lacs during the preceding year.

During the year under review, Company earned total income of ₹ 363,221.09 Lacs as compared to ₹ 337,184.70 Lacs during the preceding year on consolidated basis. Profit before tax was ₹ 31,389.63 Lacs as compared to ₹ 37,611.74 Lacs. Profit after Tax and before Minority Interest was ₹ 28,411.72 Lacs as compared to ₹ 36,138.65 Lacs in the preceding year.

Further details on operations are discussed in Management Discussion & Analysis Report.

Transfer to Reserves and Dividend

A sum of ₹ 100 Lacs from the current year's profit has been transferred to General Reserves.

Board of Directors have declared and paid an Interim dividend at the rate of ₹ 5.00 per share (Record Date : November 23, 2017) and Second Interim dividend (Special) at the rate of ₹ 30.00 per share (Record Date : June 8, 2018).

Your Board of Directors have proposed payment of Final Dividend at the rate of ₹ 5.00 per share, which would be paid after its declaration by the members at the ensuing Annual General Meeting.

Changes in the nature of business, if any

There is no change in the nature of business of your company during the year under review.

Material Changes and Commitments

No material changes and commitments affecting the financial position of your Company have occurred between the end of the Financial Year of the company to which Financial Statements relate and on the date of this report.

Management Discussion and Analysis Report

As required by Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015}, a detailed 'Management Discussion and Analysis Report' (MDA) is attached in a separate section forming part of the Annual Report.

More details on operations and a view on the outlook for the current year are also given in the 'Management Discussion and Analysis Report'.

Subsidiary Companies

During the year Company had following subsidiaries/ step-down subsidiaries whose performance are included in the Consolidated Financial Statements viz. Polyplex (Thailand) Public Company Limited, Thailand, PT Polyplex Films Indonesia, Indonesia, Polyplex Trading (Shenzhen) Co. Ltd., China, EcoBlue Limited, Thailand, Polyplex (Asia) Pte. Ltd., Singapore, Polyplex (Singapore) Pte. Ltd., Singapore, Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi, Turkey, Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi, Turkey, Polyplex Europe B.V., Netherlands, PAR LLC., USA, Polyplex America Holdings Inc., USA and Polyplex USA LLC., USA.

As required by Section 129 of the Companies Act, 2013, ('the Act') and other applicable laws Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with applicable Accounting Standard(s) issued by Institute of Chartered Accountants of India (ICAI), form part of the Annual Report.

Highlights of performance of Subsidiary Companies and their contribution to the overall performance of the Company during the period under report are discussed in MDA and Form AOC-I, which forms part of the Annual Report.

Financial Statements of the subsidiary companies will be made available on request

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the respective notes attached to Financial Statements.

Deposits from public

The Company has not accepted any deposits from public during the Financial Year 2017-18. There were no unclaimed deposits as at March 31, 2018.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, in relation to the Financial Statements for the Financial Year 2017-18, the Board of Directors state that : -

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and of the profit of the Company for the year ended on March 31, 2018;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) Annual accounts have been prepared on a 'going concern' basis;
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors and Key Managerial Personnel

Independent Directors and Declaration by Independent Directors

During the year, five Independent Directors viz. Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea and Mr. Ranjit Singh served on the Board of the Company.

Dr. Suresh Inderchand Surana resigned from the Board of the Company w.e.f. June 11, 2018 due his personal professional commitments. Your Board of Directors place on record their appreciation for the services rendered by Dr. Surana during his tenure on the Board/ Committees of the Board.

All the Independent Directors have given the requisite declaration that they meet the criteria of independence as prescribed under the Act and SEBI (LODR) Regulations, 2015.

Non-Independent Directors and Directors Retiring by Rotation

During the year following Non-Independent Directors (including one Whole Time Director) served on the Board viz. Mr. Sanjiv Saraf, Mr. Sanjiv Chadha, and Mr. Pranay Kothari (Whole Time Director).

Mr. Sanjiv Chadha retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, Mr. Pranay Kothari, Whole Time Director, Mr. Manish Gupta, Chief Financial Officer and Mr. Ashok Kumar Gurnani, Company Secretary are the Key Managerial Personnel of the Company.

Number of meetings of the Board

During the Financial Year 2017-18, five meetings of the Board were held and the gap between two consecutive meetings was not more than 120 days. Details about the attendance at these meetings are given in the Corporate Governance Report attached.

A separate meeting of the Independent Directors was held on July 25, 2017 and on August 14, 2018, without the attendance of non-independent directors and members of management pursuant to the provisions of Code for Independent Directors prescribed in Schedule IV of the Act.

Policy on Directors Appointment and Remuneration

The Nomination and Remuneration Committee (NRC) constituted by the Board of Directors has laid down the criteria and process of identification/ appointment of Directors and payment of remuneration. These include possession of requisite qualification, experience, ethics, integrity and values, absence of conflict with present or potential business operations of the company, balanced and maturity of judgement, willingness to devote sufficient time and energy, high level of leadership, vision and ability to articulate a clear direction for an organisation.

While selecting or recommending appointment of any Director, NRC shall have regard to the total strength of the Board prescribed under the Articles of Association and the Act, composition of the Board with respect to Executive and Non-Executive Directors and Independent and Non-Independent Directors and gender diversity.

Appointment of Independent Directors must satisfy the criteria laid down under the Act and Listing and other Regulations.

Components of remuneration for Executive Directors would include normal Salary structure including perquisites as applicable to senior employees as per policies / schemes of the company. The appointment and overall remuneration as far as possible be within the statutory ceilings and subject to requisite approvals of the Members of the Company and Central Government, if required.

Non-executive directors would be entitled to payment of sitting fee for attending a meeting of the Board or Committee thereof of such amount as may be approved by the Board of Directors keeping in view the ceiling prescribed under the Act or Rules framed there under. Further, Non-executive directors may also be paid commission up to 1% of the Net Profits of the Company subject to requisite approval of the Board and Members.

Board, Committees and Directors Evaluation

The Board of Directors has carried out an annual evaluation of the performance of the Board, Board committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements prescribed under SEBI (LODR) Regulations, 2015.

The performance of the Board and Committees was evaluated by the Board after seeking inputs from all the directors on the basis of following criteria:

- a) Degree of achievement of key responsibilities.
- b) Structure and Composition.
- c) Establishment and delineation of responsibilities to Committees.
- d) Effectiveness of Board processes, information and functioning.
- e) Board culture and dynamics.
- f) Quality of relationship between Board and Management.
- g) Efficacy of communication with external stakeholders.

The performance of individual directors was evaluated on following criteria:

- a) Participation at Board/ Committee Meetings.
- b) Knowledge and Skill.
- c) Managing Relationships.
- d) Personal Attributes.

Independent Directors of the Company in a separate meeting reviewed the performance of non-independent directors and the Board as a whole and as also the performance of Chairperson of the Company.

Managerial Remuneration

Disclosures pertaining to Managerial Remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the Annexure A and B as also in the Corporate Governance Report.

Board Committees

Pursuant to the requirements under the Act and SEBI (LODR) Regulations, 2015, the Board of Directors have constituted various committees of Board such as Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee. The details of composition and terms of reference of these committees are mentioned in the Corporate Governance Report.

Audit Committee

The Audit Committee comprised of Mr. Brij Kishore Soni, Independent Director (Chairman), Dr. Suresh Inderchand Surana, Ms. Pooja Haldea and Mr. Jitender Balakrishnan, Independent Directors.

Mr. Suresh Inderchand Surana ceased to be member of Audit Committee w.e.f. June 11, 2018 upon his resigning from the Board.

The details of the number of meetings held and attendance of members thereof are provided in detail in the Corporate Governance report.

The Board of Directors has accepted all the recommendations of the Audit Committee.

Corporate Social Responsibility (CSR) Initiatives

The Board of Directors has constituted a CSR Committee comprising of Mr. Sanjiv Saraf (Chairman), Mr. Brij Kishore Soni and Dr. Suresh Inderchand Surana and formulated CSR Policy of the Company. In compliance with the requirements of Companies Act and Listing Regulations.

Dr. Suresh Inderchand Surana ceased to be member of the Committee w.e.f. June 11, 2018, upon his resigning from the Board.

Corporate Social Responsibility Report pursuant to Section 134(3) (o) of the Act and Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of this Report and is marked as Annexure C.

The details of the number of meetings held and attendance of members thereof are provided in detail in the Corporate Governance Report attached.

Corporate Governance

Corporate Governance Report forms part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015 is attached.

Whistle Blower Policy – Vigil Mechanism

The Company has formulated Whistle Blower Policy in line with the provisions of sub-section 9 and 10 of Section 177 of the Act and SEBI (LODR) Regulations, 2015. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

A copy of the Policy is available on the website of the Company at www.polyplex.com.

Auditors

Statutory Auditors

In accordance with the provisions of the Companies Act, 2013 and Rules made there under S S Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) were appointed as Statutory Auditors of the Company for a term of five years from the conclusion of 32nd Annual General Meeting held on September 11, 2017 until the conclusion of 37th Annual General Meeting.

The Auditors Report on the Financial Statements of the Company for the Financial Year 2017-18 to the Members is part of Annual Report. There are no qualifications, reservations or adverse remarks or disclaimers requiring any explanation in their report.

Internal Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. Jain Pramod Jain & Co., Chartered Accountants as the Internal Auditors of the Company for the Financial Year 2018-19.

Cost Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) as Cost Auditors to audit the Cost Records of the Company for the Financial Year 2018-19. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members.

Accordingly, a resolution seeking ratification of the remuneration payable to the said Auditors has been included in the Notice convening the ensuing Annual General Meeting.

Secretarial Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. R S M & Co., Company Secretaries, New Delhi, as Secretarial Auditors of the Company for the Financial Year 2017-18 pursuant to the provisions of Section 204 of the Act and Rules made there under. Secretarial Audit Report received from them is annexed herewith and marked as Annexure D.

There are no qualifications or observations or other remarks in the Secretarial Audit Report.

Other Statutory Information

Details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 are given in Annexure E.

Particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure A and B.

Extract of Annual Return

An extract of the Annual Return in Form MGT-9 is given in Annexure F. This is also being posted on Company's website www.polyplex.com.

Related Party Transactions

None of the transactions with any of related parties were in conflict with the Company's interest. Prescribed disclosure as required by the Accounting Standard (AS) 18 has been made in the notes to the Financial Statements. All related party transactions are negotiated on an arms-length basis and are in the ordinary course of business. Therefore, the provisions of Section 188(1) of the Act are not applicable to such transactions.

The Related Party Transactions Policy as approved by the Board is available on the website of the Company at www.polyplex.com.

Risk Management

A detailed note has been provided under the Management Discussion and Analysis Report.

Internal Financial Control

The Company has laid down well defined and documented Internal Financial Controls. The Company has an overall framework for managing the risks in terms of the Enterprise Risk Management Policy. In the opinion of Board Internal Financial

Controls affecting the financial statements are adequate and are operating effectively.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status and Company's operations in future.

Human Resources

Your Company is committed towards creation of opportunities for its employees that help attract, retain and develop a diverse workforce. Your Company lays due importance to conducive work culture for its employees.

To reinforce core values and belief of the Company, various policies for employees' empowerment have been framed to enrich their professional, personal and social life. In addition to above, Company has also laid down Code of Conduct for Directors and Senior Management Personnel and Whistle Blower Policy.

Company has also laid down a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed pursuant to the said Policy/Act.

Listing of Shares and Depository System

Your Company's equity shares are listed on the BSE Ltd. and the National Stock Exchange of India Ltd.

Your Company's equity shares are being traded in 'demat' form since April 30, 2001. Shareholders of the Company who are still holding shares in physical form are advised to get their physical shares dematerialized by opening an account with one of the Depository Participants.

Shareholders are advised to get their physical shares dematerialized at the earliest and update their Income Tax Permanent Account Number and Bank details in the records of the Company by furnishing the requisite information either to the Company or its Registrar and Transfer Agent, if not already updated.

Acknowledgement

Your Directors wish to place on record their appreciation of the wholehearted and sincere cooperation the Company has received from the various departments of Central/State Governments, Financial Institutions, Bankers and the Auditors of the Company. Your Directors also wish to place on record their appreciation of the dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the Board

Sd/-
Sanjiv Saraf
Chairman

Place : Noida
Date : August 14, 2018

Annexure to the Director's Report

Annexure-A

Statement showing particulars of employees of the Company required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board of Directors Report for the year ended March 31, 2018.

A. Employed for full year

Sr. No.	Name	Designation	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration Drawn (₹)	Last Employment
1	Mr. Pranay Kothari	Executive Director	59	FCA, CS	1-Aug-1985	33	2,39,86,322	Optima Consultants Private Limited, Consultant
2	Mr. Manish Gupta	Chief Financial Officer	50	B.Com (Hons) MBA (Finance) (IIM, Bangalore)	1-Aug-2008	27	1,67,19,710	Polyplex (Thailand) Public Company Limited, Thailand, General Manager – Commercial
3	Mr. Kapil Gupta	Sr. Vice President (Profit Centre Head, India)	59	B.E. (Chem), PGDM (IIM, Ahm.)	18-Jul-2011	36	1,54,29,345	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi- Turkey , Profit Centre Head
4	Mr. Sunil Kumar Ram	Vice President (Group Head HR)	51	BE (Mech.), M. Tech (Industrial & Mgmt Eng.), IIT-K	1-Aug-2006	28	1,29,66,759	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi- Turkey - Plant Head
5	Mr. Ramakrishna Rao Kuchipudi	Sr. General Manager (NPD, R & D and TS)	55	B.Tech (Chemical) M. Tech (Chemical)	1-April -2009	33	1,07,35,349	Bhilangana Hydro Power Limited, General Manager
6	Mr. Ashok Kumar Gurnani	Company Secretary	60	FCS, AICAI, LLB (Delhi University)	05-Feb-1987	40	82,82,492	Bharat Gears Limited, Secretarial Executive
7	Mr. Rakesh Kakar	General Manager (Sales and Marketing)	58	Diploma (Electrical)	01-Aug-1991	37	79,18,521	Excel Marketing Pvt. Ltd. (Asst. Manager -Sales)
8	Mr. Harminder Singh	General Manager (Indirect Taxation and Admin)	59	B.Sc.	26-June-2000	31	74,36,197	Senior Manager in Rajdoot Paint Group
9	Mr. Rajendra Singh Gaur	Vice President (Operations Head Plant)	57	Diploma (instrumentation)	14-Jan-2009	38	68,60,307	Polyplex (Thailand) Public Company Limited, Thailand ,Plant Head
10	Mr. Saleem Ahmad	General Manager – BOPET & Chips	55	B.Sc. Engg. (Mech.)	4-Apr-1988	30	55,32,170	-

B. Employed for part of the year

Sr. No.	Name	Designation	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration (₹)	Last Employment
1	Mr. Rajpal Yadav*	Vice President (Projects)	56	Diploma (Mechanical)	1- July-2014	34	1,33,62,652	Polyplex (Thailand) Public Company Limited, Thailand, Head Projects

Notes:

- Remuneration includes salary, performance award, actual expenditure incurred in connection with the residential accommodation or HRA, reimbursement of medical expenses, LTA, leave encashment, contribution to Provident Fund and Superannuation Fund and value of perquisites calculated in accordance with the Rules framed under the Income Tax Act, 1961.
- None of above employees holds 2% or more in the paid up equity shares of the Company in his own name along with his spouse and dependent children.
- All appointments are contractual in nature.
- None of the above employee is related to any Director of the Company.

*Employed upto February 28, 2018.

Annexure to the Director's Report

Annexure-B

Particulars of Remuneration

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company is as follows:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

Name of the person	Ratio to Median Remuneration
Non-Executive Directors	
Mr. Sanjiv Saraf	21.17
Executive Director	
Mr. Pranay Kothari	72.54

Above list does not include Non-Executive Directors who were paid only sitting fee for attending the meetings of the Board/Committees. Therefore their median of remuneration is not applicable, hence not given.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:

Name of the person	% Increase/(decrease) in remuneration
Non-Executive Directors	
Mr. Sanjiv Saraf	66.67%
Executive Director	
Mr. Pranay Kothari	1.49%
Key Managerial Personnel	
Mr. Manish Gupta (CFO)	86.35%
Mr. Ashok Kumar Gurnani (CS)	18.91%
Mr. Pranay Kothari	1.49%

Above list does not include Non-Executive Directors who were paid only sitting fee for attending the meetings of the Board/Committees at the rate of ₹ 50,000/-.

(iii) The percentage increase in the median remuneration of employees in the Financial Year:

Remuneration of median employee increased by -1.12% during the year.

(iv) The number of permanent employees on the rolls of Company:

As on March 31, 2018, total numbers of employees were 811

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in the remuneration of median employee was -1.12% as compared to average increase of 23.80% in the remuneration of managerial personnel.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.

Company follows formal annual performance appraisal system to review performance and remuneration of all employees as per the Remuneration Policy.

Company affirms Remuneration paid to employees is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Sd/-
Sanjiv Saraf
 Chairman

Place : NOIDA
 Date : August 14, 2018

Annexure to the Director's Report

Annexure-C

Report on Corporate Social Responsibility (CSR Report)

1. A brief outline of the Company's CSR Policy, including the overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs.

The Company has framed a CSR Policy in accordance with the provisions of Section 135, Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

The Corporate Social Responsibility of the company can be accessed at the website of the Company at http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLCSRPolicy.pdf.

2. The Composition of the CSR Committee:

Mr. Sanjiv Saraf, Chairman (Non Independent, Non Executive, Non Independent Promoter).

Mr. Brij Kishore Soni, Member (Non Executive- Independent).

Dr. Suresh Inderchand Surana, Member, (Non Executive - Independent).

3. Average Net Profits of the Company for the last three years:

₹ 3,053 Lacs

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above).

₹ 61.06 Lacs.

5. Details of CSR Spent during the Financial Year (2017-18):

(a) Total amount to be spent for the Financial Year.

To be spent ₹ 61.06 Lacs. Amount spent ₹ 69.80 Lacs

(b) Amount unspent, if any : Nil

(c) Manner in which the amount spent during the Financial Year:

As per Annexure attached

6. Reasons for not spending the prescribed amount:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Noida
Date: August 14, 2018

Sd/-
Sanjiv Saraf
Chairman of CSR Committee

Annexure to CSR Report

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency (₹)
1	Promoting Education	Education	Uttar Pradesh	5,00,000	Direct	5,00,000	Implementing agency: Navsrijan Education Society, Lucknow.
2	Promoting Health Care	Health Care	State – National Capital Region	4,80,000	Direct	4,80,000	Implementing agency : Sapna, New Delhi
3	Promoting Education	Promoting Culture/ Language	State – National Capital Region	60,00,000	Direct	60,00,000	Implementing agency: Rekhta Foundation
Total				69,80,000		69,80,000	

Place: Noida
Date: August 14, 2018

Sd/-
Sanjiv Saraf
Chairman of CSR Committee

Annexure to the Director's Report

Annexure-D

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended On 31st March, 2018

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

The Members

Polyplex Corporation Limited
CIN: L25209UR1984PLC011596

Registered Office: Lohia Head Road
Khatima 262308
Distt. Udham Singh Nagar, Uttarakhand

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **POLYPLEX CORPORATION LIMITED** (hereinafter called the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2018 according to the provisions of :-

1. The Companies Act, 2013 ("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, **(Not applicable to the Company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable to the Company during the audit period);**
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar and Transfer Agent during the audit period);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period) ;**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable to the Company during the audit period).** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. We further report that, having to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws as applicable to the Company;

- (i) Factories Act 1948, and rules made there under;
- (ii) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
- (iii) The Environment Protection Act, 1986 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and other Rules made thereunder;
- (iv) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;
- (v) Contract Labour (Regulation & Abolition) Act, 1970 and Rules made thereunder;
- (vi) Petroleum Act, 1934 and Rules made thereunder;
- (vii) Explosives Act, 1884 and Explosive Rules, 2008;
- (viii) The Legal Metrology Act, 2009 and Rules made thereunder;
- (ix) Indian Boilers Act, 1923 and Rules made thereunder.

7. We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

8. We have also examined the compliances with the applicable clauses of the following:-

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

9. We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

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

Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

10. We further report that during the audit period, there were no instances of :-

- (i) Public / Rights / Preferential Issue of Shares / Debenture / Sweat Equity;
- (ii) Redemption / Buy-back of Securities;
- (iii) Merger / Amalgamation / Reconstruction etc.;

This report is to be read with our letter of even date which is annexed as **"Annexure-1"** and form an integral part of this report.

For **RSM & CO.**
Company Secretaries

Sd/-
RAVI SHARMA
PARTNER
FCS NO. 4468, C. P. NO. 3666

Dated: August 10, 2018
Place: New Delhi

Annexure - 1

The Members

Polyplex Corporation Limited
CIN: L25209UR1984PLC011596

Registered Office: Lohia Head Road
Khatima 262308
Distt. Udham Singh Nagar, Uttarakhand

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financials and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **RSM & CO.**
Company Secretaries

Sd/-
RAVI SHARMA
PARTNER
FCS NO. 4468, C. P. NO. 3666

Dated: August 10, 2018
Place: New Delhi

Annexure to the Director's Report

Annexure-E

Information under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report.

(A) Conservation of Energy:

- i) Steps taken or impact on conservation of energy:
 - a) VFD provided in AHUs, Trim suction blower, CP cooling tower pump, VAM hot water feed pump to optimize flow resulting into reduction in power consumption.
 - b) Chiller efficiency improved by replacing contaminated refrigerant gas.
 - c) Auto moisture traps replaced in plant with mechanical traps for air conservation.
 - d) High efficiency pumps installed in water plant.
 - e) Nitrogen consumption reduced in plant through regular audits & flow optimization.
 - f) OLC-1 conventional lighting fixtures replaced with LED lighting fixtures.
 - g) Optimized the Fuel consumption in Husk Heater by atomized the fuel feeding and air feeding for fluidization.

- f) Safe and smooth operation is our main concern and in this direction we have modified Take Up and Transfer Roll of Line-1.

- ii) Benefits derived like product improvement, cost reduction, product development import substitution:

Cost Optimization and Reduction of Wastage is the core focus of the company and in this direction we have replaced Terpolymer with total customer satisfaction.

- iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year):

The details of technology imported : Gel Detection System for Metallizer.

Year of Import: 2016

Whether the technology has been fully absorbed : Yes

If not fully absorbed, areas where absorption has not taken place and the reasons thereof : N.A.

(B) Technology Absorption:

- i) Efforts made towards technology absorption:
 - a) For continual improvement in productivity we have modified Line-7 TDO Chain Clips to prevent film return, it has substantially reduced TDO Breaks.
 - b) In order to achieve continual improvement in quality we have installed temperature controller with pump in coating application roll of Line-7 which has improved coating quality.
 - c) To reduce Die Lip Cleaning we have installed steam generation system in Chill Roll area which has improved productivity.
 - d) We have adopted I-Dip technology in Line-8 to control power dip which has improved our productivity.
 - e) Customer satisfaction is our prime focus and in this direction we have modified TDO Inlet Chain Oil Suction System to eliminate oil spots in BOPP Metalized film.

- iv) Expenditure incurred on Research and Development:

Revenue expenditure on R&D incurred during the Year: ₹ 437.85 Lacs (Previous Year : ₹ 395.05 Lacs).

Capital expenditure on R&D incurred during the Year Nil (Previous Year – Nil).

Total R&D expenditure as a percentage of total turnover is 0.40 %.

(C) Foreign Exchange Earnings and Outgo:

Earned: ₹ 37,654.45 Lacs (Previous Year : ₹ 25,605.26 Lacs)

Used: ₹ 8,183.93 Lacs (Previous Year : ₹ 7872.30 Lacs)

Annexure to the Director's Report

Annexure-F

Form No. MGT 9

Extract of Annual Return

As on the Financial Year Ended On March 31, 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I Registration and Other Details:

i	CIN	L25209UR1984PLC011596
ii	Registration Date	October 18, 1984
iii	Name of the Company	POLYPLEX CORPORATION LIMITED
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non Government Company
v	Address of the Registered office & contact details	Lohia Head Road, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand, India Phone-+91 05943-250136, Fax: +91 05943-250281
vi	Whether listed company	Yes
vii	Name , Address and contact details of the Registrar and Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium, Tower-B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Tel. : +91-40-67162222 Fax : +91-40-23001153 Toll Free No.: 1800-345-4001 Email : einward.ris@karvy.com

II Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

SL No	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Plastic Films and Resins	Group 222	98.72%

III Particulars of Holding, Subsidiary & Associate Companies

SL No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Polyplex (Asia) Pte. Ltd. 61 Club Street, Singapore -069436	Foreign Company	Subsidiary Company	100.00	2(87)
2	Polyplex (Thailand) Public Company Ltd. 75/26, Ocean Tower -II, 18 Floor, Sukhumvit Soi 19, Kwaeng North Klongtoey, Khet Wattana, Bangkok - 10110, Thailand	Foreign Company	Subsidiary Company	51.00	2(87)
3	PT Polyplex Films Indonesia JI. Modern Industries XVIII Block AN No.7 Nambo Udik, Cikande, Serang Regency, Banten, Indonesia-42186	Foreign Company	Subsidiary Company	51.00	2(87)
4	Polyplex (Singapore) Pte. Ltd. 61 Club Street, Singapore -069436	Foreign Company	Subsidiary Company	51.00	2(87)
5	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi Karamahmet Mah. Avrupa Serbest Bolgesi, 3 Sokak No.-4, Ergene, Tekirdag, Turkey,	Foreign Company	Subsidiary Company	51.00	2(87)
6	Polyplex Trading (Shenzhen) Company Ltd. Room No. 1309, Block A, Galaxy Century Building, Caitian Road, Futian District, Shenzhen, Peoples Republic of China	Foreign Company	Subsidiary Company	51.00	2(87)

SL No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
7	PAR LLC 3001 Mallard Fox Drive NW, Decatur, Alabama – 35601, USA	Foreign Company	Subsidiary Company	100.00	2(87)
8	Polyplex America Holdings Inc. 3001 Mallard Fox Drive NW, Decatur, Alabama – 35601, USA	Foreign Company	Subsidiary Company	51.00	2(87)
9	Polyplex USA LLC 3001, Mallard Fox Drive NW, Decatur, Alabama-35601, USA	Foreign Company	Subsidiary Company	51.00	2(87)
10	EcoBlue Limited 60/91, Moo 3 Siam Eastern, Industrial Park, Marbyangporn, Sub-district, Plauk Daeng District, Rayong, Thailand	Foreign Company	Subsidiary Company	33.92	2(87)
11	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi Muhittin Mahallesi Cetin Emec, Bulvari, Acun Sokak, Cemil Bayram, Apt. No.7/1, Corlu/Tekirdag, Turkey	Foreign Company	Subsidiary Company	51.00	2(87)
12	Polyplex Europe BV Zuidplein 126, WTC, Tower H, Floor 15, 1077XV Amsterdam, Netherlands	Foreign Company	Subsidiary Company	51.00	2(87)

IV Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (including Promoter Group)									
(1) Indian									
a) Individual/Hindu Undivided Family									
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	20,10,202	-	20,10,202	6.28	20,10,202	-	20,10,202	6.28	-
e) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f) Any other (Director and their relative)	8,29,198	-	8,29,198	2.59	5,84,198	-	5,84,198	1.83	(0.77)
Sub Total:(A) (1)	28,39,400		28,39,400	8.88	25,94,400		25,94,400	8.11	(0.77)
(2) Foreign									
a) Individuals (Non Resident Individuals/Foreign Individuals)			-	-			-	-	-
b) Bodies Corporates	1,31,58,134	-	1,31,58,134	41.14	1,31,58,134	-	1,31,58,134	41.14	-
c) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
d) Any other (Directors and their relatives)	4,000		4,000	0.01	2,49,000		2,49,000	0.78	0.77
Sub Total (A) (2)	1,31,62,134	-	1,31,62,134	41.15	1,34,07,134		1,34,07,134	41.92	0.77
Total Shareholding of Promoters	1,60,01,534		1,60,01,534	50.03	1,60,01,534		1,60,01,534	50.03	-
(A)= (A)(1)+(A)(2)									
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	26,73,209	21,500	26,94,709	8.43	16,35,693	10,800	16,46,493	5.15	(3.28)
b) Financial Institutions/ Banks	8,588	7,500	16,088	0.05	13,338	7,500	20,838	0.07	0.01
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	4,67,244	15,200	4,82,444	1.51	6,92,233	7,600	6,99,833	2.19	0.68

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Investors			-	-			-	-	-
i) Others (specify)			-	-			-	-	-
SUB TOTAL (B)(1):	31,49,041	44,200	31,93,241	9.98	23,41,264	25,900	23,67,164	7.40	(2.58)
(2) Non Institutions									
a) Bodies corporates									
i) Indian	49,67,652	13,400	49,81,052	15.57	50,03,269	12,100	50,15,369	15.68	(0.08)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	26,82,833	4,47,622	31,30,455	9.79	29,91,484	3,56,497	33,47,981	10.47	0.68
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lac	13,51,876	-	13,51,876	4.23	19,70,496	-	19,70,496	6.16	1.93
c) Others (specify):									
(c-i) NRIs	30,56,701	8,100	30,64,801	9.58	28,39,982	7,600	28,47,582	8.90	(0.68)
(c-ii) OCB	-	2,400	2,400	0.01	-	2,400	2,400	0.01	-
(c-iii) Directors and Relatives	4,584	-	4,584	0.01	4,584	-	4,584	0.01	-
(c-iv) Hindu Undivided Family	1,72,194	-	1,72,194	0.54	2,20,921	-	2,20,921	0.69	0.15
(c-v) Trusts	-	-	-	-	100	-	100	0.0	0.00
(c-vi) NBFC Registered with RBI	3,565	-	3,565	0.0	30,660	-	30,660	0.1	0.08
(c-vii) Clearing Members	18,298	-	18,298	0.1	21,825	-	21,825	0.1	0.01
(c-viii) Unclaimed Suspense Account	60,600	-	60,600	0.19	60,300	-	60,300	0.2	0.19
(c-viii) IEPF	-	-	-	-	93,684	-	93,684	0.3	0.29
SUB TOTAL (B)(2):	1,23,18,303	4,71,522	1,27,89,825	39.99	1,32,37,305	3,78,597	1,36,15,902	42.57	2.58
Total Public Shareholding (B)= (B)(1)+(B)(2)	1,54,67,344	5,15,722	1,59,83,066	49.97	1,55,78,569	4,04,497	1,59,83,066	49.97	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,14,68,878	5,15,722	3,19,84,600	100.00	3,15,80,103	4,04,497	3,19,84,600	100.00	-

ii) Share Holding of Promoters (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mahalaxmi Trading & Investments Co. Limited	76,22,390	23.83	-	76,22,390	23.83	-	-
2	Secure Investments Limited	55,35,744	17.31	-	55,35,744	17.31	-	-
3	Sanjiv Sarita Consulting Private Limited	13,90,924	4.35	-	13,90,924	4.35	-	-
4	Utkarsh Trading & Holdings Limited	4,11,278	1.29	-	4,11,278	1.29	-	-
5	Bhilangana Hydro Power Limited	2,08,000	0.65	-	2,08,000	0.65	-	-
6	Mr. Sanjiv Saraf	3,25,138	1.02	-	3,25,138	1.02	-	-
7	Ms. Amla Saraf	2,59,000	0.81	-	2,59,000	0.81	-	-
8	Ms. Sakhi Saraf	2,45,000	0.77	-	2,45,000	0.77	-	-
9	Mr. Sanjiv Chadha	4,000	0.01	-	4,000	0.01	-	-
10	Mr. Narayandas Durgaprasadji Saraf	20	0.00	-	20	0.00	-	-
11	Ms. Urmiladevi Narayandas Saraf	20	0.00	-	20	0.00	-	-
12	Ms. Sarita Saraf	20	0.00	-	20	0.00	-	-
	Total	1,60,01,534	50.03	-	1,60,01,534	50.03	-	-

iii) Change in Promoter's Shareholding (including Promoter Group) (Please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2017)		Increase / Decrease in Shareholding		specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Shareholding at the end of the year (As on March 31, 2018)	
		No. of Shares	% of total shares of the company	Date	No. of Shares		No. of shares	% of total shares of the company

1 There was no change in the Promoter's Shareholding during the period April 1, 2017 to March 31, 2018.

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

Sr. No.	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	IL & FS Trust Company Ltd ^							
	April 1, 2017	42,44,535	13.27%	April 1, 2017	Opening	NA	42,44,535	13.27%
				June 30, 2017	-1,23,457	Transfer	41,21,078	12.88%
				September 30, 2017	2,07,295	Transfer	43,28,373	13.53%
				December 31, 2017	-2,86,230	Transfer	40,42,143	12.64%
	At the end of the year			March 31, 2018	-59,469	Transfer	39,82,674	12.45%
	^ Hold shares in its name in trust for K2 Family Pvt. Trust.							
2	Keswani Hareesh							
	April 1, 2017	14,58,790	4.56%	April 1, 2017	Opening	NA	14,58,790	4.56%
				June 30, 2017	0	NA	14,58,790	4.56%
				September 30, 2017	0	NA	14,58,790	4.56%
				December 31, 2017	-34,125	Transfer	14,24,665	4.45%
	At the end of the year			March 31, 2018	-6,247	Transfer	14,18,418	4.43%
3	Reliance Capital Trustee Co Ltd.-Reliance Small Cap Fund							
	April 1, 2017	14,04,314	4.39%	April 1, 2017	Opening	NA	14,04,314	4.39%
				June 30, 2017	0	NA	14,04,314	4.39%
				September 30, 2017	0	NA	14,04,314	4.39%
				December 31, 2017	0	NA	14,04,314	4.39%
	At the end of the year			March 31, 2018	0	NA	14,04,314	4.39%
4	Ricky Ishwardas Kirpalani ^^							
	April 1, 2017	15,07,710	4.71%	April 1, 2017	Opening	NA	15,07,710	4.71%
				June 30, 2017	-1,16,154	Transfer	13,91,556	4.35%
				September 30, 2017	-32,751	Transfer	13,58,805	4.25%
				December 31, 2017	-26,872	Transfer	13,31,933	4.16%
	At the end of the year			March 31, 2018	-18,191	Transfer	13,13,742	4.11%
5	DSP Blackrock Small and Midcap Fund							
	April 1, 2017	12,68,895	3.97%	April 1, 2017	Opening	NA	12,68,895	3.97%
				June 30, 2017	-60,558	Transfer	12,08,337	3.78%
				September 30, 2017	0	NA	12,08,337	3.78%
				December 31, 2017	-6,04,880	Transfer	6,03,457	1.89%
	At the end of the year			March 31, 2018	-3,72,078	Transfer	2,31,379	0.72%
6	Vasundhara Pasari							
	April 1, 2017	95,500	0.30%	April 1, 2017	Opening	NA	95,500	0.30%
				June 30, 2017	84,000	Transfer	1,79,500	0.56%
				September 30, 2017	7,000	Transfer	1,86,500	0.58%
				December 31, 2017	0	NA	1,86,500	0.58%
	At the end of the year			March 31, 2018	0	NA	1,86,500	0.58%

Sr. No.	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
7	Urmila Pasari							
	April 1, 2017	59,281	0.19%	April 1, 2017	Opening	NA	59,281	0.19%
				June 30, 2017	1,02,500	Transfer	1,61,781	0.51%
				September 30, 2017	0	NA	1,61,781	0.51%
				December 31, 2017	0	NA	1,61,781	0.51%
	At the end of the year			March 31,2018	0	NA	1,61,781	0.51%
8	Ajay Upadhyaya^^							
	April 1, 2017	0	0.00%	April 1, 2017	Opening	NA	0	0.00%
				June 30, 2017	0	NA	0	0.00%
				September 30, 2017	0	NA	0	0.00%
				December 31, 2017	1,20,000	Transfer	1,20,000	0.38%
	At the end of the year			March 31,2018	20,000	Transfer	1,40,000	0.44%
9	Ashmavir Financial Consultants Private Limited							
	April 1, 2017	1,26,100	0.39%	April 1, 2017	Opening	NA	1,26,100	0.39%
				June 30, 2017	0	NA	1,26,100	0.39%
				September 30, 2017	0	NA	1,26,100	0.39%
				December 31, 2017	0	NA	1,26,100	0.39%
	At the end of the year			March 31,2018	0	NA	1,26,100	0.39%
10	Kiran Chulani							
	April 1, 2017	1,44,000	0.45%	April 1, 2017	Opening	NA	1,44,000	0.45%
				June 30, 2017	0	NA	1,44,000	0.45%
				September 30, 2017	0	NA	1,44,000	0.45%
				December 31, 2017	-10,000	Transfer	1,34,000	0.42%
	At the end of the year			March 31,2018	-16,000	Transfer	1,18,000	0.37%
11	Ashok Kumar Jain*							
	April 1, 2017	1,15,351	0.36%	April 1, 2017	Opening	NA	1,15,351	0.36%
				June 30, 2017	-8,640	Transfer	1,06,711	0.33%
				September 30, 2017	360	Transfer	1,07,071	0.33%
				December 31, 2017	1,440	Transfer	1,08,511	0.34%
	At the end of the year			March 31,2018	3,240	Transfer	1,11,751	0.35%
12	Poonam I Kirpalani*							
	April 1, 2017	1,03,819	0.32%	April 1, 2017	Opening	NA	1,03,819	0.32%
				June 30, 2017	0	NA	1,03,819	0.32%
				September 30, 2017	0	NA	1,03,819	0.32%
				December 31, 2017	0	NA	1,03,819	0.32%
	At the end of the year			March 31,2018	0	NA	1,03,819	0.32%
13	Mahavir L Mehta*							
	April 1, 2017	1,35,950	0.43%	April 1, 2017	Opening	NA	1,35,950	0.43%
				June 30, 2017	-53,650	Transfer	82,300	0.26%
				September 30, 2017	-3,500	Transfer	78,800	0.25%
				December 31, 2017	0	NA	78,800	0.25%
	At the end of the year			March 31,2018	2,500	Transfer	81,300	0.25%

Sr. No.	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
14	Citrine Fund Limited*							
	April 1, 2017	1,40,000	0.44%	April 1, 2017	Opening	NA	1,40,000	0.44%
				June 30, 2017	-70,000	Transfer	70,000	0.22%
				September 30, 2017	-32,500	Transfer	37,500	0.12%
				December 31, 2017	0	NA	37,500	0.12%
	At the end of the year			March 31, 2018	99	Transfer	37,599	0.12%

1 *Not in the list of Top Ten Shareholders as on March 31, 2018.

2 Shares held on more than one account have been consolidated.

3 The shares of the Company are traded on a daily basis . Above details of increase and decrease of shareholding have been given based on quarterly shareholding position received from Registrar and Share Transfer Agent.

4 ^^ Shares held in more than one demat account have been consolidated.

v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2017)		Increase / Decrease in Shareholding		specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Shareholding at the end of the year (As on March 31, 2018)	
		No. of Shares	% of total shares of the company	Date	No. of Shares		No. of shares	% of total shares of the company
A	Directors:							
1	Mr. Sanjiv Saraf	3,25,138	1.02	--	--	--	3,25,138	1.02
2	Mr. Pranay Kothari*	--	--	--	--	--	--	--
3	Dr. Suresh Inderchand Surana**	200	0.00	--	--	--	200	0.00
4	Mr. Brij Kishore Soni	--	--	--	--	--	--	--
5	Mr. Sanjiv Chadha	4,000	0.01	--	--	--	4,000	0.01
6	Mr. Jitender Balakrishnan	--	--	--	--	--	--	--
7	Mr. Rakesh Awasthi	--	--	--	--	--	--	--
8	Ms. Pooja Haldea	--	--	--	--	--	--	--
	* Mr. Pranay Kothari is Whole Time Director and Key Managaerial Personnel of the Company							
	** Mr Suresh Inderchand Surana resigned w.e.f June 11, 2018							
B.	Key Managerial Personnel (KMPs) other than Whole Time Director:							
1	Mr. Manish Gupta (Chief Financial Officer)	--	--				--	--
	Mr. Ashok Kumar Gurnani (Company Secretary)	3,152	0.01				3,152	0.01

V) Indebtedness

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

				(Amount in lacs)
Particulars	Secured Loans excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtness at the beginning of the Financial Year (01.04.2017)				
i) Principal Amount	19,684.23	1,000.00	-	20,684.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29.53	2.63	-	32.17
Total (i+ii+iii)	19,713.76	1,002.63	-	20,716.40
Change in Indebtedness during the Financial Year				
Additions	11,781.08	6,615.27	-	18,396.35
Reduction	16,209.62	1,002.63	-	17,212.25
Net Change	(4,428.54)	5612.64	-	1,184.10
Indebtedness at the end of the Financial Year (31.03.2018)				
i) Principal Amount	15,276.18	6,610.35	-	21,886.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.05	4.92	-	13.97
Total (i+ii+iii)	15,285.23	6,615.27	-	21,900.50

VI) Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Director, Whole time directors and/or Manager:**

Sr. No	Particulars of Remuneration	(Amount in ₹)
		Name of the MD/WTM/Manager Mr. Pranay Kothari (Whole Time Director & Key Managerial Personnel)
1	Gross salary*	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,28,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1,72,322
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--
2	Stock option	--
3	Sweat Equity	--
4	Commission:	
	as % of profit	--
	others (specify)	--
5	Others (Contribution of employer to Provident Fund and Superannuation Fund)	10,14,000
	Total (A)	2,39,86,322
	Ceiling as per the Companies Act	4,39,89,550

*Excludes Performance Incentive of ₹ 112.50 lacs for the Financial year 2017-18 provided in the accounts, which has since been approved for payment by the Board of Directors on the recommendations of Nomination and Remuneration Committee.

B. Remuneration to other directors:**1. Independent Directors**

Sr. No	Particulars of Remuneration	Name of the Director					(Amount in ₹)
		Dr. Suresh Inderchand Surana	Mr. Brij Kishore Soni	Mr. Jitender Balakrishnan	Ms. Pooja Haldea	Mr. Ranjit Singh	Total Amount
1	(a) Fee for attending Board/ Committee meetings	3,00,000	10,00,000	6,00,000	4,50,000	3,00,000	26,50,000
1	(b) Commission	--	--	--	--	--	--
1	(c) Others, please specify	--	--	--	--	--	--
Total B (1)		3,00,000	10,00,000	6,00,000	4,50,000	3,00,000	26,50,000

2. Other Non Executive Directors

Sr. No	Particulars of Remuneration	Name of the Director		(Amount in ₹)
		Mr. Sanjiv Saraf	Mr. Sanjiv Chadha	Total Amount
2	(a) Fee for attending board/ committee meetings	3,50,000	1,50,000	5,00,000
2	(b) Commission	70,00,000	--	70,00,000
2	(c) Others, please specify.	--	--	--
Total B(2)		73,50,000	1,50,000	75,00,000
Total (B)=(B1+B2)				1,01,50,000
Total Managerial Remuneration (A+B)				3,41,36,322
Overall Ceiling as per the Companies Act #				5,17,89,550

The above overall ceiling is exclusive of any fees payable to Directors by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, pursuant to provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder.

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel		(Amount in ₹)
		Total Amount		
		Mr. Manish Gupta Chief Financial Officer	Mr. Ashok Kumar Gurnani, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,62,89,010	79,09,782	2,41,98,792
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	50,000	78,206	1,28,206
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission:	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others (Contribution of employer to Provident Fund and Superannuation Fund)	3,80,700	2,94,504	6,75,204
	Total (A)	1,67,19,710	82,82,492	2,50,02,202

VII) Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A.COMPANY					
Penalty					
Punishment					
Compounding					
B.DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Report on Corporate Governance

Pursuant to the requirements specified in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} the details of Corporate Governance and processes including prescribed compliances by the Company are as follows:

1. Company's philosophy on Code of Governance

The quintessential elements of Corporate Governance are fairness, transparency, accountability and responsibility. At Polyplex, the emphasis is on:

- Enhancement of Shareholder value.
- Protection of the interest of the public shareholders.
- Long-term financial health of the Company.
- Providing customers with quality products and services at competitive prices.
- Environment friendly production methods.
- Providing for fair wage and safe working conditions for employees and inviting inputs from employees in decision-making.
- Contribution to the socio-economic development of the local community.

2. Board of Directors

a) Composition:

The Board is well structured with an adequate blend of Executive and Non-Executive Directors. As on March 31,

2018, the Board consists of Eight Directors of which One is Executive Director and Seven are Non-Executive Directors including One Woman Director. More than one half of the Board of Directors are Independent.

Mr. Pranay Kothari is the Executive Director of the Company.

Mr. Sanjiv Saraf and Mr. Sanjiv Chadha are from Promoters' Category and are Non- Executive and Non-Independent Directors.

Mr. Jitender Balakrishnan, Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea and Mr. Ranjit Singh are Non-Executive Independent Directors. Independent Directors bring independent judgement in the Board's deliberations and decisions. Company has issued formal Letters of Appointment to Independent Directors and terms and conditions of appointment are disclosed on the website of the Company at www.polyplex.com.

Mr. Sanjiv Saraf, a Non-Executive Director from the Promoters' Category is the Chairman of the Company.

None of the Directors is related to any other Director of the Company.

b) Board Meetings :

During the Financial Year 2017-18, Five Board Meetings were held on May 19, 2017, July 25, 2017, August 14, 2017, November 14, 2017 and February 14, 2018. The maximum time gap between any two consecutive meetings was not more than 120 days.

Attendance of each director at the Board meetings, previous Annual General Meeting and number of other Boards or Board Committees in which he/she is a member or Chairperson across various Companies as on March 31, 2018 are given as follows:

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM***	No. of Other Directorships*	Other Committee Memberships**	
					Member	Chairman
A. Non-Executive Directors						
A.1 Promoters Category						
Mr. Sanjiv Saraf DIN: 00003998	Promoter, Non-Independent	4 out of 5	No	5	1	1
Mr. Sanjiv Chadha DIN: 00356187	Promoter, Non-Independent	3 out of 5	No	Nil	Nil	Nil

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM***	No. of Other Directorships*	Other Committee Memberships**	
					Member	Chairman
A.2 Independent Directors						
Mr. Brij Kishore Soni DIN: 00183432	Independent	5 out of 5	No	Nil	Nil	Nil
Dr. Suresh Inderchand Surana DIN: 00009757	Independent	2 out of 5	No	Nil	Nil	Nil
Mr. Jitender Balakrishnan DIN: 00028320	Independent	5 out of 5	No	9	7	3
Ms. Pooja Haldea DIN: 07123158	Independent	4 out of 5	No	Nil	Nil	Nil
Mr. Ranjit Singh DIN: 01651357	Independent	5 out of 5	Yes	Nil	Nil	Nil
B.Executive Director						
Mr. Pranay Kothari DIN: 00004003	Non-Independent (Whole Time Director)	5 out of 5	No	3	1	Nil

* Only Indian Public Limited Companies are considered.

** For determining the Chairmanship/Membership of Committees only Audit Committee and Stakeholders' Relationship Committee have been considered. (Excluding this Company).

*** Chairman of the Audit Committee & Stakeholders' Relationship Committee Could not attend the AGM.

None of the Directors of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all public companies whether listed or unlisted (including Polyplex Corporation Limited), in which he/she is a director.

c) Details of shares held by the Directors in the Company are as follows:

Sr. No	Name of Director	No. of shares held as on March 31, 2018
1	Mr. Sanjiv Saraf	3,25,138
2	Mr. Sanjiv Chadha	4,000
3	Dr. Suresh Inderchand Surana	200

d) Information placed before the Board includes :

The Board is supplied with the necessary information as stipulated in Part A of Schedule II of SEBI (LODR) Regulations, 2015, to the extent applicable.

e) Review of Compliance Report :

The periodical reports submitted by the Internal Auditors and by the concerned department Heads of the Company with regards to compliance of Laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, are being reviewed by Audit Committee and the Board of Directors as per Regulation 17 (3) of SEBI (LODR) Regulations, 2015.

Compliance Certificate signed by the Executive Director and Chief Financial Officer is placed before the Board of

Directors as specified in Part B of Schedule II of SEBI (LODR) Regulations, 2015.

f) Code of Conduct :

The Board of Directors of the Company has approved a 'Code of Conduct' for all Board members and Senior Management Personnel. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have affirmed the compliance of the same. A copy of the Code of Conduct is also posted on the website of the Company viz. www.polyplex.com.

A confirmation from the Executive Director/ Chief Executive Officer affirming Compliance of the Code of Conduct by the members of the Board/ Senior Management forms part of this report.

3. Audit Committee

a) Composition :

The Company has a qualified and independent Audit Committee. The Audit Committee comprised of following Non-Executive Directors viz., Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea, and Mr. Jitender Balakrishnan. All the members of Audit Committee are Independent.

Mr. Brij Kishore Soni an Independent Director is the Chairman of Audit Committee. All the members of Audit Committee are financially literate within the meaning of Regulation 18 (1) (c) SEBI (LODR) Regulations, 2015.

The Company Secretary of the Company acts as Secretary of the Audit Committee.

Statutory Auditor and Internal Auditor are invitees to Audit Committee meetings.

b) Meetings of the Audit Committee :

During the Financial Year 2017-18, Five meetings of Audit Committee were held on May 19, 2017, July 25, 2017, August 14, 2017, November 14, 2017 and February 14, 2018. The maximum time gap between two consecutive meetings was not more than 120 days.

Attendance of the Members at the Audit Committee Meetings was as follows:

Name of Member	Meetings attended
Mr. Brij Kishore Soni	5 out of 5
Mr. Jitender Balakrishnan	5 out of 5
Dr. Suresh Inderchand Surana	2 out of 5
Ms. Pooja Haldea	4 out of 5

c) Powers and Role of the Audit Committee :

The Powers and Role of the Audit Committee, constituted by Board of Directors pursuant to Companies Act, 2013/SEBI (LODR) Regulations, 2015, include the following:

i. Powers :

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

ii. Role :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.

iv. Significant adjustments made in the financial statements arising out of audit findings.

v. Compliance with listing and other legal requirements relating to financial statements.

vi. Disclosure of any Related Party Transactions.

vii. Modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

(f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

(h) Approval or any subsequent modification of transactions of the company with related parties.

(i) Scrutiny of inter-corporate loans and investments.

(j) Valuation of undertakings or assets of the company, wherever it is necessary.

(k) Evaluation of internal financial controls and risk management systems.

(l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

(m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(n) Discussion with internal auditors of any significant findings and follow up there on.

(o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

shareholders (in case of non payment of declared dividends) and creditors.

- (r) To review the functioning of the Whistle Blower mechanism.
- (s) Approval of appointment of Chief Financial Officer (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

d) Review of information by the Audit Committee :

The Audit Committee mandatorily reviews the following information:

- i. Management Discussion and Analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
- iii. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal Audit Reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- vi. Statement of deviations :
 - a.) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.
 - b.) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.

4. Nomination and Remuneration Committee and Remuneration to Directors

a) Composition:

The Nomination and Remuneration Committee comprises of two Independent Directors and one Promoter Director, all of whom are Non-Executive Directors i.e. Mr. Jitender Balakrishnan, Mr. Brij Kishore Soni and Mr. Sanjiv Saraf. Mr. Jitender Balakrishnan, an Independent Director, is Chairman of the Nomination and Remuneration Committee.

The Company Secretary of the Company acts as Secretary of the Committee.

During the Financial Year 2017-18, One meeting of the Nomination and Remuneration Committee was held on August 14, 2017.

All the Members of the Members at the Nomination and Remuneration Committee Meetings attended the meeting.

b) Terms of reference:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of performance of Independent Directors and the Board and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in the policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board, policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

c) Details of Remuneration and other terms of appointment of Directors:

i. Executive Director

Mr. Pranay Kothari :

Following remuneration has been paid to Mr. Pranay Kothari, Executive Director for the Financial Year 2017-18:

Salary, Allowances, PF & SA	₹ 2,38,14,000
Perquisites	₹ 1,72,322
Total#	₹ 2,39,86,322

Excludes Performance Incentive of ₹ 112.50 lacs for the Financial Year 2017- 18, provided in the

accounts which has since been approved for payment by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

Tenure of appointment of Mr. Pranay Kothari is for three years commencing from September 7, 2015 and ended on September 6, 2018. Appointment of Mr. Pranay Kothari as Whole Time Director may be terminated by either party after giving to the other, six calendar months notice in writing or salary in lieu thereof. No payment on account of severance fees has been stipulated.

No performance linked incentive has been paid to Mr. Pranay Kothari during the year.

ii. Non-Executive Directors

Non-Executive Directors of the Company were paid sitting fees @ ₹ 50,000/- per meeting for attending meetings of the Board or any Committee(s) thereof, in addition to the reimbursement/provision of travelling/stay/expenses as per rules of the Company. Further, Non-Executive Directors of the Company are not paid any remuneration except Mr. Sanjiv Saraf who receives commission upto 1% of the net profits of the Company computed under Section 198 of the Companies Act, 2013.

The details of payment of Sitting Fee to Non-Executive Directors during the year 2017-18 are given below:

Sr. No	Name of Non-Executive Directors	Sitting Fees (₹)
1.	Mr. Sanjiv Saraf*	3,50,000
2.	Mr. Brij Kishore Soni	10,00,000
3.	Mr. Sanjiv Chadha	1,50,000
4.	Dr. Suresh Inderchand Surana**	3,00,000
5.	Mr. Jitender Balakrishnan	6,00,000
6.	Ms. Pooja Haldea	4,50,000
7.	Mr. Ranjit Singh	3,00,000

All Non-Executive Directors except Independent Directors are liable to retire by rotation.

* In addition to payment of Sitting Fee, Mr. Sanjiv Saraf has been paid commission of ₹ 42.00 lacs during the year out of provision made in the last year. Further Board of Directors have approved the payment of Commission of ₹ 70.00 Lacs for the Financial Year 2017-18 to Mr. Sanjiv Saraf, Chairman and Non Executive Director in terms of Special Resolution passed by the Members in the Annual General Meeting held on September 28, 2015.

** Amount aggregating to ₹ 18.45 Lacs was paid to firms in which Dr. Suresh Inderchand Surana is a partner towards professional fee, including service tax and reimbursement of expenses.

The Company has so far not issued any Stock options to any of the Directors. Further, Independent Directors are not entitled to any Stock options.

5. Stakeholders' Relationship Committee

a) Composition:

The Board has constituted Stakeholders' Relationship Committee comprised of Mr. Brij Kishore Soni, Non-Executive Independent Director and Mr. Pranay Kothari, Executive Director. Mr. Brij Kishore Soni is the Chairman of the Committee.

The Committee, inter alia, looks into matters relating to issue of duplicate/split of old share certificates, non-receipt of annual report and non-receipt of declared dividends and Shareholders'/ Investors' Grievances

Mr. Ashok Kumar Gurnani, Company Secretary is the Compliance Officer and Secretary of the Committee.

b) Meetings of Stakeholders' Relationship Committee :

This Committee meets as and when required. During the Financial Year 2017-18, Six such meetings were held on June 14, 2017, October 23, 2017, November 28, 2017, December 19, 2017, January 29, 2018 and March 08, 2018. All the meetings were attended by both the directors.

c) Investor Grievance Redressal:

Complaints received from Investors/ shareholders are promptly attended to.

Status of complaints received, resolved and pending during the Financial Year 2017-18 is as follows:

Opening: 0, Received: 0, Resolved: 0, Pending: 0

As on March 31, 2018, no request for registration of transfer of shares/ dematerialization was pending.

d) Process of transfer of shares

All complete and valid requests for transfer/transmission of shares are given effect to within the time stipulated in the SEBI (LODR) Regulations, 2015.

6. Corporate Social Responsibility (CSR) Committee

a) Composition:

In terms of the requirement of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee (CSR Committee). The CSR committee comprises of one Promoter Director and two Independent Directors, all of whom are Non-Executive Directors i.e. Mr. Sanjiv Saraf; Mr. Brij Kishore Soni and Dr. Suresh Inderchand Surana. Mr. Sanjiv Saraf is the Chairman of the CSR Committee.

The Company Secretary of the Company acts as Secretary of the CSR Committee.

The Role and functions of the CSR Committee are to:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.
- (b) Recommend to the Board amount to be spent on various CSR activities in a year.
- (c) Recommend to Board pursuing of CSR activities either by Company itself or indirectly through an NGO.
- (d) Monitor the CSR policy of the Company from time to time.
- (e) To report to the Board and in aid disclosing in the Director's Report of the Board under Section 134 of the Act.

During the Financial Year 2017-18, one meeting of the CSR Committee was held on November 14, 2017 and the meeting was attended by all the members of the CSR Committee.

7. Finance Committee

(a) Composition :

The Board has constituted a Finance Committee comprising of following Directors viz. Mr. Sanjiv Saraf, Mr. Pranay Kothari and Mr. Brij Kishore Soni to decide, inter alia, financial matters of the Company viz. short term loans, working capital facilities, deployment of surplus funds and other incidental matters.

Mr. Sanjiv Saraf is the Chairman of the Committee.

The Company Secretary of the Company acts as Secretary of the Finance Committee.

(b) Meetings of the Finance Committee:

During the Financial Year 2017-18, One meeting of the Finance Committee was held on September 16, 2017. The Meeting was attended by all the members of the CSR Committee.

8. Risk Management Committee

The Board has voluntarily constituted a Risk Management Committee. The Risk Management Committee comprises of Dr. Suresh Inderchand Surana, Mr. Brij Kishore Soni, Independent Directors, Mr. Pranay Kothari, Executive Director, Mr. Manish Gupta, CFO and Mr. Kapil Gupta, Profit Centre Head of the Company.

The functions of the Risk Management Committee includes formulation of Risk Management Plan and to monitor and review the same and to report to the Board from time to time the risk assessment, minimization and mitigation procedures laid down.

9. Independent Directors, their meetings and Familiarisation Programme

During the Financial Year 2017-18, Five Independent Directors served on the Board.

All requirements with respect to appointment of Independent Directors and their holding of directorships in other listed entities, as specified in Regulation 25 of SEBI (LODR) Regulations, 2015 are complied with.

As required by provisions of the Companies Act, 2013/ SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors was held on July 25, 2017, without the presence of non-independent directors and members of the management. This meeting was chaired by Mr. Jitender Balakrishnan and attended by all the Independent Directors.

Independent Directors of the Company in their aforesaid meeting reviewed the performance of Non-Independent Directors and the Board as a whole as also performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors.

Performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the director being evaluated. For evaluation of performance inter alia following criteria viz. Knowledge and Skill, Participation at Board/ Committee Meetings, Managing Relationships and Personal Attributes is followed. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The familiarization programme for Independent Directors has been disclosed on website of the Company at www.polyplex.com.

10. Subsidiary Monitoring Framework

All the subsidiary companies of the Company are Board managed. As a majority shareholder, the Board of Directors review and monitor the performance of its subsidiary companies by way of:

- a) Approving, in principal, their capital expenditure plans, business expansion plans, investment / disinvestment plans;
- b) Reviewing their operations vis a vis budgets, cash flows and Balance Sheets;
- c) Reviewing all significant/ material transactions and arrangements;
- d) Minutes/ materially important decisions.

11. Related Party Transactions

The Company has formulated a policy on materiality of related party transactions and also on dealings with related party transactions. This policy is posted on the website of the Company at www.polyplex.com.

All related party transactions are placed before the Audit Committee for its approval/omnibus approval/ review in accordance with the policy on related party transactions.

During the year, the Company has not entered into any 'Material' Related Party Transaction requiring approval of the shareholders.

12. General Meetings:

(i) The details about the last three Annual General Meetings are given below:

AGM	Financial Year	Date of Meeting	Location of the Meeting	Time
32nd	2016-17	11.09.2017	Registered Office at Khatima	11.00 a.m.
31st	2015-16	29.09.2016	Registered Office at Khatima	11.00 a.m.
30th	2014-15	28.09.2015	Registered Office at Khatima	11.00 a.m.

During the Financial Year 2017-18, no Extra-Ordinary General Meeting was held or Postal ballot was conducted.

(ii) Special Resolutions passed at the last three Annual General Meetings:

Financial Year/ Date of Annual General Meeting	Subject
2016-17/ September 11, 2017	No Special Resolution was required to be passed at the Annual General Meeting.
2015-16/ September 29, 2016	No Special Resolution was required to be passed at the Annual General Meeting.
2014-15/ September 28, 2015	- Resolution pursuant to Section 197 of the Companies Act, 2013 for waiver of recovery of excess remuneration of ₹ 72.94 Lacs paid/ provided to Mr. Pranay Kothari, Executive Director during 2014-15, due to inadequacy/insufficiency of profits. - Resolution pursuant to Section 197 and/or other applicable provisions of the Companies Act, 2013 to payment of remuneration to Mr. Pranay Kothari, Executive Director, as earlier approved for the period April 1, 2015 to September 6, 2015. - Resolution pursuant to Section 197, 198 & 203 of the Companies Act, 2013 for reappointment and payment of remuneration to Mr. Pranay Kothari, Whole Time Director, for the period September 7, 2015 to September 6, 2018. - Resolution pursuant to Section 188 of the Companies Act, 2013 for holding of office of profit and payment of remuneration to Mr. Sanjiv Saraf in Polyplex (Asia) Pte. Ltd., Singapore, wholly owned subsidiary. - Resolution pursuant to Section 197 of the Companies Act, 2013 for payment of commission to Mr. Sanjiv Saraf, Non Executive Director not exceeding in the aggregate 1% (One percent) per annum of the net profits of the Company for each of the five Financial Year commencing from April 1, 2015.

(iii) One Special Resolution relating to reappointment of Mr. Pranay Kothari as whole-time director is proposed to be passed at the ensuing Annual General Meeting.

(iv) During the Financial Year 2017-18 no resolution was required to be passed by way of postal ballot.

(v) Company had provided to its Members e-voting facility in respect of agenda items placed before the Annual General Meetings held since the provision of the requirement.

13. Disclosures :

- (a) During the year, there were no transactions of material nature with the related parties that had potential conflict with the interest of the Company at large.
- (b) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- (c) The Company has formulated Whistle Blower Policy and the same has been posted on website of the Company at www.polyplex.com. No employee of the Company has been denied access to the Audit Committee to make any representation.
- (d) Company has complied with the mandatory requirements of Regulation 17 of SEBI (LODR) Regulations, 2015.
- (e) The Company has established a comprehensive Enterprise Risk Management (ERM) Policy that includes risk identification, risk assessment, risk mitigation and monitoring on a periodic basis. External and internal risk factors that could potentially affect performance of the Company vis-a-vis stated objectives are identified and reported in the business review meetings periodically. These are subsequently reported to the Board.
- (f) Directors' Report has a detailed section on Management Discussion and Analysis covering inter-alia a separate section on Risk Management.
- (g) Company files quarterly compliance report on Corporate Governance with Stock Exchanges pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015 and copies thereof are placed before the next Board Meeting.
- (h) As required by Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of directors seeking appointment/ re-appointment are given in the Notice convening the ensuing Annual General Meeting.
- (i) Company has adopted discretionary requirements as specified in Para E to Schedule II to SEBI (LODR) Regulations, 2015 to the extent to maintenance of Chairperson's office, having separate posts of Chairperson and Chief Executive Officer, moving towards a regime of Financial Statements with unmodified opinion and reporting of Internal Auditor directly to Audit Committee.

14. Company's Website and its Policies with Weblinks:

Company has formulated following Policies/Codes of Conduct in terms of the requirements of Companies Act, 2013/SEBI (LODR) Regulations, 2015. These Policies/Codes are available on the website of the Company and the weblinks of these Policies/Codes are mentioned against their respective names:

a) Corporate Social Responsibility (CSR) Policy:

http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLCSRPolicy.pdf

b) Nomination & Remuneration Policy:

http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLNRCPolicy.pdf

c) Whistle Blower Policy (Policy on vigil mechanism)

http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLWhistleBlowerPolicy.pdf

d) Policy on Related Party Transactions:

http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLRelatedPartyTransactionsPolicy.pdf

e) Policy for determining 'Material Subsidiaries':

http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLPOLICYFORDETERMININGMATERIALSUBSIDIARIES.PDF

f) Code of Conduct for Board Members and Senior Management:

http://www.nseprimeir.com/z_Polyplex/pdf-files/CodeofConductforBoardMembersandSeniorManagement.pdf

g) Familiarisation programme for Independent Directors:

http://www.nseprimeir.com/z_Polyplex/pdf-files/Familiarisation_Programme.pdf

h) Code of Conduct for Insider Trading/ Code of Practices & Procedures for fair Disclosure of Unpublished Price Sensitive Information:

http://www.nseprimeir.com/z_Polyplex/pdf-files/Code_of_Practices2015.pdf

i) Code Of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders:

http://www.nseprimeir.com/z_Polyplex/pdf-files/CODE_OF_INTERNAL_PROCEDURES_AND_CONDUCT_FOR_REGULATING.pdf

j) Policy for preservation and archival of documents:

http://www.nseprimeir.com/z_Polyplex/pdf-files/PCL_Policy_for_Preservation_of_Documents.pdf

k) Policy for Dividend Distribution:

http://www.nseprimeir.com/z_Polyplex/pdf-files/Dividend_Distribution_Policy_25072017.pdf

15. CEO/ CFO Certification (Compliance Certificate)

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Compliance Certificate from Mr. Pranay Kothari, Executive Director and Mr. Manish Gupta, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 30, 2018.

- c. Management Discussion and Analysis forms part of the Annual Report, which is sent on email/through courier/ posted on the website of the Company.

Declaration by the Chief Executive Officer pursuant to Para D to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

I hereby confirm that:

The Company has obtained affirmations from all the members of the Board and Senior Management that they have complied with the Code of Conduct for Directors and Senior Management for the Financial Year 2017-18.

16. Means of Communication

- a. Quarterly results/ returns and official news releases are furnished to Stock Exchanges and are also put on the Company's Website www.polyplex.com.
- b. The quarterly/ half yearly/ yearly results are generally published in the 'Business Standard' and 'Uttar Ujala, Nainital', within the prescribed time limit.

Place : NOIDA
Date : August 14, 2018

Sd/-
Pranay Kothari
Executive Director

General Shareholders Information

I. Annual General Meeting Date, Time and Venue :	September 29, 2018 at 11.00 a.m. at the Registered Office at : Lohia Head Road, Khatima – 262 308 Distt. Udham Singh Nagar, Uttarakhand
II. Financial Year:	April 1, 2017 to March 31, 2018
III. Book Closure Date:	September 22, 2018 to September 29, 2018 (both days inclusive)
IV. Dividend Payment Date:	Within 15 days from declaration by the shareholders in the Annual General Meeting.
V. Listing on Stock Exchanges:	Equity Shares of the Company are listed on following Stock Exchanges: BSE Limited, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 National Stock Exchange of India Limited, (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Mumbai – 400 051 Listing Fees for the Financial Year 2017-18 and 2018-19 has been paid to above Stock Exchanges. Annual Custody charges for the Financial Year 2017-18 and 2018-19 have been paid to National Securities Depository Limited and Central Depository Services (India) Limited, paid within the prescribed time.
VI. Scrip Code:	The Company's equity shares have been allotted following scrip codes/ name:- BSE Limited (BSE) 524051 National Stock Exchange of India Limited (NSE) POLYPLEX Reuters Code PLYP.BO NSDL/ CDSL – ISIN INE633B01018

VII. Market Price Data :

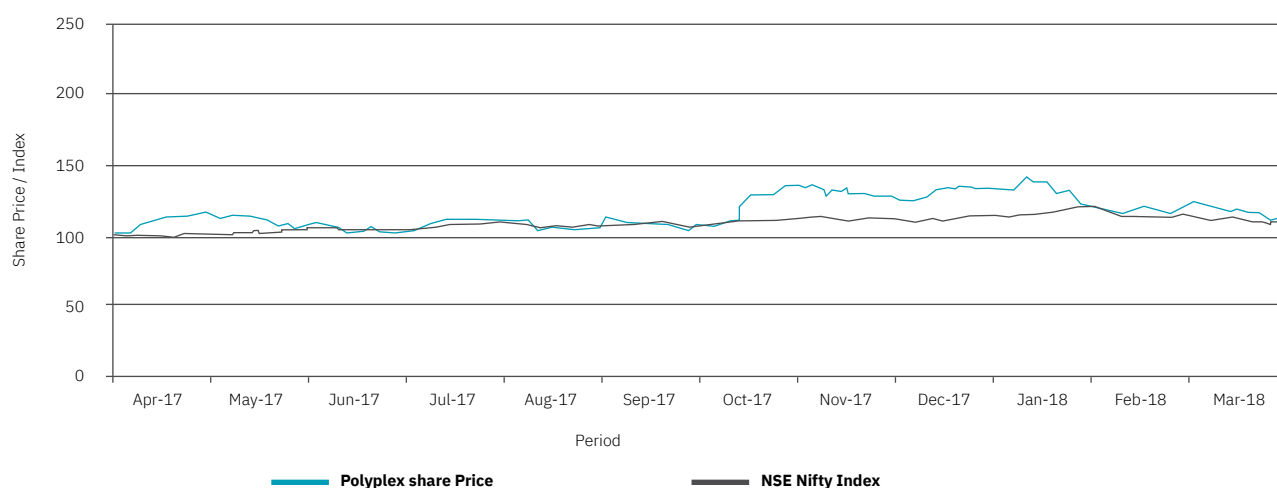
Share prices on BSE and the NSE during 2017-18 were as follows:

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
April 2017	498.80	414.25	2,15,564	499.80	415.50	15,49,744
May 2017	497.50	420.55	1,10,683	489.00	429.65	7,75,283
June 2017	455.00	419.50	37,044	459.95	417.40	4,50,440
July 2017	474.90	427.60	41,706	475.70	426.60	2,56,825
August 2017	470.00	417.80	32,107	469.00	420.00	2,59,770
September 2017	474.95	420.10	50,827	476.00	430.00	2,80,382
October 2017	577.00	432.40	3,17,125	575.45	435.50	18,64,597
November 2017	585.00	523.00	89,380	580.00	520.70	8,39,165
December 2017	581.05	515.45	1,20,119	581.00	515.00	9,26,737
January 2018	601.00	477.50	1,98,979	602.00	476.00	13,13,329
February 2018	518.00	460.00	77,881	518.00	465.25	8,40,115
March 2018	588.00	447.60	1,80,158	526.00	450.05	7,79,091
Total			14,71,573			1,01,35,478

Source: www.bseindia.com and www.nseindia.com

VIII. Stock Performance of the Company in comparison to NSE Nifty

Polyplex's share price movement vs. NSE Nifty Index (2017-18)



IX. Registrars and Share Transfer Agents (RTA):

Karvy Computershare Private Limited

Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad- 500032
Tel: +91-40-67162222
Toll Free No.: 1800-345-4001; Fax: +91-40-23001153
Website: www.karvy.com

X. Share Transfer System:

All complete and valid requests for transfer/transmission of shares are given effect to within the time stipulated in the SEBI (LODR) Regulations, 2015.

XI. Distribution of Shareholding:

a). Distribution of shareholdings as on March 31, 2018:

Shareholding in Number of Shares	No. of Shareholders	% of total shareholders	Nominal Amount (in ₹)	% of Total Nominal Amount
1 to 5000	13116	89.18	1,48,46,490	4.64
5001 to 10000	767	5.22	61,29,430	1.92
10001 to 20000	367	2.50	58,22,190	1.82
20001 to 30000	113	0.77	28,60,860	0.89
30001 to 40000	75	0.51	26,95,670	0.84
40001 to 50000	59	0.40	27,93,350	0.87
50001 to 100000	90	0.61	65,51,440	2.05
100001 and above	120	0.82	27,81,46,570	86.96
Total	14,707	100%	3,19,846,000	100%

b). Categories of shareholders as on March 31, 2018

Category	No. of Shareholders	% of Total Nominal Amount
1. Promoters		
a) Indian Promoters	25,94,400	8.11
b) Foreign Promoters	1,34,07,134	41.92
Sub Total	16,001,534	50.03
2 Non- Promoters		
a) Mutual Funds and UTI	16,46,493	5.15
b) Banks, Financial Institutions and Insurance Companies	20,838	0.07
c) Foreign Institutional Investors (FIIs)	6,99,833	2.19
d) Bodies Corporates & NBFCs	50,46,029	15.77
e) NRIs/OCBs	28,49,982	8.91
f) Directors and Relatives	4,584	0.01
g) Unclaimed Suspense a/c & IEPF	1,53,984	0.48
h) Indian Public	55,61,323	17.39
Sub-Total	1,59,83,066	49.97
Grand Total	3,19,84,600	100.00

Note:

- Total Foreign shareholding as at March 31, 2018 was 1,69,56,949 shares constituting 53.016%.
- 2(g) above includes 60,300 equity shares in demat form in the name of "Polyplex Corporation Limited – Unclaimed Suspense Account" held pursuant to Schedule VI of SEBI (LODR) Regulations, 2015.
- Above shareholding is as per shares held in physical form and details of Beneficial Owners received from NSDL and CDSL.

XII. Dematerialization of shares and liquidity

Shares of the Company are available for dematerialization and are being traded in dematerialized form by all investors w.e.f. April 30, 2001. Shareholders of the Company are advised to avail the facility of electronic shares through dematerialization of physical scrips by opening an account with any of the recognized Depository Participants.

Status of Dematerialization as on March 31, 2018

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2,97,41,726	92.99	8,308
Central Depository Services (India) Limited	18,38,377	5.75	5,077
Total Dematerialized	3,15,80,103	98.74	13,385
Physical	4,04,497	1.26	1,322
Grand Total	3,19,84,600	100.00	14,707

XIII. The Company has not issued GDRs and there are no convertible bonds outstanding as at the year end.

XIV. As required by Regulation 39(4) of SEBI (LODR) Regulations, 2015 the Company has opened a demat account with a Depository Participant in the name of “Polyplex Corporation Limited - Unclaimed Suspense Account” to which all the unclaimed shares have been transferred in terms of the requirements of the said Regulations. Details of shareholders/ shares dematerialized in the said account are as follows :

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year.	347	60,600
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	2	300
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	2	300
Number of Shareholders whose shares were transferred to Unclaimed Suspense Account during the Year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	345	60,300

Voting rights in respect of above shares remain frozen till the rightful owner claims the shares.

XV Commodity price risk or foreign exchange risk and hedging activities:

The details of foreign currency exposure are covered in Point 13 of Corporate Governance Report.

XVI. Plant Locations

The Company’s Polyester Chips and Polyester / BOPP Coated Film manufacturing facility are located at :

- Lohia Head Road, Village Amau, Khatima - 262 308, Distt. Udham Singh Nagar, Uttarakhand; and
- Plot No.227 MI 228 MI, Banna Khera Road, Village Vikrampur – 262 401, Tehsil Bajpur, Distt. Udham Singh Nagar, Uttarakhand.

XVII Investors Correspondence:

For any assistance regarding share transfers, transmissions, issue of duplicate share certificate(s), change of address, non-receipt of dividend, issue of duplicate dividend warrants, dematerialisation of shares etc., please contact / write to: -

Shares Department Polyplex Corporation Limited Lohia Head Road, Khatima 262308 Distt. Udham Singh Nagar, Uttarakhand	Or	Shares Department, Polyplex Corporation Limited B-37, Sector –1, NOIDA 201301, Gautam Budh Nagar, Uttar Pradesh
Phone: (05943) 250136 Fax : (05943) 250281 Email: investorrelations@polyplex.com		Phone: (0120) 2443716 to 19 Fax : (0120) 2443724

Independent Auditor's Certificate on Corporate Governance

To the Members of,

POLYPLEX CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by POLYPLEX CORPORATION LIMITED ("the Company") for the year ended 31st March, 2018, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

The compliance of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to ensure the compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2018.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013,

in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2018 except that the Chairperson of Audit Committee could not attend the Annual General Meeting as required under Regulation 18(d) of Securities And Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For S. S. Kothari Mehta & Co.

Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta

Partner

Membership No. 093214

Place: Noida

Dated: August 14, 2018



Financial Statements

Independent Auditors' Report

TO THE MEMBERS OF

POLYPLEX CORPORATION LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of POLYPLEX CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31st, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31st, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31st, 2017 and the transition date opening balance sheet as at April 1st, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31st, 2017 and March 31st, 2016 dated May 19th, 2017 and May 30th, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, 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), and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.
- e) On the basis of the written representations received from the directors as on March 31st, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31st, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the standalone Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including long term derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on the disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **S. S. Kothari Mehta & Co.**

Chartered Accountants

Firm Registration No. 000756N

Yogesh K. Gupta

Partner

Membership No. 093214

Place: Noida

Dated: May 30th, 2018

Annexure A” to the Independent Auditors’ Report

The Annexure **as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements’** of our Independent Auditors’ Report to the members of **POLYPLEX CORPORATION LIMITED** on the standalone Ind AS financial statements for the year ended March 31st, 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets of the company. Refer Note 4 to the Standalone Ind AS Financial Statements.
- (b) The Company has a regular programme of Physical Verification of its Fixed assets by which fixed asset have been verified by the management according to the programme of periodical physical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- ii. The inventories of the Company (except stock lying with the third parties and in transit) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- (c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deed / transfer deed / conveyance deed / possession letter / allotment letter and other relevant records evidencing title/ possession provided, we report that the title deeds of the immovable properties are held in the name of the Company except in two cases amounting to ₹ 8.79 Lacs where the title deed is not in the name
- iii. The Company has granted unsecured loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company are not prejudicial to interest of the Company.

- (b) In respect of aforesaid loan, repayment of principal and payment of interest has been stipulated, principal is not due for repayment and receipt of interest on the said loan has been fully received.
- (c) There is no amount overdue for more than 90 days as on the date of Balance Sheet.
- iv. According to the information, explanations and representations provided by the Management and based upon audit procedures performed, we are of the opinion that in respect of loans and investments the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013. The Company has not provided any guarantees or security as specified under Section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, income tax, service tax, custom duty, excise duty, value added tax, goods and service tax with effect from July 1st, 2017 and other material statutory dues with the appropriate authorities to the extent applicable
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31st, 2018
- (c) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, goods and service tax, duty of custom, or value added tax which have not been deposited on account of any dispute except as given below:

Name of Statute	Nature of Dues	Period (F.Y.)	Amount (₹ in Lacs)	Amount deposited (₹ in Lacs)	Forum where pending
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	1996-1997	28.08	9.68	High Court
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	1997-1998	32.74	4.19	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	1998-1999	29.05	-	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2009-2010	1.34	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2009-2010	0.97	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2010-2011	3.42	1.71	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2011-2012	1.12	1.12	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2013-2014	1.49	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2015-2016	7.82	2.93	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2016-2017	0.43	0.43	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State VAT Act	Sale Tax	2017-2018	1.16	1.16	Deputy Commissioner (Appeal)
The Central Excise Act, 1994	Excise Duty	2009-2010	19.91	-	Additional Commissioner
The Central Excise Act, 1994	Excise Duty and Penalty	2010-2011	18.45	9.22	CESTAT

Name of Statute	Nature of Dues	Period (F.Y.)	Amount (₹ in Lacs)	Amount deposited (₹ in Lacs)	Forum where pending
The Central Excise Act, 1994	Excise Duty and Penalty	2014-15	2.84	0.11	Commissioner
The Central Excise Act, 1994	Excise Duty	2014-15	70.12	-	Jt. Commissioner (Appeal)
The Central Excise Act, 1994	Excise Duty	2017-18	27.26	-	Jt. Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2014-15	269.68	-	Appellate Tribunal
The Service Tax Act, 1994	Service Tax	2015-16	5.65	3.52	Commissioner
The Income Tax Act, 1961	Income Tax,	2009-10	159.13	159.13	ITAT
The Income Tax Act, 1961	Income Tax,	2010-11	149.79	149.79	ITAT
The Income Tax Act, 1961	Income Tax,	2011-12	344.85	61.00	CIT(Appeals)
The Income Tax Act, 1961	Income Tax	2012-13	39.32	14.30	CIT (Appeals)

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks or financial institutions during the year. The Company has not obtained any loans from debenture holders or government.

ix. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such case by the Management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 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 record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act.

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. Accordingly, clause 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 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, clause 3(xvi) of the Order is not applicable.

For **S. S. Kothari Mehta & Co.**

Chartered Accountants

Firm Registration No. 000756N

Yogesh K. Gupta

Partner

Membership No. 093214

Place: Noida

Dated: May 30th, 2018

“Annexure B”

To the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of POLYPLEX CORPORATION LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’

We have audited the internal financial controls over financial reporting of POLYPLEX CORPORATION LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta

Partner

Place: Noida
Dated: May 30th, 2018

Membership No. 093214

Standalone Balance Sheet

as at March 31, 2018

(₹ in Lacs)				
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I ASSETS				
1 Non Current Assets				
a) Property, Plant and Equipment	4	31,620.40	35,016.28	37,220.15
b) Capital Work-in-Progress		220.43	10.28	219.34
c) Investment Property	5	310.67	317.45	324.23
d) Intangible Assets	6	3.01	11.48	13.12
e) Financial Assets				
i) Investments	7	4,698.71	4,698.71	1,951.43
ii) Loans	8	830.65	830.65	654.40
f) Deferred Tax Assets (Net)	9	1,851.23	2,507.59	2,504.83
g) Other Non-Current Assets	10	1,691.44	444.41	734.08
Total Non Current Assets		41,226.54	43,836.85	43,621.58
2 Current Assets				
a) Inventories	11	13,695.20	11,980.79	8,992.52
b) Financial Assets				
i) Trade Receivables	12	11,484.74	8,236.05	6,415.38
ii) Cash & Cash Equivalents	13	290.47	153.65	406.52
iii) Bank Balances Other than ii above	14	153.90	130.25	116.52
iv) Loans	15	1,472.00	1,475.25	1,500.25
v) Other Financial Assets	16	141.85	191.57	217.52
c) Current Tax Assets	17	454.34	338.89	438.50
d) Other Current Assets	18	6,067.61	2,389.94	2,198.92
Total Current Assets		33,760.11	24,896.39	20,286.13
Total Assets		74,986.65	68,733.24	63,907.71
II EQUITY AND LIABILITIES				
1 Equity				
a) Equity Share Capital	19	3,256.32	3,256.32	3,256.32
b) Other Equity	20	43,876.65	40,841.09	38,212.49
Total Equity		47,132.97	44,097.41	41,468.81
Liabilities				
2 Non Current Liabilities				
a) Financial Liabilities				
i) Borrowings	21	4,600.89	3,409.58	9,040.76
b) Provisions	22	211.66	223.63	163.33
c) Other Non Current Liabilities	23	161.10	153.34	75.17
Total Non Current Liabilities		4,973.65	3,786.55	9,279.26
3 Current Liabilities				
a) Financial Liabilities				
i) Borrowings	24	13,391.43	11,797.34	3,366.98
ii) Trade Payables	25	1,592.20	973.64	1,281.15
iii) Other Financial Liabilities	26	6,335.27	7,177.99	7,385.36
b) Other Current Liabilities	27	1,402.21	767.31	973.82
c) Provisions	28	158.92	133.00	152.33
Total Current Liabilities		22,880.03	20,849.28	13,159.64
Total Liabilities		27,853.68	24,635.83	22,438.90
Total Equity And Liabilities		74,986.65	68,733.24	63,907.71
Accompanying Notes to Standalone Financial Statements	1-55			

As per our report of even date

For **and on behalf of Board of Directors of Polyplex Corporation Limited**

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Yogesh K Gupta
Partner
Membership No. 093214

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: Noida
Date: May 30, 2018

Place: Noida
Date: May 30, 2018

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue from Operations	29	110,437.65	99,367.73
II Other Income	30	6,398.28	5,016.36
III Total Revenue (I + II)		116,835.93	104,384.09
IV Expenses			
Cost of Materials Consumed	31	77,628.83	67,120.51
Changes in Inventories of Finished Goods and Work-in-Progress	32	(1,035.45)	(889.75)
Excise Duty		1,570.16	5,008.07
Employee Benefits Expense	33	6,994.12	6,180.45
Finance Costs	34	1,584.34	1,903.15
Depreciation and Amortisation Expense	6A	4,750.96	5,277.47
Other Expenses	35	17,407.73	14,243.76
Total Expenses (IV)		108,900.69	98,843.66
V Profit / (Loss) Before Exceptional Items and Tax (III - IV)		7,935.24	5,540.43
VI Exceptional Items (Gain) / Loss		-	-
VII Profit / (Loss) Before Tax (V - VI)		7,935.24	5,540.43
VIII Tax Expense	36		
a) Current Tax		1,903.54	955.23
b) Deferred Tax		143.19	10.37
c) Earlier Year Tax		(1.25)	2.37
Total		2,045.48	967.97
IX Profit / (Loss) for the Year (VII - VIII)		5,889.76	4,572.46
X Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of defined benefit obligations		37.52	(37.90)
Income tax expense on remeasurement of defined benefit obligations		(13.11)	13.12
Total Other Comprehensive Income		24.41	(24.78)
XI Total Comprehensive Income for the period (IX - X)		5,914.17	4,547.68
XII Earning Per Equity Share	49		
a) Basic (in ₹)		18.41	14.30
b) Diluted (in ₹)		18.41	14.30
Accompanying Notes to Standalone Financial Statements	1-55		

As per our report of even date

For **and on behalf of Board of Directors of Polyplex Corporation Limited**

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholtime Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Yogesh K Gupta
Partner
Membership No. 093214

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: Noida
Date: May 30, 2018

Place: Noida
Date: May 30, 2018

Statement of Standalone Cash Flows

for the year ended March 31, 2018

(₹ in Lacs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
I A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit / (Loss) Before Tax		7,935.24		5,540.43
Adjustments For :				
Depreciation & Amortization	4,750.96		5,277.47	
Allowance for Doubtful Debts / Bad Debts Written Off	8.58		28.82	
Finance Cost	1,584.34		1,903.15	
Unrealised Exchange Difference (Gain) / Loss	44.96		(1,395.86)	
Net Gain on Sale of Property, Plant & Equipment	(2.12)		(8.28)	
Assets Written Off	17.51		0.01	
Net Gain on Sale of Investments measured at FVTPL	(0.65)		(9.48)	
MTM (Gain) / Loss Derivative Financial Instruments measured at FVTPL	350.43		(36.09)	
Loss on Write down of Inventory	(1.00)		162.00	
Interest Income	(340.45)		(280.18)	
Dividend Income	(4,513.94)	1,898.62	(2,024.18)	3,617.38
Operating Profit Before Working Capital Changes		9,833.86		9,157.81
Working Capital Adjustments:				
Trade Receivables	(2,863.10)		(2,002.50)	
Other Financial Assets	52.97		(114.21)	
Other Non Financial Assets	(3,721.14)		(138.40)	
Inventories	(1,713.41)		(3,150.27)	
Trade Payables	254.00		(303.79)	
Other Financial Liabilities	227.71		(433.71)	
Other Non Financial Liabilities	642.66		(128.34)	
Provisions	13.95	(7,106.36)	40.97	(6,230.25)
Cash Generated From Operations		2,727.50		2,927.56
Taxes Paid		(1,517.68)		(1,296.50)
Cash Flow Before Exceptional Items		1,209.82		1,631.06
Exceptional Items		-		-
Net Cash From Operating Activities		1,209.82		1,631.06
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(2,764.08)		(1,890.23)	
Sale of Property, Plant & Equipment	14.15		15.43	
Loans to Related Party	-		25.00	
Purchase of Short Term Investments	(2,200.00)		(7,885.00)	
Purchase of Long Term Investments	-		(2,748.27)	
Sale of Short Term Investments	2,200.65		7,894.48	
Sale of Long Term Investments	-		0.39	
Dividend Received	4,513.94		2,024.18	
Interest Received	420.14		86.44	
Net Cash Used in Investing Activities		2,184.80		(2,477.58)

Statement of Standalone Cash Flows

for the year ended March 31, 2018

(₹ in Lacs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	5,000.00		-	
Repayment of Long Term Borrowings	(4,929.76)		(4,239.86)	
Net Proceeds From Short Term Borrowings	1,177.55		8,659.78	
Interest Paid	(1,650.63)		(1,918.73)	
Dividends Paid	(2,854.96)		(1,907.54)	
Tax on Distributed Profits	-		-	
Net Cash Used In Financing Activities		(3,257.80)		593.65
Net Increase in Cash And Cash Equivalents		136.82		(252.87)
Cash and Cash Equivalents at the beginning of the year		153.65		406.52
Cash and Cash Equivalents at the end of the year		290.47		153.65

II Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note No: 13):

(₹ in Lacs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Balance with banks				
Current Accounts		284.66		140.08
Cheques on hand		-		-
Cash on hand		5.81		13.57
Total		290.47		153.65

III Reconciliation of Liabilities arising from Financing Activities

(₹ in Lacs)

Particulars	As at March 31, 2017	Cash Flows	Non Cash Changes			As at March 31, 2018
			Foreign Exchange & Others	Finance Cost	Dividend Declared	
Non Current Borrowings	8,694.72	70.24	(343.14)	-	-	8,421.82
Current Borrowings	11,797.34	1,177.55	416.54	-	-	13,391.43
Interest Accrued	32.17	(1,650.63)	-	1,632.44	-	13.98
Dividend and Taxes Thereon	128.04	(2,854.96)	-	-	2,878.61	151.69

NOTE: Previous Year figures are regrouped wherever necessary.

As per our report of even date

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta
Partner
Membership No. 093214

Place: Noida
Date: May 30, 2018

For **and on behalf of Board of Directors of Polyplex Corporation Limited**

Pranay Kothari
Wholtime Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 30, 2018

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Statement of Standalone Changes in Equity

for the year ended March 31, 2018

A. Equity share capital

(₹ in Lacs)		
Particulars	No of Shares	₹ Lacs
Balance as at April 1, 2016	31,984,600	3,256.32
Changes in Equity Share Capital during 2016-17	-	-
Balance as at March 31, 2017	31,984,600	3,256.32
Changes in Equity Share Capital during 2017-18	-	-
Balance as at March 31, 2018	31,984,600	3,256.32

B. Other equity

(₹ in Lacs)					
Particulars	Reserves and surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
As at April 01, 2016	250.80	2,348.20	5,755.10	29,858.39	38,212.49
Profit for the year	-	-	-	4,572.46	4,572.46
Transactions with Owners, recorded in Equity	-	-	-	-	-
Dividend payments including dividend distribution tax	-	-	-	(1,919.08)	(1,919.08)
Transfer to General Reserve	-	-	100.00	(100.00)	-
Actuarial Gain/(loss)-Net of taxes	-	-	-	(24.78)	(24.78)
As at March 31, 2017	250.80	2,348.20	5,855.10	32,386.99	40,841.09
As at April 01, 2017	250.80	2,348.20	5,855.10	32,386.99	40,841.09
Profit for the year	-	-	-	5,889.76	5,889.76
Transactions with Owners, recorded in Equity	-	-	-	-	-
Dividend payments including dividend distribution tax	-	-	-	(2,878.61)	(2,878.61)
Transfer to General Reserve	-	-	100.00	(100.00)	-
Actuarial Gain/(loss)-Net of taxes	-	-	-	24.41	24.41
As at March 31, 2018	250.80	2,348.20	5,955.10	35,322.55	43,876.65
Accompanying Notes to Standalone Financial Statements		1-55			

As per our report of even date

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta
Partner
Membership No. 093214

Place: Noida
Date: May 30, 2018

For **and on behalf of Board of Directors of Polyplex Corporation Limited**

Pranay Kothari
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Place: Noida
Date: May 30, 2018

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 1: Corporate information

Polyplex Corporation Limited ("PCL") is a public limited company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is situated at Lohia Head Road, Khatima-262308 Distt. Udham Singh Nagar, Uttarakhand.

The Company is principally engaged in the manufacturing of plastic films. The company has two manufacturing plants located in India at Khatima and Bazpur both in state of Uttarakhand.

These standalone financial statements were approved and adopted by board of directors of the Company in their meeting held on 30th May, 2018.

Note 2: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and presentation

(i) Compliance with IND-AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (IND-AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

Upto the year ended March 31, 2017, Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

These are the Company's first IND-AS financial statements. The date of transition to the IND-AS is April 1, 2016. Refer Note No. 55 for details of first-time adoption exceptions and exemptions availed by the Company.

(ii) Historical cost convention

The standalone financial statements have been prepared on an accrual basis under historical cost convention except for certain assets and liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker as defined under IND-AS 108.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of Value Added Taxes (VAT), Service tax, Goods & Services Tax (GST), sales returns, trade allowances, rebates, other similar allowances, and amounts collected on behalf of third parties, if any.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods depending on the individual terms of the sales arrangements;

Notes to Standalone Financial Statements

for the year ended March 31, 2018

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2(e) below.

(iii) Dividend income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(iv) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) Export Incentives

Incentives on exports are recognised in books after due consideration of certainty of utilization/ receipt of such incentives.

(d) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned or other systematic basis representative of the pattern of fulfillment of obligations associated with grants received.

The Grants are presented under the head other income.

(e) Leasing

A lease is classified at the inception date as a finance lease or operating lease. Leases are classified as finance leases whenever the terms of the lease that transfers substantially all the risks and rewards incidental to company is classified as finance lease. All other leases are classified as operating leases.

(i) As a lessee

Finance lease

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in statement of profit & loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs (see note 2(h) below).

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

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Operating lease

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Respective leased assets are included in the standalone balance sheet based on their nature.

(f) Foreign currency translation

(i) Functional and presentation currency

The standalone financial statements are presented in Indian rupee (₹), which is Company's functional and presentation currency unless stated otherwise.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss in the period in which they arise except for foreign exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

(iii) Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the standalone statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the standalone statement of profit and loss on a net basis.

(g) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs are not capitalized during extended periods in which active development of qualifying assets is suspended. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

(i) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases and carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets/liabilities are generally recognised for all taxable temporary differences, the carry forward balance of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward balance of unused tax credits and unused tax losses can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(j) Property, plant and equipment

The Company has applied IND-AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2016.

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, including import duties and non-refundable taxes,

Notes to Standalone Financial Statements

for the year ended March 31, 2018

after deducting trade discounts/rebates, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their remaining useful life provided these are of significant amounts commensurate with the size of the Company and scale of its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized net with in other income/other expense in Statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are available for their intended use. Depreciation is calculated using the methods specified below to allocate their cost, net of their residual values, over their estimated useful lives.

- Depreciation on fixed assets at manufacturing plant at Khatima and Bazpur is provided on Written Down Value Method (WDV) based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, except for Plant and Machinery running on continuous process basis, where based on internal assessment and independent technical evaluation carried out by external valuer the management believes that the useful life of 18 years best represents the period over which management expects to use these assets. Hence the useful life for such assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Plant & Machinery pertaining to the Plastic film lines and Polyester resin plant has been considered as continuous process as per technical assessment.
- Depreciation on fixed assets at Head Office at NOIDA is provided on Straight Line Method (SLM) based on estimated useful life of an asset which coincides with Schedule II to the Companies Act, Freehold land is not depreciated.
- The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.. The estimated useful life of the assets is given below:

Asset Class	Useful life
Buildings	30-60 years
Plant and Machinery	15-30 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office Equipment	5 years
Vehicles	8-10 years

(k) Investment property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Cost comprises purchase price after deducting trade discounts/rebates, including duties and taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment property being building is depreciated using the straight-line method over their estimated useful life of 30 years.

The Company has elected to continue with the carrying value of Investment Property recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(l) Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Costs comprises purchase price, including import duties and non-refundable taxes, after deducting trade discounts/rebates, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Assets	Estimated useful life
Computer software	2-3 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss when the asset is derecognized.

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(m) Inventories

- (i) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress is computed on weighted average basis and it includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write downs to inventories are recognised in profit or loss. When reasons for such write downs cease to exist, such write downs are reversed through profit or loss.
- (ii) Inventories of raw materials & components, stores & spares and stock-in-trade are valued at lower of cost and net realizable value. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Write down of such inventories are recognised in profit or loss and when reasons for such write downs cease to exist, such write downs are reversed through profit or loss. Cost of such inventories comprises of purchase price and other directly attributable costs that have been incurred in bringing the inventories to their present location and condition. By-products used as raw material are valued at transfer price linked with net realizable value. Cost of raw materials & components, stores & spares and stock-in-trade are determined on weighted average cost method.

(n) Provisions, contingent liabilities and contingent assets

- (i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

- (ii) A contingent liability is not recognised in the standalone financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the standalone financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).
- (iii) A contingent asset is not recognised in the standalone financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realization of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.
- (iv) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(o) Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such costs are capitalized if they can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves and sick leaves. The liabilities for earned leaves and sick leaves are not expected to be settled wholly within operating cycle i.e. twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as provisions in the standalone balance sheet.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans towards payment of gratuity; and
- defined contribution plans towards provident fund plan & employee pension scheme, employee state insurance, superannuation scheme, national pension scheme and provident fund.

Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Company contributes to the gratuity fund, which is recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Provident Fund Plan**

The Company makes monthly contributions at prescribed rates towards Employees' Provident Fund administered and managed by the Government of India.

- **Employee State Insurance**

The Company makes prescribed monthly contributions towards Employees' State Insurance Scheme.

- **Superannuation Scheme**

The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policy entered into by such fund with the Life Insurance Corporation of India.

(q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed by the end of the reporting period.

(r) Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For assets in the nature of debt instruments, this will depend on the business model. For assets in the nature of equity

Notes to Standalone Financial Statements

for the year ended March 31, 2018

instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Measurement

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is recognised using the effective interest rate method.
- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the standalone statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Trade Receivable

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. Subsequent recoveries of amounts previously written off are credited to other Income.

Equity instruments

The Company subsequently measures all equity investments at fair value, except for equity investments in subsidiaries where the Company has the option to either measure it at cost or fair value. The Company has opted to measure equity investments in subsidiaries at cost hence investments in subsidiaries are carried at cost less impairment, if any. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

(iii) Impairment of financial assets

In accordance with IND-AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss associated with its financial assets carried at amortized cost and FVTOCI debt instruments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions IND-AS 18 Revenue, the Company applies simplified approach permitted by IND-AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

ECL represents expected credit loss resulting from all possible defaults and is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate. While determining cash flows, cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms are also considered.

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

(iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is derecognized (i.e. removed from the balance sheet) only when

- the Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients; or
- the rights to receive cash flows from the asset have expired.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

(v) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(s) Financial liabilities and equity instruments

(i) Classification

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

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

Financial liabilities

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortized cost.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL, other financial liabilities are measured at amortized cost at the end of subsequent accounting periods.

(ii) Measurement

Equity instruments

Equity instruments issued by the Company are recognised at the proceeds received. Transaction cost of equity transactions shall be accounted for as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

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

Subsequent measurement

There are two measurement categories into which the Company classifies its financial liabilities:

- Fair value through profit or loss (FVTPL): Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.
- Amortized cost: Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition

Equity instruments

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

Financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

(t) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(u) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the standalone balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(v) Fair value of financial instruments

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either a) In the principal market for the asset or liability, or b) In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

(w) Earnings-per-Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(x) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

(y) Cash Flow Statement

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.

Note 3: Critical accounting judgements and key sources of estimation uncertainty

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(ii) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered based on past observable data on employees leaving the services of the Company. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

(iii) Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

(iv) Useful life and residual value of plant, property equipment, intangible assets & Investment Property

The useful life and residual value of plant, property equipment Investment Property and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset.

(v) Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements

(vi) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making assumption and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward estimate at the end of each reporting period.

(vii) Impairment of non-financial assets

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 4 : Property, Plant and Equipment

Particulars	Gross Carrying Amount			Depreciation			Net Carrying Amount	
	As at 01-Apr-17	Additions during the year	Sale / adjustments	As at 31-Mar-18	For the year	Sale / adjustments	As at 31-Mar-18	As at 31-Mar-17
Freehold Land	1,693.09	-	-	1,693.09	-	-	1,693.09	1,693.09
Buildings	13,146.82	51.00	5.12	13,192.70	517.43	2.81	6,200.77	7,460.67
Plant & Machinery	75,337.81	1,188.07	43.84	76,482.04	3,961.65	27.45	54,203.96	25,068.05
Electrical Installations	2,112.89	7.68	11.70	2,108.87	98.51	11.17	1,867.21	333.02
Furniture & Fixtures	479.58	9.76	0.23	489.11	18.53	-	415.57	82.54
Office Equipments	1,249.89	90.13	93.99	1,246.03	102.84	85.45	1,039.56	227.72
Vehicles	364.84	22.73	30.82	356.75	36.75	29.28	221.12	151.19
Total	94,384.92	1,369.37	185.70	95,568.59	4,735.71	156.16	63,948.19	35,016.28
Capital Work-in-Progress	10.28	1,429.48	1,219.33	220.43	-	-	220.43	10.28
Total	94,395.20	2,798.85	1,405.03	95,789.02	4,735.71	156.16	63,948.19	35,026.56

Notes :

1. Freehold Land costing ₹ 8.79 Lacs is under Power of Attorney .
2. Addition to Plant & Machinery and Building includes ₹ Nil (FY - 2016-17: ₹ 1.31 Lacs, FY - 2015-16: ₹ Nil) on account of Interest on Loans
3. For Security Clause, refer Note No. 21 and 24

Particulars	Gross Carrying Amount			Depreciation			Net Carrying Amount	
	As at 01-Apr-16	Additions during the year	Sale / adjustments	As at 31-Mar-17	For the year	Sale / adjustments	As at 31-Mar-17	As at 31-Mar-16
Freehold Land	1,693.09	-	-	1,693.09	-	-	1,693.09	1,693.09
Buildings	13,065.48	81.34	-	13,146.82	580.61	-	5,686.15	7,959.94
Plant & Machinery	72,584.98	2,777.29	24.46	75,337.81	4,369.23	18.69	50,269.76	26,665.76
Electrical Installations	2,094.39	18.50	-	2,112.89	143.99	-	1,779.87	458.51
Furniture & Fixtures	456.50	23.08	-	479.58	21.25	-	397.04	80.71
Office Equipments	1,186.04	76.76	12.91	1,249.89	913.83	11.98	1,022.17	272.21
Vehicles	277.20	95.29	7.65	364.84	33.65	7.27	213.65	89.93
Total	91,357.68	3,072.26	45.02	94,384.92	5,269.05	37.94	59,368.64	37,220.15
Capital Work-in-Progress	219.34	2,502.49	2,711.55	10.28	-	-	10.28	219.34
Total	91,577.02	5,574.75	2,756.57	94,395.20	5,269.05	37.94	59,368.64	37,439.49

Notes :

1. Freehold Land costing ₹ 8.79 Lacs is under Power of Attorney .
2. Addition to Plant & Machinery and Building includes ₹ Nil (FY - 2016-17: ₹ 1.31 Lacs, FY - 2015-16: ₹ Nil) on account of Interest on Loans
3. For Security Clause, refer Note No. 21 and 24

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 5 : Investment Property

Particulars	Gross Carrying Amount			Depreciation			Net Carrying Amount		
	As at 01-Apr-17	Additions during the year	Sale / adjustments	As at 31-Mar-18	As at 01-Apr-17	For the year	Sale / adjustments	As at 31-Mar-18	As at 31-Mar-17
Building	434.41	-	-	434.41	116.96	6.78	-	310.67	317.45
Total	434.41	-	-	434.41	116.96	6.78	-	310.67	317.45

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation			Net Carrying Amount		(₹ in Lacs)
	As at	Additions	Sale /	As at	As at	For the	Sale /	As at	As at	
	01-Apr-16	during the year	adjustments	31-Mar-17	01-Apr-16	year	adjustments	31-Mar-17	31-Mar-16	
Building	434.41	-	-	434.41	110.18	6.78	-	116.96	317.45	324.23
Total	434.41	-	-	434.41	110.18	6.78	-	116.96	317.45	324.23

(₹ in Lacs)

Notes:

- Investment Property consist of building located in state of Uttar Pradesh
- Amount recognised in standalone statement of profit & loss

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Rental Income	260.53		237.98	
Direct operating expenses from property that generated rental income	138.22		85.04	
Direct operating expenses from property that did not generate rental income	-		-	
Profit from investment properties before depreciation	122.31		152.94	
Depreciation	6.78		6.78	
Profit from investment properties	115.53		146.16	

(₹ in Lacs)

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTE 5 : Investment Property (contd..)

3. Restrictions on realisability and contractual obligations

The Company has no restrictions on the realisability of any of its investment properties and it is under no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

4. Fair Value

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at April 1, 2016
Investment Property	874.94	812.63

5. Estimation of fair value

The valuation of the building situated at Noida has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

6. For Security Clause, refer Note No. 21 and 24

NOTE 6 : Intangible Assets

Particulars	Gross Carrying Amount		Amortisation		Net Carrying Amount	
	As at 01-Apr-17	Additions during the year	Sale / adjustments	As at 01-Apr-17	For the year	As at 31-Mar-18
Computer Software	140.50	-	-	129.02	8.47	137.49
Total	140.50	-	-	129.02	8.47	137.49
						As at 31-Mar-17
						11.48
						11.48

(₹ in Lacs)

Particulars	Gross Carrying Amount		Amortisation		Net Carrying Amount	
	As at 01-Apr-16	Additions during the year	Sale / adjustments	As at 01-Apr-16	For the year	As at 31-Mar-17
Computer Software	140.50	-	-	127.38	1.64	129.02
Total	140.50	-	-	127.38	1.64	129.02
						As at 01-Apr-16
						13.12
						13.12

(₹ in Lacs)

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 6A

Depreciation and Amortisation Expense

Particulars	(₹ in Lacs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on Property, Plant & Equipment (Refer Note: 4)	4,735.71	5,269.05
Depreciation on Investment Property (Refer Note: 5)	6.78	6.78
Amortization of Intangible Assets (Refer Note: 6)	8.47	1.64
Total	4,750.96	5,277.47

NOTE 7 : Non-Current Investments

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in Subsidiary Companies (At cost less impairment)			
(Equity Instruments - Unquoted)			
Polyplex (Asia) Pte Ltd (common stock, no par value) No of Shares: 1,00,000 (As at March 31, 2017: 1,00,000, As at April 1, 2016: 1,00,000)	463.83	463.83	463.83
(Equity Instruments - Quoted)			
Polyplex (Thailand) Public Company Limited (Face Value: Baht 1) No of Shares: 15,47,09,118 (As at March 31, 2017: 15,47,09,118, As at April 1, 2016: 13,20,00,000)	4,234.88	4,234.88	1,487.60
Total	4,698.71	4,698.71	1,951.43
Aggregate of Unquoted Investments (At Cost less Impairment)	463.83	463.83	463.83
Aggregate of Quoted Investments (At Book Value)	4,234.88	4,234.88	1,487.60
(At Market Value)	49,754.17	46,603.34	16,112.38

NOTE 8 : Non-Current Loans

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good unless otherwise stated)			
Security Deposits	830.65	830.65	654.40
Total	830.65	830.65	654.40

Refer Note No. 38

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 9 : Deferred Tax Assets (Net)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Assets			
Capital Loss	328.65	325.49	344.70
Provision for Employee Benefits	129.49	123.42	60.24
Allowance for Doubtful Debts	14.16	11.06	11.06
Others	167.75	175.24	200.25
MAT Credit Entitlement	1,481.25	1,981.31	1,585.78
Sub Total (a)	2,121.30	2,616.52	2,202.03
Deferred Tax Liabilities			
Property Plant & Equipment	(256.96)	(122.05)	253.81
Remeasurement of defined benefit obligations	(13.11)	13.12	48.99
Sub Total (b)	(270.07)	(108.93)	302.80
Total (a) + (b)	1,851.23	2,507.59	2,504.83

Movement in Deferred Tax

(₹ in Lacs)					
Particulars	As at March 31, 2017	Recognized in P&L	Recognized in OCI	MAT Credit Utilized	As at March 31, 2018
Deferred Tax Assets					
Capital Loss	325.49	3.16	-	-	328.65
Provision for Employee Benefits	123.42	6.07	-	-	129.49
Allowance for Doubtful Debts	11.06	3.10	-	-	14.16
Others	175.24	(7.49)	-	-	167.75
MAT Credit Entitlement	1,981.31	-	-	(500.06)	1,481.25
Sub Total (a)	2,616.52	4.84	-	(500.06)	2,121.30
Deferred Tax Liabilities					
Property Plant & Equipment	(122.05)	(134.91)	-	-	(256.96)
Remeasurement of defined benefit obligations	13.12	(13.12)	(13.11)	-	(13.11)
Sub Total (b)	(108.93)	(148.03)	(13.11)	-	(270.07)
Total (a) + (b)	2,507.59	(143.19)	(13.11)	(500.06)	1,851.23

(₹ in Lacs)					
Particulars	As at April 1, 2016	Recognized in P&L	Recognized in OCI	MAT Credit Utilized	As at March 31, 2017
Deferred Tax Assets					
Capital Loss	344.70	(19.21)	-	-	325.49
Provision for Employee Benefits	60.24	63.18	-	-	123.42
Allowance for Doubtful Debts	11.06	-	-	-	11.06
Others	200.25	(25.01)	-	-	175.24
MAT Credit Entitlement	1,585.78	395.53	-	-	1,981.31
Sub Total (a)	2,202.03	414.49	-	-	2,616.52
Deferred Tax Liabilities					
Property Plant & Equipment	253.81	(375.87)	-	-	(122.05)
Remeasurement of defined benefit obligations	48.99	(48.99)	13.12	-	13.12
Sub Total (b)	302.80	(424.86)	13.12	-	(108.93)
Total (a) + (b)	2,504.83	(10.37)	13.12	-	2,507.59

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 10 : Other Non-Current Assets

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good unless otherwise stated)			
Capital Advances	1,329.84	71.00	354.77
Prepaid Expenses	361.60	373.41	379.31
Total	1,691.44	444.41	734.08

NOTE 11 : Inventories

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials (incl stock in transit of ₹ 900.73 Lacs, FY - 2016-17: ₹ 406.83 Lacs, FY - 2015-16: ₹ 753.15 Lacs)	6,975.78	6,505.15	4,483.15
Work-in-Progress	1,292.69	1,088.80	720.90
Finished Goods (incl stock in transit of ₹ 1,000.42 Lacs, FY - 2016-17: ₹ 945.40 Lacs, FY - 2015-16: ₹ 747.43 Lacs)	3,642.90	2,904.01	2,332.35
Stores & Spares	1,783.83	1,482.83	1,456.12
Total	13,695.20	11,980.79	8,992.52

Notes

- (i) The cost of inventories recognised as an expense during the year amounts to ₹ 92,893.34 Lacs (FY - 2016-17: ₹ 81,137.12 Lacs)
- (ii) The cost of inventories recognised as an expense includes ₹ 80.00 Lacs, FY - 2016-17: ₹ 79.00 Lacs, FY - 2015-16: ₹ 241 Lacs in respect of written downs of inventory to net realizable value. Previous write-downs have been reversed as a result of increased sales prices.
- (iii) The method of valuation of inventories has been stated in Note 2 (m)
- (iv) For Security Clause, refer Note No. 21 and 24

NOTE 12 : Trade Receivables

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good	11,484.74	8,236.05	6,415.38
Considered doubtful	40.53	31.95	31.95
Less: Allowance for Doubtful Debts	(40.53)	(31.95)	(31.95)
Total	11,484.74	8,236.05	6,415.38

Note:

- (i) The above receivables include, receivables from Related Parties: ₹ 1,026.67 Lacs, FY - 2016-17: ₹ 1,719.43 Lacs, FY - 2015-16: ₹ 1,568.64 Lacs
- (ii) For Security Clause, refer Note No. 21 and 24
- (iii) Refer Note No. 38

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 13 : Cash And Cash Equivalents

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with banks			
Current Accounts	284.66	140.08	313.23
Cheques on hand	-	-	83.16
Cash on hand	5.81	13.57	10.13
Total	290.47	153.65	406.52

Refer Note No. 38

NOTE 14 : Other Bank Balances

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked Balances with Banks			
Unclaimed Dividend Accounts	151.69	128.04	114.31
Fixed Deposits (Lien with Banks)	2.21	2.21	2.21
Total	153.90	130.25	116.52

Refer Note No. 38

NOTE 15 : Current Loans

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good unless otherwise stated)			
Security Deposits	22.00	25.25	25.25
Loans to Related Party			
Considered Good	1,450.00	1,450.00	1,475.00
Considered Doubtful	-	-	996.00
Less: Allowance for doubtful loans	-	-	(996.00)
Total	1,472.00	1,475.25	1,500.25

Refer Note No. 38

NOTE 16 : Other Financial Assets (Current)

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good unless otherwise stated)			
Derivative Financial Instruments	26.41	56.79	27.21
Interest Accrued on Loan and Deposits	52.93	58.24	132.62
Rent Receivables			
From Related Party	25.72	35.20	18.23
From Others	36.79	41.34	39.46
Total	141.85	191.57	217.52

Refer Note No. 38

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 17 : Current Tax Assets

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Income Tax (Net of Provisions of ₹ 3,497.62 Lacs, FY - 2016-17: ₹ 2,589.10 Lacs, FY - 2015-16: ₹ 2,169.60 Lacs)	454.34	338.89	438.50
Total	454.34	338.89	438.50

NOTE 18 : Other Current Assets

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good unless otherwise stated)			
Prepaid Expenses	374.49	244.45	193.24
Balance with Government Authorities	3,706.96	683.25	464.08
Export Benefit Receivables	661.11	620.20	421.71
Advances to Suppliers and Others	1,214.01	626.65	952.83
Employee Advance	111.04	215.39	167.06
Total	6,067.61	2,389.94	2,198.92

NOTE 19 : Share Capital

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised			
3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of ₹ 10 each	3,400.00	3,400.00	3,400.00
Issued, Subscribed and Fully Paid-up			
3,19,84,600 (Previous Year - 3,19,84,600) Equity Shares of ₹ 10 each	3,198.46	3,198.46	3,198.46
Add: Forfeited shares (Amount originally paid up)	57.86	57.86	57.86
Total	3,256.32	3,256.32	3,256.32

Reconciliation of Number of Shares

Particulars	(₹ in Lacs)		
	No. of shares	No. of shares	No. of shares
Shares outstanding as at the beginning of the year	31,984,600	31,984,600.00	31,984,600.00
Additions during the year	-	-	-
Shares outstanding as at the end of the year	31,984,600	31,984,600.00	31,984,600.00

Shareholders Holding More Than 5% Shares

Particulars	(₹ in Lacs)		
	No. of shares As at March 31, 2018	No. of shares As at March 31, 2017	No. of shares As at April 1, 2016
Mahalaxmi Trading & Investment Co Ltd	7,622,390	7,622,390	7,622,390
Secure Investments Ltd	5,535,744	5,535,744	5,535,744
K2 Family Trust through its Trustee IL & FS Trust Company Ltd	6,883,876	4,244,535	4,319,749

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 19 : Share Capital (contd..)

RIGHTS ATTACHED TO THE SHARES

The Company has only one class of Equity Shares of par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount and the remaining balance is distributed in proportion to the number of equity shares held by the Equity Shareholders

In last five years there was no Bonus issue, buyback and / or issue of shares other than for cash considerations.

NOTE 20 : Other Equity

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share Warrants Forfeited			
Balance at Beginning of the Year	250.80	250.80	-
Addition during the Year	-	-	-
Balance at End of the Year (a)	250.80	250.80	250.80

Share Warrants Forefeited account shall be utilized as per provisions of Companies Act, 2013

Securities Premium Reserve			
Balance at Beginning of the Year	2,348.20	2,348.20	-
Addition during the Year	-	-	-
Balance at End of the Year (b)	2,348.20	2,348.20	2,348.20

Securities Premium Reserve is credited when shares are issued at premium. It is utilized in accordance with the provisions of Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting cost etc

General Reserve			
Balance at Beginning of the Year	5,855.10	5,755.10	-
Transferred from Profit and Loss	100.00	100.00	-
Balance at End of the Year (c)	5,955.10	5,855.10	5,755.10

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares

Retained Earnings			
Balance at Beginning of the Year	32,386.99	29,858.39	-
Profit for the Year	5,889.76	4,572.46	-
Other Comprehensive Income	24.41	(24.78)	-
Dividend Paid	(2,878.61)	(1,919.08)	-
Corporate Dividend Tax - Dividend Paid	-	-	-
Transferred to General Reserve	(100.00)	(100.00)	-
Balance at End of the Year (d)	35,322.55	32,386.99	29,858.39

Retained Earnings represents undistributed profit of the company which can be distributed to its Equity Share holders in accordance with requirements of Companies Act, 2013

Total (a + b + c + d)	43,876.65	40,841.09	38,212.49
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Note:

The amount that can be distributed as dividend by the company to its equity shareholders is determined based on financial statement of the Company and also considering requirements of the Companies Act, 2013.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 21 : Borrowings (Non-Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Term Loans From Banks			
Rupee Term Loan	4,926.72	-	-
Foreign Currency Term Loan	3,495.10	8,694.72	14,250.87
Sub Total (a)	8,421.82	8,694.72	14,250.87
Less: Current Portion			
Rupee Term Loan	325.83	-	-
Foreign Currency Term Loan	3,495.10	5,285.14	5,210.11
Sub Total (b)	3,820.93	5,285.14	5,210.11
Total (a - b)	4,600.89	3,409.58	9,040.76

Loans are secured as under:

Term Loans of ₹ 8,495.10 Lacs (FY 2016-17: ₹ 8,886.89 Lacs and FY 2015-16: ₹ 14,566.44 Lacs) are secured on a pari passu basis by hypothecation / equitable mortgage in respect of Company's movable / immovable Fixed Assets at Khatima and Bazpur, both present and future.

Includes Prepaid Processig Fees of ₹ 73.28 Lacs, (FY 2016-17: ₹ 192.17 Lacs and FY 2015-16: ₹ 315.57 Lacs)

Refer Note No. 38

Loans are repayable as under:

(₹ in Lacs)			
Gross Amount	No of Equal Installments	Frequency	Period From - To
1,384.41	1.00	Semi Annual	2018-19 - 2018-19
345.24	1.00	Quarterly	2018-19 - 2018-19
1,765.45	3 @	Quarterly	2018-19 - 2018-19
5,000.00	16.00	Quarterly	2018-19 - 2022-23

@ In FY 2018-19: ₹ 500.00 Lacs for first two quarter & Balance ₹ 765.45 Lacs in 3rd quarter.

Long term borrowings in foreign currency, interest rates range from Euribor / Libor + spread of 100 - 300 bps. For rupee denominated long term loans taken during the year interest rate is at 7.50% to 8.50%

Default in repayment of Principal and Interest: ₹ Nil.

NOTE 22 : Provisions (Non-Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Compensated Absences	211.66	215.07	163.33
Provision for Gratuity	-	8.56	-
Total	211.66	223.63	163.33

Refer Note No. 40

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 23 : Other Liabilities (Non-Current)

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Government Grants	161.10	153.34	75.17
Total	161.10	153.34	75.17

Note:

The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scrips of the duty paid upon meeting of specific export obligations. The Company expects to meet its export obligations in future years. During the year, an amount of ₹ 97.39 Lacs (FY 2016-17: ₹ 160.45 Lacs) was released from deferred income to the statement of profit and loss on fulfillment of export obligations.

Capital and State Investment Subsidy Grants relating to property, plant and equipment relates to cash incentive received from Government for setting up industries in specified area. During the year, an amount of ₹ 6.67 Lacs (FY 2016-17: ₹ 6.67 Lacs) was released from deferred income to the statement of profit and loss

NOTE 24 : Borrowings (Current)

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans *			
Working Capital Demand Loans from Banks	6,319.38	7,070.25	2,918.58
Bank Cash Credit Account	461.70	3,727.09	448.40
	6,781.08	10,797.34	3,366.98
Unsecured Loans			
Working Capital Demand Loans from Banks	6,610.35	1,000.00	-
	6,610.35	1,000.00	-
Total	13,391.43	11,797.34	3,366.98

* Short Term Borrowing in the form of Working Capital Loans & Buyer's Credit from Banks aggregating to ₹ 6,781.08 Lacs (FY 2016-17: ₹ 10,797.34 and FY 2015-16: ₹ 3,366.98 Lacs) are secured / to be secured by way of hypothecation of inventories, book debts and other current assets both present and future, and second charge on company's movable & immovable Fixed Assets both present and future at Khatima and Bazpur

Short term borrowings in foreign currency, interest rates range from Euribor / Libor + spread of 40 - 300 bps. For rupee denominated short term loans taken during the year interest rate is at 8.00% to 11.00%

Refer Note No. 38

NOTE 25 : Trade Payables

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Outstanding due to			
Micro and small enterprises (Refer Note No: 47)	-	0.48	-
Other vendors other than micro and small enterprises *	1,592.20	973.16	1,281.15
Total	1,592.20	973.64	1,281.15

* Amount payable to Related Party Refer Note No: 41

Refer Note No. 38

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 26 : Other Financial Liabilities

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturity of Non-Current Borrowings	3,820.93	5,285.14	5,210.11
Interest accrued but not due	13.98	32.17	46.44
Security Deposits *	102.42	127.46	113.84
Unclaimed Dividend **	151.69	128.04	114.31
Capital Creditors	26.18	-	13.18
Derivative Financial Instruments	320.05	-	6.51
Other liabilities ***	1,900.02	1,605.18	1,880.97
Total	6,335.27	7,177.99	7,385.36

* Including related party (Refer Note No: 41)

** On due, will be transferred to Investor Education and Protection Fund

*** Includes expenses payable

Refer Note No. 38

NOTE 27 : Other Liabilities (Current)

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance received from Customers *	1,118.70	369.48	493.92
Statutory Liabilities	196.84	293.76	312.68
Deferred Government Grants **	86.67	104.07	167.22
Total	1,402.21	767.31	973.82

* Includes amount received from Related Party Refer Note No: 41

** Refer Note No: 23

NOTE 28 : Provisions (Current)

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Compensated Absences	158.92	114.59	126.53
Provision for Gratuity	-	18.41	25.80
Total	158.92	133.00	152.33

Refer Note No: 40

NOTE 29 : Revenue From Operations

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products (including Excise Duty)		
Plastic Film	99,915.70	94,507.08
Resins	7,373.41	2,149.05
Others	1,387.82	1,032.50
Sub Total (a)	108,676.93	97,688.63
Other Operating Revenues		
Export Incentive	1,760.72	1,679.10
Sub Total (b)	1,760.72	1,679.10
Total (a + b)	110,437.65	99,367.73

Goods and Service Tax (GST) has been effective from July 01, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 01, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products' and 'Revenue from operations' for the year ended March 31, 2018 are not comparable with those of the previous year.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 30 : Other Income

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on Financial Assets measured at amortized cost		
From Customers	59.73	44.96
From Loans and Deposits	280.72	235.22
Dividend Income from Subsidiaries	4,513.94	2,024.18
Rental Income from Investment Property	260.53	237.98
Net Gain on Sale of Investments measured at FVTPL	0.65	9.48
Net Gain on Foreign Currency Transactions	734.78	1,985.52
Net Gain on Sale of Property, Plant & Equipment	2.12	8.28
Income from Government Grants	104.06	167.12
MTM Gain on Derivative Financial Instruments measured at FVTPL	-	36.09
Other Non Operating Income	441.75	267.53
Total	6,398.28	5,016.36

NOTE 31 : Cost of Materials Consumed

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material	74,485.41	64,302.51
Packing Material	3,143.42	2,818.00
Total	77,628.83	67,120.51

NOTE 32 : Changes in Inventories

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock		
Finished Goods	2,904.01	2,332.35
Work-in-Progress	1,088.80	720.90
	3,992.81	3,053.25
Closing Stocks		
Finished Goods	3,642.90	2,904.01
Work-in-Progress	1,292.69	1,088.80
	4,935.59	3,992.81
Add : Increase / (Decrease) in Excise Duty on Stocks	(92.67)	49.81
Net Changes in Inventories	(1,035.45)	(889.75)

NOTE 33 : Employee Benefits Expense

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages and Bonus	6,011.85	5,290.01
Contribution to Provident and other Funds	429.66	393.87
Staff Welfare Expenses	552.61	496.57
Total	6,994.12	6,180.45

Refer Note No: 40

Includes amount paid to Related Party Refer Note No: 41

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 34 : Finance Costs

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense on Financial Liabilities measured at Amortized Cost	638.37	817.83
Exchange Differences regarded as an adjustment to Interest Cost	814.76	1,035.99
Other Borrowing Cost	131.21	49.33
Total	1,584.34	1,903.15

NOTE 35 : Other Expenses

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stores and Spares Consumed	1,731.77	1,319.14
Power and Fuel	6,887.61	5,967.85
Repairs and Maintenance		
Building	114.39	89.24
Plant and Machinery	221.87	159.91
Others	39.95	59.63
Rent	148.98	160.01
Insurance	339.45	315.09
Rates & Taxes	27.63	36.23
Freight	4,477.36	3,519.51
Other Selling Expenses	301.21	301.32
Legal & Professional Expenses	339.02	348.25
Auditor's Remuneration (Refer Note No 51)	34.22	33.64
Travelling & Conveyance	1,084.76	430.14
Directors' Commission	70.00	42.00
Directors' Sitting Fee	31.50	29.50
Allowance for Expected Credit Loss	8.58	-
Bad Debts	-	28.82
Donation	0.48	10.35
Corporate Social Responsibility Expenditure	69.80	40.00
Asset Written Off	17.51	0.01
MTM Loss on Derivative Financial Instruments measured at FVTPL	350.43	-
Miscellaneous Expenses	1,111.21	1,353.12
Total	17,407.73	14,243.76

NOTE 36 : Tax Expense

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax expense		
Current Year	1,903.54	955.23
Tax of earlier years provided / written back	(1.25)	2.37
Deferred Tax Expense		
Origination & Reversal of Temporary Differences	143.19	10.37
Total	2,045.48	967.97

Notes to Standalone Financial Statements

for the year ended March 31, 2018

NOTE 36 : Tax Expense (contd..)

Reconciliation of effective tax rate

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit before Taxes	7,935.24	5,540.43
Tax using the Company's domestic tax rate (34.608%)	2,746.23	1,917.43
Changes in taxes on account of:		
Weighted deduction on Research and Development Expenditure	(205.08)	(273.44)
Effect of accounting of tax holiday period	(534.98)	(480.06)
Investment allowance	-	(133.27)
Tax of income that is taxable at special rates	(505.18)	(350.26)
Effect of expenses that are non-deductible	545.74	285.20
Tax of earlier years provided / written back	(1.25)	2.37
Total	2,045.48	967.97
Effective Tax Rate as reported in Profit & Loss Account	25.78%	17.47%

Note: 37 Financial Risk Management, Objectives and Policies:

A. Financial Risk Framework:

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency Rate Risk, Interest Rate Risk and other Price Risks, such as Commodity Risk. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

i. Foreign Currency Risk:

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR). The Company's exposure to foreign currency changes for all other currencies is not material.

The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 37 Financial Risk Management, Objectives and Policies: (contd..)

Foreign Currency Risk Exposure is presented as under:

Currency	Financial Assets					
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Fx	₹ in Lacs	Fx	₹ in Lacs	Fx	₹ in Lacs
USD	6,854,529	4,457.78	6,571,239	4,260.04	4,823,162	3,198.86
EURO	3,165,723	2,551.96	2,137,271	1,479.80	1,169,918	878.44

Currency	Financial Liabilities					
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Fx	₹ in Lacs	Fx	₹ in Lacs	Fx	₹ in Lacs
USD	9,650,664	6,278.14	15,392,387	9,981.75	19,048,523	12,637.34
EURO	9,547,853	7,698.64	6,094,486	4,220.89	6,809,688	5,114.45
JPY	-	-	-	-	75,000	0.45

The following Sensitivity Analysis demonstrates the sensitivity in the USD, EURO, JPY and other currencies to the Indian Rupee with all other variables held constant.

Particulars	Change in currency exchange rate	(₹ in Lacs)	
		Effect on Profit Before Tax	
		FY 2017-18	FY 2016-17
USD	5%	(154.04)	(326.60)
	-5%	154.04	326.60
Euro	5%	(262.50)	(175.88)
	-5%	262.50	175.88
JPY	5%	-	-
	-5%	-	-

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Derivative financial instruments

The Company uses foreign currency forward and Interest rate swap contracts to manage some of its transactions exposure.

Forward Contracts

The Company has foreign currency sale and purchase forward contracts to offset the risk of currency fluctuations. These contracts are for settlement of operational receivable and payable. The Details of outstanding contracts as follow:

Particulars	Contract Sell/Buy	Currency	(₹ in Lacs)		
			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
			Amount (Fx)		
Forward Contracts	USD / INR	USD	2,279,711	1,250,000	1,000,000
Forward Contracts	EURO / INR	EUR	1,022,468	1,121,508	689,422
Forward Contracts	INR / USD	USD	412,483	-	339,107
Currency Cum Interest Rate Swap	USD / EURO	EURO	2,174,106	-	-
Currency Cum Interest Rate Swap	INR / EURO	EURO	6,535,093	-	-
Interest Rate Swap	INR / USD	USD	530,693	2,639,124	4,747,555

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 37 Financial Risk Management, Objectives and Policies: (contd..)

ii. Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from working capital and long term borrowings. Company's investments are primarily in fixed deposits which are short term in nature and do not expose to interest rate risk. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Exposure to Interest rate risk:

The Interest rate profile of the Company's interest bearing financial instruments as reported to management of Company is as follows:

			(₹ in Lacs)
Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
As at March 31, 2018			
INR	8,111.70	5,000.00	3,111.70
USD	6,083.06	2,425.82	3,657.24
Euro	7,691.77	1,069.27	6,622.50
Total	21,886.53	8,495.09	13,391.44
As at March 31, 2017			
INR	6,918.28	-	6,918.28
USD	9,765.19	6,113.03	3,652.16
Euro	3,982.19	2,755.30	1,226.89
Total	20,665.66	8,868.33	11,797.33
As at April 1, 2016			
INR	636.70	-	636.70
USD	10,862.27	9,551.41	1,310.86
Euro	6,399.33	4,979.91	1,419.42
Total	17,898.30	14,531.32	3,366.98

Sensitivity Analysis:

An increase / decrease of 50 basis points at the reporting date would have increased / decreased the Profit before Tax as shown below. This analysis assumes that all other variants remain constant.

Particulars	Increase / Decrease in Basis Points	(₹ in Lacs)	
		Effect on profit before tax FY 2017-18	FY 2016-17
INR Borrowings	0.5%	(25.00)	-
	-0.5%	25.00	-
USD Borrowings	0.5%	(12.13)	(30.57)
	-0.5%	12.13	30.57
Euro Borrowings	0.5%	(5.35)	(13.78)
	-0.5%	5.35	13.78

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 37 Financial Risk Management, Objectives and Policies: (contd..)

iii. Commodity price risk:

The main raw materials which company procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly and any adverse fluctuation in the raw material cost can impact the Company's operating margins depending upon the ability of the Company to pass on the increase in costs to its customers. As selling prices are usually negotiated on a monthly / quarterly basis, in a balanced demand supply situation, the Company is able to adjust the selling prices following any changes in the raw material and other operating costs.

b. Credit risk

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

For credit risk exposures, Refer Note No. 7-8, 12-16 of the financial statements.

i. Trade Receivable:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The company has a well-defined and robust internal credit management system to monitor unsecured sales. A strong internal credit risk management policy has enabled the company to manage credit risk prudently even when credit risk were high. Credit guarantee insurance is also obtained wherever required. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated.

To manage trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables. ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. A default on financial assets is when a counter party fails to make the payment within 365 days, when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

The Ageing of trade receivables and allowances for doubtful debts are given below:

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Ageing of Gross Carrying Amount			
Not Due	10,387.61	7,191.47	5,188.12
Upto 6 Months	1,045.25	1,042.93	1,216.72
6 to 12 Months	51.88	1.65	10.54
Above 12 Months	40.53	31.95	31.95
Gross Carrying Amount	11,525.27	8,268.00	6,447.33
Allowance for Doubtful Debts	40.53	31.95	31.95
Net Carrying Amount	11,484.74	8,236.05	6,415.38

Reconciliation of Loss allowance provision:

(₹ in Lacs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the Beginning	31.95	31.95
Impairment Loss Reversed	-	-
Additional Provision Created / Reversed	8.58	-
Balance at the End	40.53	31.95

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 37 Financial Risk Management, Objectives and Policies: (contd..)

Financial assets are written off when there is no reasonable expectation of recovery. Whereas the loans and receivables are written off and subsequently recoveries are made, these are recognised as an income in the financial statements

ii. Financial assets to which loss allowances measured using 12 months expected credit loss:

For financial assets (other than trade receivables) which are not measured fair value through Profit and Loss account, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The Company does not have any expected credit loss on financial assets which are measured on 12 month ECL and also has not observed any significant increase in credit risk since initial recognition of the financial assets.

Cash and Cash Equivalents, Deposit with Banks:

Credit risk on cash and cash equivalents and deposit with banks is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Derivatives (Forward Contracts):

Derivatives are entered with banks, counter parties which have low credit risk, based on external credit ratings of counter parties. For other financial assets the company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the company adjusts its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

c. Liquidity risk:

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Lacs)					
Particulars	Carrying Amount	Less than 6 months	6 to 12 months	> 1 years	Total
As at March 31, 2018					
Interest bearing borrowings (including current maturities)	21,886.53	16,187.35	1,094.79	4,604.39	21,886.53
Financial derivatives	320.05	320.05	-	-	320.05
Other liabilities	2,194.29	2,194.29	-	-	2,194.29
Trade Payables	1,592.20	1,592.20	-	-	1,592.20
Total	25,993.07	20,293.89	1,094.79	4,604.39	25,993.07
As at March 31, 2017					
Interest bearing borrowings (including current maturities)	20,684.23	14,563.56	2,766.21	3,354.46	20,684.23
Financial derivatives	-	-	-	-	-
Other liabilities	1,892.85	1,892.85	-	-	1,892.85
Trade Payables	973.64	973.64	-	-	973.64
Total	23,550.72	17,430.05	2,766.21	3,354.46	23,550.72
As at April 1, 2016					
Interest bearing borrowings (including current maturities)	17,933.42	6,033.73	2,666.76	9,232.93	17,933.42
Financial derivatives	6.51	6.51	-	-	6.51
Other liabilities	2,168.74	2,168.74	-	-	2,168.74
Trade Payables	1,281.15	1,281.15	-	-	1,281.15
Total	21,389.82	9,490.13	2,666.76	9,232.93	21,389.82

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 37 Financial Risk Management, Objectives and Policies: (contd..)

B. Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves. Debt includes, interest bearing loans and borrowings, trade payables and other financial liability.

The Company monitors capital using Debt-Equity Ratio, which is debt divided by Total Equity.

The ratios at March 31, 2018, March 31, 2017 and April 1, 2016 were as follows:

		(₹ in Lacs)	
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Share Capital	3,256.32	3,256.32	3,256.32
Other Equity	43,876.65	40,841.09	38,212.49
Total Equity (A)	47,132.97	44,097.41	41,468.81
Non-Current Borrowings	4,600.89	3,409.58	9,040.76
Current Borrowings	13,391.43	11,797.34	3,366.98
Current Maturities of Non-Current Borrowings	3,820.93	5,285.14	5,210.11
Gross Debt (B)	21,813.25	20,492.06	17,617.85
Total Capital (A+B)	68,946.22	64,589.47	59,086.66
Gross Debt as Above	21,813.25	20,492.06	17,617.85
Less: Cash & Cash Equivalents	290.47	153.65	406.52
Less: Other balances with bank	153.90	130.25	116.52
Net Debt (C)	21,368.88	20,208.16	17,094.81
Net Debt to Equity	45%	46%	41%

Note: 38 Financial Instruments:

a. Financial Assets and Liabilities:

Financial Assets

		(₹ in Lacs)	
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets designated at fair value through profit and loss			
Derivatives			
Forward contracts and swaps	26.41	56.79	27.21
Financial assets designated at amortised cost			
Trade receivables	11,484.74	8,236.05	6,415.38
Loans	2,302.65	2,305.90	2,154.65
Cash and bank balances	444.37	283.90	523.04
Other financial assets	115.44	134.78	190.31
Investment in Subsidiary Companies *	4,698.71	4,698.71	1,951.43
Total	19,072.32	15,716.13	11,262.02

* Investment in Subsidiary Companies are valued at cost

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 38 Financial Instruments: (contd..)

Financial Liabilities:

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial liabilities designated at fair value through profit or loss			
Derivatives			
Forward contracts and swaps	320.05	-	6.51
Financial liabilities designated at amortised cost			
Term Loan	8,421.82	8,694.72	14,250.87
Cash Credits/Working Capital Borrowing	13,391.43	11,797.34	3,366.98
Trade payables	1,592.20	973.64	1,281.15
Other financial liabilities	2,194.29	1,892.85	2,168.74
Total	25,919.79	23,358.55	21,074.25

b. Fair values of Financial Assets and Liabilities:

Particulars	(₹ in Lacs)		
	Fair Value Hierarchy		
	Level 1	Level 2	Level 3
As at March 31, 2018			
Financial assets			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		26.41	
Financial liabilities			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		320.05	
As at March 31, 2017			
Financial assets			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		56.79	
As at April 1, 2016			
Financial assets			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		27.21	
Financial liabilities			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		6.51	

The Accounting Policy for fair value has been defined in Note 2(v) financial statements.

Valuation process and technique used to determine fair value:

Derivative contracts: The Company has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorized Dealers Banks.

c. Fair Value of Financial Instrument measured at amortized Cost:

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Long-term variable-rate borrowings measured at amortized cost are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 39 Segment Information

Segment information, as required under IND-AS-108 "Operating Segment", has been provided in the consolidated financial statements of the Company and therefore, no separate disclosure on segment information is given in these standalone financial statements.

Note: 40 Employee Benefits (IND-AS 19)

a. Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged off / debited to Statement of Profit & Loss are as under:

Particulars	(₹ in Lacs)	
	For Year Ended March 31, 2018	For Year Ended March 31, 2017
Employer's Contribution to Provident Fund	264.06	242.83
Employer's Contribution to Superannuation Fund	70.68	62.76

b. Defined Benefit Obligations (Gratuity):

The employees' Gratuity Scheme is managed by Life Insurance Company Limited. The present value of obligation is determined based on actuarial valuation using the Projected Unit credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

c. Other Long Term Employee benefits:

Leave Encashment: The Company has provided for its Liability towards Leave encashment, based on the actuarial valuation

d. The disclosures required under IND-AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

Particulars	(₹ in Lacs)					
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016	As at April 1, 2016	As at April 1, 2016
a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation:						
Defined Benefit Obligation at beginning of the year	1,001.31	232.35	863.57	198.55	644.56	145.61
Current Service Cost	93.35	28.76	85.45	51.33	70.81	47.96
Interest Cost	77.10	17.89	59.15	13.60	49.63	11.21
Actuarial (Gain) / Loss	(44.55)	(23.20)	46.55	(5.40)	134.43	21.90
Benefit Paid	(46.32)	-	(53.41)	(25.73)	(35.86)	(28.13)
Defined Benefit Obligation at year end	1,080.89	255.80	1,001.31	232.35	863.57	198.55
b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:						
Fair value of Plan Assets at beginning of the year	974.34	-	837.78	-	555.33	-
Expected return on Plan Assets	80.70	-	59.73	-	53.85	-
Actuarial Gain / (Loss)	(7.03)	-	8.64	-	(7.14)	-
Employer Contribution	193.83	-	121.60	-	271.59	-
Benefit Paid	(46.32)	-	(53.41)	-	(35.86)	-
Fair value of Plan Assets at year end	1,195.52	-	974.34	-	837.77	-
c) Reconciliation of Fair Value of Assets and Obligations:						
Fair Value of Plan Assets as at year end	1,195.52	-	974.34	-	837.77	-
Present Value of Obligation as at year end	1,080.89	255.80	1,001.31	232.35	863.57	198.55
Net Assets/ (Liability)	114.63	(255.80)	(26.97)	(232.35)	(25.80)	(198.55)

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 40 Employee Benefits (IND-AS 19) (contd..)

Particulars			(₹ in Lacs)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2018		As at March 31, 2017	
d) Expenses Recognized during the year:				
Current Service Cost	93.35	28.76	85.45	51.33
Interest Cost	77.10	17.89	59.15	13.60
Expected return on Plan Assets	(80.70)	NA	(59.72)	NA
Actuarial (Gain) /Loss	(37.52)	(23.20)	37.90	(5.40)
Expense Recognised in Statement of Profit & Loss	52.23	23.45	122.78	59.53
e) Remeasurements recognised in Other Comprehensive Income (OCI):				
Actuarial (Gain) / Loss for the year - Obligation	(44.55)	(23.20)	46.55	(5.40)
Actual return on Plan Assets less Interest on Plan Assets	7.03	NA	(8.64)	NA
Expenses Recognised in Other Comprehensive Income (OCI)	(37.52)	(23.20)	37.91	(5.40)
f) Sensitivity analysis for Significant Assumptions:				
Increase / (Decrease) in present value of defined benefits obligation at the end of year:				
1% increase in discount rate	(67.08)	(19.78)	(73.02)	(21.04)
1% decrease in discount rate	77.13	23.06	85.17	24.93
1% increase in salary escalation rate	76.90	22.99	84.19	24.64
1% decrease in salary escalation rate	(68.08)	(20.08)	(73.56)	(21.20)
g) Expected (Undiscounted) Benefits Payment in Future:				
Within next 12 months	246.64	44.14	201.70	35.69
Between 1 to 5 years	252.91	45.72	281.27	52.14
Between 6 to 10 years	189.62	20.84	171.02	31.76

Particulars					(₹ in Lacs)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
h) Investment Details :						
LIC Group Gratuity (Cash Accumulation) Policy	100%	NA	100%	NA	100%	NA
i) Actuarial assumption						
Mortality Table (L.I.C.)	2006-08 IALM - Ultimate		2006-08 IALM - Ultimate		2006-08 IALM - Ultimate	
Discount Rate (per annum)	6.85%	7.70%	6.85%	6.85%	7.70%	7.70%
Expected Return on Plan Assets (per annum)	7.70%	NA	6.85%	NA	8.00%	NA
Withdrawal Rate	1% - 3%		1% - 3%		1% - 3%	
Rate of Escalation in Salary (per annum)	7.00%		7.00%		0.00%	
Retirement Age	58		58		58	

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Same assumptions were considered for comparative period i.e. 2016-17 as considered in previous GAAP on transition to IND-AS

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 40 Employee Benefits (IND-AS 19) (contd..)

e. Sick Leave:

The Company has provided for its Sick Leave liability based on the actuarial valuation. The Outstanding liability as on March 31, 2018, March 31, 2017 and April 1 2016 - ₹ 114.77 Lacs, ₹ 97.31 Lacs and ₹ 91.31 Lacs respectively.

f. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow –

- A. Salary Increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B. Investment Risk – If Plan is funded then the mismatch between assets and liabilities and actual return on assets being lower than the discount rate assumed at the last valuation date can impact the liability.
- C. Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D. Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Note: 41 Related Party Transaction

a. Parties where control exists

Subsidiary / Step down Subsidiaries

- i) Polyplex (Asia) Pte. Limited (PAPL)
- ii) PAR LLC USA (PAR LLC)
- iii) Polyplex (Thailand) Public Co Limited (PTL)
- iv) Polyplex (Singapore) Pte. Limited (PSPL)
- v) Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)
- vi) Polyplex USA LLC (PU)
- vii) Polyplex Trading (Shenzhen) Co. Ltd. (PTSL)
- viii) Polyplex America Holdings Inc. (PAH)
- ix) EcoBlue Ltd. (EL)
- x) Peninsula Beverages and Food Company Pvt. Ltd. (PBF), upto February 13, 2017
- xi) Polyplex Europe B. V. (PEBV)
- xii) Polyplex Paketleme Çözümleri Sanayi Ve Ticaret A.S. (PPC)
- xiii) PT Polyplex Films Indonesia, incorporated during the year on October 11, 2017

b. Other related parties with whom transactions have taken place during the year

Key Management Personnel (KMP)

- i) Mr. Sanjiv Saraf (Chairman)
- ii) Mr. Pranay Kothari (Executive Director)
- iii) Mr. Brij Kishore Soni*
- iv) Mr. Jitender Balakrishnan*
- v) Ms. Pooja Haldea*
- vi) Mr. Ranjit Singh*
- vii) Mr. Sanjiv Chadha^

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 41 Related Party Transaction (contd..)

- viii) Dr. Suresh Inderchand Surana*
- ix) Mr. Ashok Kumar Gurnani (Company Secretary)
- x) Mr. Manish Gupta (Chief Financial Officer)

*Independent Directors

^ Non-Executive Director

Relative of Key Management Personnel

- a. Ms. Ritu Kothari

c. Enterprises over which Key Management Personnel, their relatives and major shareholders have significant influence:

- i) Beehive Systems Private Limited
- ii) Manupatra Information Solutions Private Limited
- iii) Altivolus Infotech Private Limited
- iv) Dalhousie Villa Private Limited
- v) Bhilangana Hydro Power Limited
- vi) Kotla Hydro Power Private Limited
- vii) Punjab Hydro Power Private Limited
- viii) Abohar Power Generation Private Limited
- ix) Kanchanjunga Power Company Private Limited
- x) Utkarsh Trading and Holdings Limited
- xi) Suresh Surana & Associates, LLP
- xii) RSM Astute Consulting Private Limited
- xiii) Praxis Consulting & Information Services Private Limited
- xiv) S. D. College Society (Lahore), New Delhi

d. Nature of Transactions with Related Parties

Transactions with Related Parties

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of Material / Services		
Subsidiaries	1.01	0.69
Relative of KMP	29.70	29.70
Enterprises over which KMP have significant influence	31.10	32.64
	61.81	63.03
Services Rendered		
Enterprises over which KMP have significant influence	157.81	140.47
	157.81	140.47
Sale of Material		
Subsidiaries	10,623.00	7,368.44
	10,623.00	7,368.44
Reimbursement of expenses from		
Subsidiaries	2.97	70.45
Enterprises over which KMP have significant influence	123.88	116.22
	126.85	186.67

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 41 Related Party Transaction (contd..)

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend Received		
Subsidiaries	4,513.94	2,024.18
	4,513.94	2,024.18
Interest Received		
Enterprises over which KMP have significant influence	145.00	149.62
	145.00	149.62
Loan Recovered		
Subsidiaries	-	46.00
Enterprises over which KMP have significant influence	-	25.00
	-	71.00
Shares Purchased of		
Subsidiaries	-	0.99
	-	0.99
Investment in Equity Shares		
Subsidiaries	-	2,747.28
	-	2,747.28
Loan converted into Equity Shares		
Subsidiaries	-	950.00
	-	950.00
Key management personnel compensation		
Managerial Remuneration	645.53	297.28
Commission to Director	70.00	42.00
Director's Sitting Fees	31.50	29.50
	747.03	368.78

Outstanding balances

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Receivables on account of sale of Goods / Services			
Subsidiaries	1,026.67	1,719.43	1,568.64
Enterprises over which KMP have significant influence	11.69	20.82	8.64
	1,038.36	1,740.25	1,577.28
Receivables on account of expenses recovered			
Enterprises over which KMP have significant influence	14.03	14.38	9.59
	14.03	14.38	9.59
Loan given to			
Enterprises over which KMP have significant influence	1,450.00	1,450.00	1,475.00
Subsidiaries	-	-	996.00
	1,450.00	1,450.00	2,471.00
Interest on Loan Recoverable			
Enterprises over which KMP have significant influence	-	-	81.35
	-	-	81.35
Security Deposits Recoverable			
Relative of KMP	20.25	20.25	20.25
Enterprises over which KMP have significant influence	5.00	5.00	5.00
	25.25	25.25	25.25
Security Deposits Payable			
Enterprises over which KMP have significant influence	11.26	4.66	4.66
	11.26	4.66	4.66
Payables			
Subsidiaries	714.38	-	-
Key management personnel	70.00	42.00	28.00
Enterprises over which KMP have significant influence	5.18	6.75	5.07
	789.56	48.75	33.07
Investment in Equity Shares			
Subsidiaries	4,698.71	4,698.71	1,951.43
	4,698.71	4,698.71	1,951.43

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 41 Related Party Transaction (contd..)

e. Terms & conditions of transactions with Related Parties

The sales to and purchases from related parties, including rendering / availing of service, are made on terms equivalent to those that prevail in arm's length transactions. The outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31st March 2018 and 31st March 2017 other than that stated above.

Note: 42 Contingent Liabilities not provided for and other commitments, in respect of:

a. Disputed matters under litigation:

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Excise Duty, Customs Duty and Service Tax *	395.47	382.36	53.69
Sales Tax and Entry Tax **	100.64	99.45	93.76
Income Tax	728.71	728.71	727.31
Others	30.01	26.80	27.93

* Amount deposited ₹ 3.62 Lacs (March 31, 2017: ₹ 9.22 Lacs; April 1, 2016: ₹ 9.69 Lacs)

** Amount deposited ₹ 23.84 Lacs (March 31, 2017: ₹ 22.68 Lacs; April 1, 2016: ₹ 21.55 Lacs)

b. Guarantees:

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Guarantees given to Banks and others	730.11	563.15	678.16

- c. The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scrips of the duty paid upon meeting of specific export obligations. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2018, March 31, 2017 and April 1 2016 - ₹ 1,060.61 Lacs, ₹ 959.45 Lacs and ₹ 706.23 Lacs respectively.

Note: 43 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of ₹ 1,329.84 Lacs (Previous Year: ₹ 71.00 Lacs)) amounts to ₹ 2,726.12 Lacs (Previous Year: ₹ 200.58 Lacs).

Note: 44 Research and Development

The revenue expenditure of ₹ 437.85 Lacs (Previous Year: ₹ 395.05 Lacs) and capital expenditure of ₹ Nil (Previous Year: ₹ Nil) on Research & Development are charged to the respective heads of account.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 45 Capital Work-in-Progress includes:

Capital work in progress includes equipment not yet installed, construction / erection material, construction / erection work in progress, machinery at site and / or in transit and other pre-operative expenses pending allocation / capitalization. Pre-operative expenses pending allocation / capitalization are:

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Pre-operative expenses brought forward	-	6.91	-
Raw Material Consumed	-	2.45	-
Power & Fuel	-	1.72	-
Interest on Term Loan	48.10	1.31	-
Miscellaneous & Other Expenses	14.96	11.28	6.91
Total	63.06	23.67	6.91
Less : Scrap Sales	-	0.69	-
	63.06	22.98	6.91
Less : Allocated and Capitalised during the year	-	22.98	-
Balance Pending Allocation Transfer to Balance Sheet	63.06	-	6.91

Note: 46 Dividend Note

Detail of dividend paid and proposed to be distributed:

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend Paid for Equity Shareholders	2,878.61	1,919.08
Corporate Dividend Tax	-	-
Dividend Proposed for Equity Shareholders	1,599.23	1,279.38
Corporate Dividend Tax	-	-

Note: 47 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information regarding Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company:

(₹ in Lacs)				
Sr. No	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	0.48	-
	ii) Interest due on above	-	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 48 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Gross amount required to be spent by the Company during the year	68.73	47.70
Amount spent during the year on		
Promoting Culture / Language	60.00	40.00
Promoting Education	9.80	-
Total	69.80	40.00

Note: 49 Earnings per Share

Particulars	Unit	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit / Loss for the year	(₹ in Lacs)	5,889.76	4,572.46
Weighted average number of equity shares considered as Denominator for calculation of Basic EPS	(No.)	31,984,600	31,984,600
Weighted average number of equity shares considered as Denominator for calculation of Diluted EPS	(No.)	31,984,600	31,984,600
Basic EPS	(₹)	18.41	14.30
Diluted EPS	(₹)	18.41	14.30
Face Value per Share	(₹)	10.00	10.00

Note: 50

Company has entered into operating lease agreement for a premise. Lease is non-cancellable for a period of three years and renewable thereafter on mutually agreed terms.

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
Total lease payment during the year (Recognized in Statement of Profit & Loss)	13.20	1.10
Minimum Lease Payments		
- Not later than one year	13.31	13.20
- Later than one year but not later than five year	13.31	26.62
- Later than five years	-	-

Note: 51 Auditor's Remuneration:

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
Audit Fee *	31.17	19.82
Tax Audit fee *	1.18	1.15
Certification & Other fees *	7.14	16.79
Out of Pocket Expenses	0.89	0.76
Total	40.38	38.52

* includes applicable taxes

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 52

I. Disclosure pursuant to regulation 34(3) & 53(F) of SEBI (LODR) Regulations, 2015

Particulars						
	Balance	Maximum Outstanding	Balance	Maximum Outstanding	Balance	Maximum Outstanding
	As at March 31, 2018	Year ended March 31, 2018	As at March 31, 2017	Year ended March 31, 2017	As at April 1, 2016	Year ended April 1, 2016
Loans Given Subsidiaries / Step down subsidiaries						
Peninsula Beverages and Foods Company Pvt. Ltd.	-	-	-	996.00	996.00	996.00

II. Advances recoverable in cash or in kind under Loans & Advances (Note 18) include ₹ Nil (Balance as at March 31, 2017: ₹ Nil, April 1, 2016: ₹ Nil) due from the Officer / Director. Maximum amount due during financial year ended March 31, 2018: ₹ 10.00 Lacs (Financial year ended March 31, 2017: ₹ 37.00 Lacs and Financial Year ended April 1, 2016: ₹ 7.15 Lacs).

III. Details of Investment made / Loan Given under section 186(4) of the Companies Act, 2016:

1. Investment in Equity Shares:

Name	Investment in ₹ Lacs	No. of Shares Allotted	Date of Allotment / Transfer	(₹ in Lacs)
				% of Total Share Capital
Polyplex (Thailand) Public Company Limited:				
Right Issue	2,747.28	22,709,118	07-Jun-16	17.19%
Peninsula Beverages and Foods Company Private Limited *:				
Loan Converted into Equity Shares	950.00	9,500,000	20-Dec-16	100%
Shares Purchased	0.99	9,874,555	03-Sep-16	100%

* Ceased to be Subsidiary w.e.f. February 13, 2017

2. Details of investment made are given in Note-7 of financial statements.

3. Detail of Loan Given by the company are as under:

Name of the Entity	Purpose		
		Loan Given during the year	Balance of loan Given as at
		2017-18	March 31, 2018
Utkarsh Trading and Holdings Limited	Business	-	1,450

IV. During the year 2016-17 the Company had purchased 98,74,555 Nos of equity shares of Peninsula Beverages and Foods Company Private Limited (PBF) from wholly owned subsidiary - Polyplex (Asia) Pte. Limited and had also converted Company's loan of ₹ 950 Lacs into 95,00,000 Nos of equity shares of PBF. PBF has ceased to be subsidiary of the Company w.e.f. February 13, 2017.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Note: 53 Recent accounting pronouncements

Appendix B to IND-AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to IND-AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND-AS 21 is expected to be insignificant.”

IND-AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 (“amended rules”). As per the amended rules, IND-AS 115 “Revenue from contracts with customers” supersedes IND-AS 11, “Construction contracts” and IND-AS 18, “Revenue” and is applicable for all accounting periods commencing on or after 1 April 2018.

IND-AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IND-AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND-AS 115 is expected to be insignificant.

Note: 54 Events occurring after the Balance Sheet Date:

There are no events occurring after the balance sheet date for the financial year 2017-18.

Note: 55 First Time Adoption of IND-AS

As stated in Note 2, these are the Company’s first financial statements prepared in accordance with IND-AS

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening IND-AS statement of financial position at 1st April 2016 (the Company’s date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to IND-AS has affected the Company’s financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions and exceptions availed:

Set out below are the applicable IND-AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND-AS.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

A Ind AS optional exemptions:

(i) Investment Property & Intangible assets

Investment Property & Intangible assets

IND-AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investment property as recognised in the financial statements as at the date of transition to IND-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by IND-AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its Investment property and intangible assets at their previous GAAP carrying value.

(ii) Investment in subsidiaries, joint ventures and associate

IND-AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investment in subsidiaries, joint ventures and associate as recognised in the financial statements as at the date of transition to IND-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

B. IND-AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with IND-AS at the date of transition to IND-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

IND-AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with IND-AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets

IND-AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(iii) Derecognition of financial assets and liabilities

As per IND-AS 101, an entity should apply the derecognition requirements in IND-AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to IND-AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply IND-AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply the derecognition principles of IND-AS 109 prospectively.

(iv) Impairment of financial assets

An entity shall determine an approximate credit risk at the date when the financial instrument were initially recognised and compare that to the credit risk at the date of transition to IND-ASs. This should be based on reasonable and supportable information that is available without undue cost or effort. If the entity is unable to make this determination without undue cost or effort, it shall recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

C. Reconciliation of Equity

- 1 IND-AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(₹ in Lacs)

Particulars		Note No.	As at March 31 2017			As at April 1 2016		
			IGAAP*	Adjustments	IND-AS	IGAAP*	Adjustments	IND-AS
I ASSETS								
1 Non Current Asset								
a	Property, Plant & Equipment	D-1,D-3	38,181.88	(3,165.60)	35,016.28	41,622.77	(4,402.62)	37,220.15
b	Capital work-in-progress		10.28	-	10.28	219.34	-	219.34
c	Investment Property	D-2	-	317.45	317.45	-	324.23	324.23
d	Other Intangible assets		11.48	-	11.48	13.12	-	13.12
e	Financial Assets							
	(i) Investments		4,698.71	-	4,698.71	1,951.43	-	1,951.43
	(ii) Loans		830.65	-	830.65	654.40	-	654.40
	(iii) Other Financial Assets		-	-	-	-	-	-
f	Deferred tax assets (Net) **	D-8	1,708.49	799.10	2,507.59	1,492.02	1,012.81	2,504.83
g	Other non-current assets	D-3	71.00	373.41	444.41	354.77	379.31	734.08
Total Non Current Assets			45,512.49		43,836.85	46,307.85		43,621.58
2 Current Asset								
a	Inventories		11,980.79	-	11,980.79	8,992.52	-	8,992.52
b	Financial Assets							
	(i) Trade receivables		8,236.05	-	8,236.05	6,415.38	-	6,415.38
	(ii) Cash and cash equivalents		153.65	-	153.65	406.52	-	406.52
	(iii) Other balances with Banks		130.25	-	130.25	116.52	-	116.52
	(iv) Loans		1,475.25	-	1,475.25	1,500.25	-	1,500.25
	(v) Other Financial Assets	D-4	134.78	56.79	191.57	190.31	27.21	217.52
c	Current tax assets (Net)		338.89	-	338.89	438.50	-	438.50
d	Other current assets		2,389.94	-	2,389.94	2,198.92	-	2,198.92
Total Current Assets			24,839.60		24,896.39	20,258.92		20,286.13
Total Assets			70,352.09		68,733.24	66,566.77		63,907.71
II EQUITY & LIABILITIES								
1 Equity								
a	Equity Share Capital		3,256.32	-	3,256.32	3,256.32	-	3,256.32
b	Other Equity	C-3	42,525.18	(1,684.09)	40,841.09	39,845.34	(1,632.85)	38,212.49
Total Equity			45,781.50		44,097.41	43,101.66		41,468.81
2 Non Current Liabilities								
a	Financial Liabilities							
	(i) Borrowings	D-6	3,354.46	55.12	3,409.58	9,232.93	(192.17)	9,040.76
	(ii) Other financial liabilities		-	-	-	-	-	-
b	Provisions		223.63	-	223.63	163.33	-	163.33
c	Other non-current liabilities	D-1,D-7	-	153.34	153.34	-	75.17	75.17
Total Non Current Liabilities			3,578.09		3,786.55	9,396.26		9,279.26
3 Current Liabilities								
a	Financial Liabilities							
	(i) Borrowings		11,797.34	-	11,797.34	3,366.98	-	3,366.98
	(ii) Trade payables		973.64	-	973.64	1,281.15	-	1,281.15
	(iii) Other financial liabilities	D-5	7,425.28	(247.29)	7,177.99	7,502.24	(116.88)	7,385.36
	Other current liabilities	D-1,D-7	663.24	104.07	767.31	806.61	167.21	973.82
c	Provisions		133.00	-	133.00	1,111.87	(959.54)	152.33
Total Current Liabilities			20,992.50		20,849.28	14,068.85		13,159.64
Total Equity and Liabilities			70,352.09		68,733.24	66,566.77		63,907.71

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

** Inclusive of MAT Credit

Notes to Standalone Financial Statements

for the year ended March 31, 2018

2 Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in Lacs)				
Particulars	Note No.	IGAAP*	Adjustments	IND-AS
I. Revenue from Operations				
Sale of products	D-10	94,591.01	4,776.72	99,367.73
II. Other Income	D-1,D-7,D-4	3,087.47	1,928.89	5,016.36
III. Total Revenue (I+II)		97,678.48		104,384.09
IV. Expenses:				
Cost of Materials Consumed		67,120.51	-	67,120.51
Changes in Inventories of Finished Goods and Work-in-Progress		(889.75)	-	(889.75)
Excise Duty	D-10	-	5,008.07	5,008.07
Employee Benefits Expense	D-9	6,081.12	99.33	6,180.45
Finance Costs	D-1,D-6	743.76	1,159.39	1,903.15
Depreciation and Amortisation Expense	D-1,D-3	5,831.14	(553.67)	5,277.47
Other Expenses	D-2, D-3	14,411.19	(167.43)	14,243.76
Total Expenses		93,297.97		98,843.66
V. Profit Before Tax (III-IV)		4,380.51		5,540.43
a) Current Tax		(955.23)	1,910.46	(955.23)
b) Deferred Tax	D-8	216.46	(206.09)	(10.37)
c) Earlier Year Tax		(2.37)	4.74	(2.37)
VI. Profit for the period		3,639.37		4,572.46
VII. Other Comprehensive Income				
A Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit liability (asset)	D-9	-	(37.90)	(37.90)
Income tax relating to the above item	D-8,D-11	-	13.12	13.12
VIII. Total Comprehensive Income(VI+VII)		3,639.37		4,547.68

3 Reconciliation of Total Equity

(₹ in Lacs)		
Particulars	March 31, 2017	April 1, 2016
Total Equity (Shareholder's funds) as per previous GAAP	42,525.17	39,845.34
Adjustments:		
Impact of Opening IND-AS Adjustments	(1,632.85)	-
(i) Fair Value of Derivative Financial Instrument	D-4 36.09	20.70
(ii) Amortization of Processing Cost	D-6 (123.40)	(785.20)
(iii) Foreign Exchange Fluctuation Decapitalized	D-1 494.44	(7,617.29)
(iv) Recognition of Government Grants	D-1, D-7 167.12	2,669.13
(v) Depreciation impact on Foreign Exchange Fluctuations and Government Grants	D-1 547.77	2,107.46
	(510.83)	(3,605.20)
(vi) Deferred Tax on above adjustments	D-8 (213.71)	1,012.81
(vii) Proposed Dividend	D-5 (959.54)	959.54
Total Adjustments	(1,684.08)	(1,632.85)
Total Equity as reported under IND-AS	40,841.09	38,212.49

4 Reconciliation of Cash Flow for the year ended 31 March 2017

	IGAAP*	Adjustments	IND-AS
(i) Net cash flow from operating activities	1,529.16	101.90	1,631.06
(ii) Net cash flow from investing activities	(3,415.18)	937.60	(2,477.58)
(iii) Net cash flow from financing activities	1,633.15	(1,039.50)	593.65
Net increase/(decrease) in cash and cash equivalents	(252.87)		(252.87)
Cash and cash equivalents as at 1 April 2016	406.52		406.52
Cash and cash equivalents as at 31 March 2017	153.65		153.65

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

D Notes to first-time adoption:

1 Property Plant & Equipment

The Company has applied Ind AS 16 retrospectively for its property, plant and equipments, from the date of their acquisition. Under IND-AS, all foreign exchange transaction gains and losses are recorded in net income except to the extent these are treated as an adjustment to interest cost and considered for capitalization. Under Previous GAAP, foreign exchange gains and losses arising on foreign currency denominated borrowings that were incurred to acquire property, plant and equipment and intangible assets were recorded in the cost of the asset and depreciated over their remaining useful life. Under IND-AS, import duty waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Statment of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled. On the transition date, the Company, therefore, recorded an adjustment to measure such property, plant and equipment in accordance with IND-AS 16.

Under Previous GAAP, cost of the property, plant and equipment was recorded at the cash price paid to acquire such assets. Consequently, depreciation relating to the above differences in the cost of property, plant and equipment under IND-AS and Previous GAAP has also been adjusted.

2 Investment property

Under the previous GAAP, investment properties were presented under Property Plant & Equipment. Under IND-AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or loss as a result of this adjustment.

3 Leasehold Land:

Under Previous GAAP, land was scoped out from the purview of AS 19 Leases and hence leasehold land were capitalised by the Company forming part of fixed assets. IND-AS 17 Leases covers leasehold land in its scope. Leasehold land were, therefore, identified under finance leases and operating leases based upon the criteria specified in the accounting standard. Leasehold land, which are identified under operating leases, have been decapitalised from Property plant & equipment. As per IND-AS 17, Leasehold Land has now been classified as operating lease and the premium paid on leasehold land is amortized over the period of the lease.

4 Derivative Assets:

Under previous GAAP, derivative instruments entered into for hedging the foreign currency fluctuation risk were accounted for on the principles of prudence. Pursuant to this, losses, if any, on Mark to Market basis, were recognised and gains were not recognised. Under IND-AS, gains on derivative instruments have been measured at fair value through profit or loss and gains or losses are recognised in the statement of profit and loss

5 Proposed Dividend

Under IND-AS, dividends payable are recorded as a liability in the year in which these are declared and approved. Under Previous GAAP, dividends payable were recorded as a liability in the year to which they relate.

6 Prepaid Processing Fees

Under previous GAAP, transaction costs incurred in connection with borrowings are amortised over the period of borrowings. IND-AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in profit or loss over the tenure of the borrowings as part of interest expense using effective interest rate method. Further, as per previous GAAP such unamortised amount was disclosed as prepaid assets which as per IND-AS now are netted off with the related borrowings.

7 Government Grant

Under previous GAAP, certain asset related grant were shown as a Capital Reserve. Ind AS requires an asset related grant to be presented in the balance sheet by setting up the grant as deferred income. Subsequently the income in relation to such grant is recognized in statement of profit and loss for the year ended March 31, 2017

Notes to Standalone Financial Statements

for the year ended March 31, 2018

8 Deferred tax

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under IND-AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset / liability in the Balance Sheet and its corresponding tax base. The application of IND-AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP. The (decreased) / increased in the deferred tax assets are on account of adjustments made on transition to IND-AS.

9 Remeasurements of post-employment benefit obligations

In the financial statements prepared under Previous GAAP, remeasurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under IND-AS, such remeasurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of IND-AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

10 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under IND-AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2017 by ₹ 5,008.17 Lacs. There is no impact on the total equity and profit.

11 MAT Credit

Under previous GAAP, MAT credit forms part of non-current assets which as per the requirements of IND-AS 12 has been shown as a part of deferred tax liabilities (net).

Signatures to the Notes to Accounts

As per our report of even date

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta
Partner
Membership No. 093214

Place: Noida
Date: May 30, 2018

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

Pranay Kothari
Wholetime Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 30, 2018

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Independent Auditors' Report

TO THE MEMBERS OF

POLYPLEX CORPORATION LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of POLYPLEX CORPORATION LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31st, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements to give a true and fair view of the state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are

required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Group as at March 31st, 2018, and its Consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets and net assets of ₹4,97,352 Lakhs and ₹3,76,314 Lakhs as at March 31st, 2018 respectively, total revenues (excluding other

income) of ₹2,11,533 Lakhs and ₹14,249 Lakhs of Net Cash Outflow for the year ended 31st March, 2018 as considered in the consolidated financial statements. These subsidiaries are located outside India whose financial statements and other financial information have been prepared on the basis of accounting principles generally accepted in their respective countries and which have been audited by the other auditors under generally accepted auditing standards applicable in their respective countries. The holding company's management has converted these financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

Our opinion, in so far as it relates to the amount and disclosures included in respect of these subsidiaries, is based solely on audit reports of other auditors and certified converted financial statements by the management.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and certified converted financial statements by the management.

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at April 1st, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31st, 2017 and March 31st, 2016 dated May 19th, 2017 and May 30th, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on financial statements referred in the Other Matters paragraph above, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), and the Consolidated of Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.
- e) On the basis of the written representations received from the directors of the Holding company as on March 31st, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on March 31st, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations as at March 31st, 2018 on its financial position in its Consolidated Ind AS financial statements – Refer Note 48 to the Consolidated Ind AS financial statements.
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including long term derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - iv. The reporting on the disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta

Partner

Place: Noida

Dated: May 30th, 2018

Membership No. 093214

“Annexure A”

To the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of POLYPLEX CORPORATION LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’

We have audited the internal financial controls over financial reporting of Polyplex Corporation Limited (“the Holding Company”) as of March 31st, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

The audit of the internal financial controls over financial reporting is applicable only to the Holding Company.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. S. Kothari Mehta & Co.**

Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta

Partner

Place: Noida
Dated: May 30th, 2018

Membership No. 093214

Consolidated Balance Sheet

as at March 31, 2018

(₹ in Lacs)				
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I ASSETS				
1 Non Current Assets				
(a) Property, Plant and Equipment	4	221,375.92	218,027.91	235,777.17
(b) Capital work-in-progress	5	809.19	1,026.34	293.28
(c) Investment Property	6	310.67	317.45	324.23
(d) Goodwill		19.06	12.55	330.25
(e) Other Intangible Assets	7	70.85	75.12	116.70
(f) Financial Assets				
(i) Investments	8	13,254.85	9,846.54	-
(ii) Loans	9	949.73	931.20	746.03
(iii) Other Financial Assets	10	33,734.74	59,922.75	15,817.99
(g) Deferred Tax Assets (Net)	11	4,934.77	5,287.53	5,277.68
(h) Other Non-current Assets	12	6,974.54	1,161.83	1,083.88
Total Non Current Assets		282,434.32	296,609.22	259,767.21
2 Current Assets				
(a) Inventories	13	56,653.04	43,571.89	40,951.75
(b) Financial Assets				
(i) Investments	14	93.97	128.32	83.37
(ii) Trade Receivables	15	54,967.06	46,845.79	43,400.57
(iii) Cash & Cash equivalents	16	35,934.80	20,017.23	44,028.75
(iv) Bank balances other than (iii) above	17	42,166.95	18,488.45	54,049.36
(v) Loans	18	1,478.00	1,499.69	1,537.37
(vi) Other Financial Assets	19	3,001.03	2,088.05	3,132.76
(c) Current Tax Assets	20	562.16	683.46	93.80
(d) Other Current Assets	21	9,504.68	5,667.01	7,293.95
Total Current Assets		204,361.69	138,989.89	194,571.68
TOTAL ASSETS		486,796.01	435,599.11	454,338.89
II EQUITY AND LIABILITIES				
1 Equity				
a) Equity Share Capital	22	3,256.32	3,256.32	3,256.32
b) Other Equity	23	251,566.37	226,980.32	216,049.18
Equity attributable to owners of Polyplex Corporation Ltd.		254,822.69	230,236.64	219,305.50
Non Controlling Interests		107,221.39	88,487.21	74,702.96
Total Equity		362,044.08	318,723.85	294,008.46
Liabilities				
2 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	25,481.97	41,064.47	71,143.05
(ii) Other financial liabilities	25	-	30.69	61.42
(b) Provisions	26	848.38	757.97	647.98
(c) Other non-current liabilities	27	161.10	153.34	75.16
Total Non Current Liabilities		26,491.45	42,006.47	71,927.61
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	28	48,388.24	25,240.69	49,602.89
(ii) Trade payables	29	26,746.39	25,615.82	18,654.66
(iii) Other financial liabilities	30	20,443.01	21,177.10	17,110.73
(b) Other current liabilities	31	2,414.53	2,601.97	2,770.47
(c) Provisions	32	158.91	133.00	264.07
(d) Current Tax Liabilities (Net)	33	109.40	100.21	-
Total Current Liabilities		98,260.48	74,868.79	88,402.82
Total Liabilities		124,751.93	116,875.26	160,330.43
TOTAL EQUITY AND LIABILITIES		486,796.01	435,599.11	454,338.89
Accompanying notes to the Consolidated Financial Statements	1 - 63			

As per our report of even date attached

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta
Partner
Membership No. 093214

Place: Noida
Date: May 30, 2018

For and on behalf of Board of Directors of Polyplex Corporation Limited

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 30, 2018

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue from Operations	34	358,804.26	325,107.25
II Other Income	35	4,416.83	12,077.45
III Total Income (I + II)		363,221.09	337,184.70
IV Expenses			
Cost of Materials Consumed	36	210,729.87	180,087.89
Purchases of Stock-in-trade		11,169.90	12,544.97
Changes in Inventories of finished goods & work-in-progress	37	(6,928.49)	930.02
Excise Duty		1,570.16	5,008.07
Employee benefits expense	38	30,323.50	29,349.51
Finance costs	39	3,943.16	4,701.66
Depreciation and Amortisation expenses	7A	18,501.03	19,662.61
Other expenses	40	62,522.33	52,916.18
Total Expenses (IV)		331,831.46	305,200.91
V Profit Before Exceptional Items and Tax (III - IV)		31,389.63	31,983.79
VI Exceptional Items Gain / (Loss)		-	5,627.95
VII Profit Before Tax (V + VI)		31,389.63	37,611.74
VIII Tax Expense:	41		
(1) Current Tax		2,828.77	1,460.35
(2) Deferred Tax		148.37	10.37
(3) Earlier year Tax		0.77	2.37
Total		2,977.91	1,473.09
IX Profit after Tax (VII - VIII)		28,411.72	36,138.65
X Other Comprehensive Income	42		
(A) (i) Items that will not be Reclassified to Profit or Loss:		113.34	(33.32)
(ii) Income Tax on relation to items that will not be Reclassified to Profit or Loss:		7.93	(12.20)
(B) Items that will be Reclassified to Profit or Loss:		22,730.45	(13,528.86)
Total Other Comprehensive Income (Net of Tax) (A(i-ii)+B)		22,835.86	(13,549.98)
XI Total Comprehensive Income for the year (IX+X)		51,247.58	22,588.67
XII Profit / (Loss) for the period attributable to:			
Owner of the Parent		15,945.31	23,170.74
Non-controlling Interest		12,466.41	12,967.91
XIII Other Comprehensive Income for the year attributable to:			
Owner of the Parent		11,519.36	(8,435.55)
Non-controlling Interest		11,316.50	(5,114.43)
XIV Total Comprehensive Income for the year attributable to:			
Owner of the Parent		27,464.67	14,735.19
Non-controlling Interest		23,782.91	7,853.48
XV Earning Per Equity Share			
Basic (in ₹)		49.85	72.44
Diluted (in ₹)		49.85	72.44

Accompanying notes to the Consolidated Financial Statements

1 - 63

As per our report of even date attached

For and on behalf of Board of Directors of Polyplex Corporation Limited

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Yogesh K Gupta
Partner
Membership No. 093214

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: Noida
Date: May 30, 2018

Place: Noida
Date: May 30, 2018

Statement of Consolidated Cash Flows

for the year ended March 31, 2018

(₹ in Lacs)

Particulars	2017-2018		2016-2017	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit / (Loss) Before Tax		31,389.63		37,611.74
Adjusted for working capital adjustments:				
Depreciation and Amortization	18,501.03		19,662.61	
Allowance for doubtful debts/ bad debts written off	80.19		76.76	
Finance Cost	3,943.16		4,701.66	
Interest Income	(3,039.35)		(2,529.58)	
Unrealised Exchange Difference (Gain) / Loss	4,717.78		(6,633.68)	
MTM loss /(gain) on derivative financial instruments measured at FVTPL	350.43		(75.82)	
Exceptional Item (loss / (gain) on sales of investment in subsidiary)	-		(5,627.95)	
Net (gain) / loss on sale of Property, Plant & Equipment	(26.12)		22.04	
Assets write off	17.51		15.91	
Net Gain on Sale of Investments measured at FVTPL	(0.65)		(108.77)	
		24,543.98		9,503.18
Operating Profit before Working Capital Changes		55,933.61		47,114.92
Working Capital Adjustment:				
Trade Receivables	(7,736.19)		(4,324.99)	
Other Financial Assets	180.34		(520.51)	
Other Non Financial Assets	(3,703.63)		1,962.68	
Inventories	(13,081.15)		(2,620.14)	
Trade Payables	1,130.57		6,961.16	
Other Financial Liabilities	1,039.27		(2,396.25)	
Other Non Financial Liabilities	(415.06)		(41.52)	
Provisions	56.60	(22,529.25)	(63.56)	(1,043.13)
Cash Generated from Operations		33,404.36		46,071.79
Income Taxes Paid		(2,699.05)		(1,952.17)
Cash Flow Before Exceptional Items		30,705.31		44,119.62
Exceptional Items		-		-
Net Cash From Operating Activities		30,705.31		44,119.62
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(13,754.78)		(6,628.78)	
Sale of Property, Plant & Equipment	65.14		18.42	
Loans to Related Party	-		25.00	
Sale of Investment in Subsidiary	-		6,569.85	
Purchase of non-current Investments	(3,408.31)		(9,846.54)	
Deposits with Bank other than Cash & Cash equivalent	2,509.51		(8,543.85)	
Purchase of short term Investments	(2,734.53)		(10,534.13)	
Sale of short term Investments	2,769.53		10,597.95	
Interest received	1,918.81		3,951.89	
Net Cash used In Financing Activities		(12,634.63)		(14,390.19)

Statement of Consolidated Cash Flows

for the year ended March 31, 2018

(₹ in Lacs)

Particulars	2017-2018		2016-2017	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Right Offering	-		2,994.27	
Proceeds from Long Term Borrowings	8,722.25		906.28	
Repayment of Long Term Borrowings	(23,713.22)		(21,697.28)	
Net Proceeds/ (Repayment) from Short Term Borrowings	22,731.01		(24,132.78)	
Interest paid	(4,013.64)		(4,745.87)	
Transaction with Non Controlling Interests	-		4,988.87	
Dividends paid to Non Controlling Interest (including tax)	(5,048.73)		-	
Dividends paid	(2,853.44)		(1,890.99)	
Net Cash used In Financing Activities		(4,175.77)		(43,577.50)
D. EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN OPERATION		2,022.66		(10,163.45)
Net Increase In Cash and Cash Equivalents		15,917.57		(24,011.52)
Total Cash and Cash Equivalents at the beginning of the year		20,017.23		44,028.75
Total Cash and Cash Equivalents at the end of the year		35,934.80		20,017.23
Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note No: 16):				
Balance with schedule banks		284.66		140.08
Balance with non-schedule banks		35,612.80		19,765.30
Cash on hand		37.34		111.85
Total		35,934.80		20,017.23

Reconciliation of Liabilities arising from Financing Activities

(₹ in Lacs)

Particulars	As at March 31, 2017	Cash Flows	Non Cash Change	As at March 31, 2018
Non Current Borrowings	41,064.47	(14,990.97)	(591.53)	25,481.97
Current Borrowings	25,240.69	22,731.01	416.54	48,388.24
Interest Accrued	122.87	(4,013.64)	3,991.26	100.49
Dividend and tax thereon	142.51	(2,853.44)	2,878.62	167.69

Accompanying notes to the Consolidated Financial Statements

1 - 63

NOTE: Previous Year figures are regrouped wherever necessary.

As per our report of even date attached

For and on behalf of Board of Directors of Polyplex Corporation Limited

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Yogesh K Gupta
Partner
Membership No. 093214

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: Noida
Date: May 30, 2018

Place: Noida
Date: May 30, 2018

Statement of Consolidated Changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Particulars	Note No.	In Lacs (Except number of shares)	
		No. of Shares	Amount
As At April 1, 2016		3,19,84,600	3,256.32
Changes in equity share capital during the year		-	-
As at March 31, 2017		3,19,84,600	3,256.32
Changes in equity share capital during the year		-	-
As at March 31, 2018		3,19,84,600	3,256.32

B. Other equity

Particulars	Reserves and surplus						Items of other comprehensive income		Attributable to Owners of the Company
	Share Warrants Forfeited	Capital Reserve	Securities premium reserve	Legal Reserve	General Reserve	Retained earnings	Fair Value of Investment in Debt instrument through OCI	Foreign Currency Translation Reserve	
As at April 01, 2016	250.80	58.36	15,473.43	1,802.78	5,755.10	153,633.50	-	39,075.21	216,049.18
Profit for the year						23,170.74			23,170.74
Other Comprehensive Income / (Loss) for the year						(22.91)	(97.75)	(8,314.89)	(8,435.55)
Total Comprehensive Income / (Loss) for the year	-	-	-	-	-	23,147.83	(97.75)	(8,314.89)	14,735.19
Transaction with owners, recorded directly in Equity:									-
Dividend payments including dividend distribution tax						(1,919.08)			(1,919.08)
Transaction with NCI									-
Dividend paid (including DDT) to NCI									-
Addition/(deletion) during the period			(1,587.06)	-		(297.91)			(1,884.97)
Transfer to General Reserve					100.00	(100.00)			-
Prior period errors									-
As at March 31, 2017	250.80	58.36	13,886.37	1,802.78	5,855.10	174,464.34	(97.75)	30,760.32	226,980.32
Profit for the year						15,945.31			15,945.31
Other Comprehensive Income / (Loss) for the year						65.72	(133.20)	11,586.84	11,519.36
Total Comprehensive Income / (Loss) for the year	-	-	-	-	-	16,011.03	(133.20)	11,586.84	27,464.67
Transaction with owners, recorded directly in Equity:									-
Dividend payments including dividend distribution tax						(2,878.62)			(2,878.62)
Transaction with NCI									-
Dividend paid (including DDT) to NCI									-
Addition/(deletion) during the period			-	-					-
Transfer to General Reserve					100.00	(100.00)			-
Prior period errors									-
As at March 31, 2018	250.80	58.36	13,886.37	1,802.78	5,955.10	187,496.75	(230.95)	42,347.16	251,566.37

Accompanying notes to the Consolidated Financial Statements

1 - 63

As per our report of even date attached

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta
Partner
Membership No. 093214

Place: Noida
Date: May 30, 2018

For and on behalf of Board of Directors of Polyplex Corporation Limited

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 30, 2018

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 1. The Group Information:

Polyplex Corporation Limited ("PCL") is a public limited company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange ("NSE") and the Bombay Stock Exchange ("BSE"), in India. The registered office of the company is situated at Lohia Head Road, Khatima-262308 Distt. Udham Singh Nagar, Uttarakhand.

The Group is principally engaged in the manufacturing of plastic films and has currently manufacturing plants located in India, Thailand, USA, and Turkey with worldwide distribution.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on May 30th, 2018.

Note 2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

(a) Basis of preparation and presentation of Consolidated financial statements:

(i) Compliance with IndAS

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, Group prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

These are the Group's first Ind AS financial statements. The date of transition to the Ind AS is April 1, 2017. Refer Note 62 for details of first-time adoption exceptions and exemptions availed by the Group.

(ii) Basis of Consolidation

The Consolidated Financial Statements comprise of the financial statements of Polyplex Corporation

Limited along with its subsidiaries (jointly referred to as the 'Group' herein under) and the following as on 31.03.2018:

Subsidiaries: Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account. The results of subsidiaries acquired or disposed off during the year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The subsidiary companies considered in the consolidated financial statements are:

Name	Proportion of Ownership Interest (in %)
Polyplex (Asia) Pte. Ltd.	100.00
Polyplex (Thailand) Public Company Ltd.	51.00
Polyplex (Singapore) Pte. Ltd.	51.00
Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi	51.00
Polyplex Trading (Shenzhen) Company Ltd.	51.00
PAR LLC	100.00
Polyplex America Holdings Inc.	51.00
Polyplex USA LLC	51.00
EcoBlue Limited	33.92
Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi	51.00
Polyplex Europe BV	51.00
PT Polyplex Films Indonesia*	51.00

*Incorporated during the year on October 11th, 2017.

- (iii) The Financial Statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – "Consolidated Financial Statements".
- (iv) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to the non-controlling interest. Impact of any insignificant and immaterial Non-Controlling Interest is not considered.

- (v) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (vi) Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The consolidated financial statements are presented in Indian National Rupee ('INR'), which is the Group's functional and presentation currency. All amounts have been presented in lacs with two decimals, unless otherwise indicated.
- (vii) In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. The resulting exchange difference arising on translations are recognised in OCI and accumulated in other Equity, except to the extent that they are allocated to Non Controlling Interest.
- (viii) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company's financial statements.

Significant accounting policies

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of taxes, sales returns, trade allowances, rebates, other similar allowances and amounts collected on behalf of third parties, if any.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods depending on the individual terms of the sales arrangements;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Rental income

The Group's policy for recognition of revenue from operating leases is described in note 2(d) below.

(iii) Dividend income

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(iv) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) Export Incentive

Incentives on exports are recognised in books after due consideration of certainty of utilisation/ receipt of such incentives.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(c) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned or other systematic basis representative of the pattern of fulfilment of obligations associated with grants received.

The Grants are presented under the head other income.

(d) Leasing

A lease is classified at the inception date as a finance lease or operating lease. Leases are classified as finance leases whenever the terms of the A lease that transfers substantially all the risks and rewards incidental to Group is classified as finance lease. All other leases are classified as operating leases.

(i) As a lessee

Finance lease

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in statement of profit & loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see note 2(g) below).

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

Operating lease

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase

in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Respective leased assets are included in the consolidated balance sheet based on their nature.

(e) Foreign currency translation

(i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (₹), which is Group's functional and presentation currency unless stated otherwise.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss in the period in which they arise except for foreign exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis.

(f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's fair value

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs are not capitalized during extended periods in which active development of qualifying assets is suspended. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(h) Income tax

Income taxes: Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss, or where they arise from the initial accounting for business combination.

Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions. Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to

the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forwards and unused tax credits could be utilized.

Deferred tax: Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised

(i) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The Group has applied Ind AS-16 with retrospective effect for all of its Property, Plant and equipment as on the transition date i.e. 1st April, 2016

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, including import duties and non-refundable taxes, after deducting trade discounts/ rebates, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/ removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their remaining useful life provided these are of significant amounts commensurate with the size of the Group and scale of its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized net with in other income/other expense in Statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are available for their intended use. Depreciation is calculated using the methods specified below to allocate their cost, net of their residual values, over their estimated useful lives.

i. PCL:

Depreciation on fixed assets at manufacturing plant at Khatima and Bazpur is provided on Written Down Value Method (WDV) as per life prescribed in Schedule II to the Companies Act, 2013 except for Plant and Machinery running on continuous process basis, where based on internal assessment and independent technical evaluation carried out by external valuer the management believes that the useful life of 18 years best represents the period over which management expects to use these assets. Hence the useful life for such assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Plant & Machinery pertaining to the Plastic film lines and Polyester resin plant has been considered as continuous process as per technical assessment.

Depreciation on fixed assets at Head Office at NOIDA is provided on Straight Line Method (SLM) at the life prescribed in Schedule II to the Companies Act, 2013. Freehold land is not depreciated.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful life of the assets have been assessed based on technical advice, taking into

account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Asset Class	Useful life
Buildings	30-60 years
Plant and Machinery	15-30 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office Equipment	5 years
Vehicles	8-10 years

ii. PTL(Including Subsidiaries):

Land is stated at cost. Buildings and Equipments are stated at cost less accumulated depreciation and allowance for loss on impairment assets (if any).

Depreciation of buildings and building improvements, machinery and equipment is calculated by reference to their costs on the straight -line basis. Depreciation of other equipment is calculated on the sum of the year digits basis.

The estimated useful lives of plant and equipment are as follows

Asset Class	Useful life
Buildings	20-50 years
Machinery & equipment	4-20 years
Furniture, fixtures & office equipment	3-10 years
Motor Vehicles	5 years

Depreciation is included in determining income. No depreciation is provided on land, machinery in transit, and assets under installation and construction.

iii. PAPL:

Depreciation on computer begins when the assets are available for use and is calculated on the straight line basis over its estimated useful life of 4 years.

iv. PAR LLC:

Depreciation on Condominium and Furniture & Fixture is provided for under the straight-line methods at rates sufficient to amortise the related costs over the estimated useful lives of the respective assets, which range from 5-30 Years.

(j) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment property being building is depreciated using the straight-line method over their estimated useful life of 30 years.

The Group has elected to continue with the carrying value of Investment Property recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(k) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Costs comprises purchase price, including import duties and non-refundable taxes, after deducting trade discounts/rebates, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

i) PCL

Assets	Estimated useful life
Computer software	2-3 years

ii) PTL(Including Subsidiaries):

Assets	Estimated useful life
Computer software	3-15 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal

proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

The Group has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(l) Inventories

- (i) Finished goods and work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress is computed on weighted average basis and it includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress are written down if anticipated net realisable value declines below the carrying amount of the inventories and such write downs to inventories are recognised in profit or loss. When reasons for such write downs ceases to exist, such write downs are reversed through profit or loss.
- (ii) Inventories of raw materials & components, stores & spares and stock-in-trade are valued at lower of cost and net realisable value. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Write down of such inventories are recognised in profit or loss and when reasons for such write downs ceases to exist, such write downs are reversed through profit or loss. Cost of such inventories comprises of purchase price and other directly attributable costs that have been incurred in bringing the inventories to their present location and condition. By-products used as raw material are valued at transfer price linked with net realisable value. Cost of raw materials & components, stores & spares and stock-in-trade are determined on weighted average cost method.

(m) Provisions, contingent liabilities and contingent assets

- (i) Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation.

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When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

- (ii) A contingent liability is not recognised in the consolidated financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the consolidated financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).
- (iii) A contingent asset is not recognised in the consolidated financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.
- (iv) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(n) Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled

wholly within operating cycle i.e. twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the consolidated balance sheet.

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves and sick leaves. The liabilities for earned leaves and sick leaves are not expected to be settled wholly within operating cycle i.e. twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as provisions in the consolidated balance sheet.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- defined benefit plans towards payment of gratuity/severance payments; and
- defined contribution plans towards provident fund plan & employee pension scheme, employee state insurance, superannuation scheme, national pension scheme and provident fund.

Defined benefit plans

Retirement benefits in the form of gratuity/severance payments are considered as defined benefit plans. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group provides for its gratuity liability/severance payments based on actuarial valuation of the gratuity/severance payments liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Group contributes to the gratuity fund, which is recognized as plan assets.

Notes to Consolidated Financial Statements

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The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(p) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed by the end of the reporting period.

(q) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For assets in the nature of debt instruments, this will depend on the business model. For assets in the nature of equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Measurement

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.
- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the

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recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the consolidated statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Trade Receivable

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Group may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. Subsequent recoveries of amounts previously written off are credited to other Income.

Equity instruments

The Group subsequently measures all equity investments at fair value, except for equity investments in subsidiaries and associates where the Group has the option to either measure it at cost or fair value. The Group has opted to measure equity investments in subsidiaries and associates at cost hence investments in subsidiaries and associates are carried at cost less impairment, if any.

(iii) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss associated with its financial assets carried at amortised cost and FVTOCI debt instruments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions IND-AS 18 Revenue, the Group applies

simplified approach permitted by IND-AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

ECL represents expected credit loss resulting from all possible defaults and is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate. While determining cash flows, cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms are also considered.

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

(iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is derecognized (i.e. removed from the balance sheet) only when

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients; or
- the rights to receive cash flows from the asset have expired.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset

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is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(r) Financial liabilities and equity instruments

(i) Classification

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL, other financial liabilities are measured at amortised cost at the end of subsequent accounting periods.

(ii) Measurement

Equity instruments

Equity instruments issued by the Group are recognised at the proceeds received. Transaction cost of equity transactions shall be accounted for as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Group's financial liabilities include borrowings, trade and other derivative financial instruments

Subsequent measurement of financial liabilities depends on the classification of financial liabilities. There are two measurement categories into which the Group classifies its financial liabilities:

- **Fair value through profit or loss (FVTPL):** Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

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- **Amortised cost:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition

Equity instruments

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

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

(s) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is

a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(u) Fair value of financial instruments

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either a) In the principal market for the asset or liability, or b) In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(v) Earnings-per-Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

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(w) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

(x) Cash Flow Statement

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Group are segregated.

(y) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker as defined under IndAS 108. Refer notes to the financial statements for segment information presented.

Note 3: Critical accounting judgements and key sources of estimation uncertainty

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques

by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(ii) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered based on past observable data on employees leaving the services of the Group. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

(iii) Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

(iv) Useful life and residual value of plant, property equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset.

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(v) Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements

(vi) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making assumption and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward estimate at the end of each reporting period.

(vii) Impairment of non-financial assets

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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Note 4 : Property, Plant And Equipment

Particulars	Gross Carrying Amount			Depreciation		Net Carrying Amount	
	As at April 1, 2017	Additions during the year	Sale / adjustments*	As at March 31, 2018	For the year adjustments	As at March 31, 2018	As at March 31, 2017
Freehold Land	8,435.76	2,367.64	(504.12)	11,307.52	-	11,307.52	8,435.76
Buildings	70,084.19	159.10	(4,333.92)	74,577.21	2,654.94	53,914.12	53,263.74
Plant & Machinery	287,791.76	5,070.93	(20,435.66)	313,298.35	15,172.21	159,285.01	154,487.36
Electrical Installations	2,112.89	7.68	11.70	2,108.87	98.51	1,867.21	333.02
Furniture & Fixtures	1,807.02	678.91	469.10	2,016.83	83.21	1,503.92	497.22
Office Equipment	3,388.75	90.13	(779.05)	4,257.93	350.91	3,140.01	684.73
Vehicles	1,364.64	56.36	22.19	1,398.81	103.09	1,130.36	326.08
Total	374,985.01	8,430.75	(25,549.76)	408,965.52	18,462.87	187,589.60	218,027.91

Note:

* Sale/Adjustment includes adjustment of foreign exchange fluctuation gain of ₹ 25935.98 Lacs (FY 2016-17: loss of ₹ 6590.00 Lacs).

Refer Note 24 and 28 for security Clause

Particulars	Gross Carrying Amount			Depreciation		Net Carrying Amount	
	As at April 1, 2016	Additions during the year	Sale / adjustments*	As at March 31, 2017	For the year adjustments	As at March 31, 2017	As at April 1, 2016
Freehold Land	8,543.25	-	107.49	8,435.76	-	8,435.76	8,543.25
Buildings	71,060.65	230.31	1,206.77	70,084.19	2,759.58	53,263.74	56,042.80
Plant & Machinery	287,780.60	5,274.18	5,263.02	287,791.76	16,088.34	133,304.40	169,406.26
Electrical Installations	2,094.39	18.50	-	2,112.89	143.99	1,779.87	458.51
Furniture & Fixtures	1,789.96	245.58	228.52	1,807.02	101.70	1,309.80	312.84
Office Equipments	3,192.45	76.94	(119.36)	3,388.75	360.19	2,704.02	691.07
Vehicles	1,345.14	95.29	75.79	1,364.64	164.77	1,038.56	322.44
Total	375,806.44	5,940.80	6,762.23	374,985.01	19,618.57	156,957.10	235,777.17

Notes :

Refer Note 24 and 28 for security Clause

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 5: Capital Work in Progress

(₹ in Lacs)

Particulars	As at April 1, 2017	Additions	Amount transferred from CWIP / Adjustment *	As at March 31, 2018
Capital Work in Progress	1,026.34	2,436.03	2,653.18	809.19
Total	1,026.34	2,436.03	2,653.18	809.19

(₹ in Lacs)

Particulars	As at April 1, 2016	Additions	Amount transferred from CWIP / Adjustment *	As at March 31, 2017
Capital Work in Progress	293.28	4,181.57	3,448.51	1,026.34
Total	293.28	4,181.57	3,448.51	1,026.34

Note:

* Amount transferred from CWIP /Adjustment includes adjustment of foreign exchange translation gain of ₹ 58.47 Lacs (Previous Year loss of ₹ 0.12 Lacs).

NOTE 6 : Investment Property

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at April 1, 2017	Additions during the year	Sale / adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Sale / adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Building	434.41	-	-	434.41	116.96	6.78	-	123.74	310.67	317.45
Total	434.41	-	-	434.41	116.96	6.78	-	123.74	310.67	317.45

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at April 1, 2016	Additions during the year	Sale / adjustments	As at March 31, 2017	As at April 1, 2016	For the year	Sale / adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Building	434.41	-	-	434.41	110.18	6.78	-	116.96	317.45	324.23
Total	434.41	-	-	434.41	110.18	6.78	-	116.96	317.45	324.23

Notes:

- Investment Property consist of building located in state of Uttar Pradesh
- Amount recognised in Consolidated statement of profit & loss

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental Income	260.53	237.98
Direct operating expenses from property that generated rental income	138.22	85.04
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	122.31	152.94
Depreciation	6.78	6.78
Profit from investment properties	115.53	146.16

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 6 : Investment Property (contd..)

3. Restrictions on realisability and contractual obligations

The Company has no restrictions on the realisability of any of its investment properties and it is under no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

4. Fair Value

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment Property	933.80	874.94	812.63

5. Estimation of fair value

The valuation of the building situated at Noida has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

NOTE 7 : Intangible Assets

(₹ in Lacs)										
Particulars	Gross Carrying Amount				Amortisation				Net Carrying Amount	
	As at April 1, 2017	Additions during the year	Sale / adjustments*	As at March 31, 2018	As at April 1, 2017	For the year	Sale / adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software	512.31	25.47	(40.05)	577.83	437.19	31.38	(38.41)	506.98	70.85	75.12
Total	512.31	25.47	(40.05)	577.83	437.19	31.38	(38.41)	506.98	70.85	75.12

(₹ in Lacs)										
Particulars	Gross Carrying Amount				Amortisation				Net Carrying Amount	
	As at April 1, 2016	Additions during the year	Sale / adjustments*	As at March 31, 2017	As at April 1, 2016	For the year	Sale / adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Computer Software	534.55	-	22.24	512.31	417.85	37.26	17.92	437.19	75.12	116.70
Total	534.55	-	22.24	512.31	417.85	37.26	17.92	437.19	75.12	116.70

Note:

* Sale/Adjustment includes adjustment of foreign exchange translation gain of ₹ 40.05 Lacs (Previous Year loss of ₹ 22.24 Lacs).

NOTE 7A: Depreciation and Amortisation Expenses

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Property, Plant & Equipment (Refer note: 4)	18,462.87	19,618.57
Amortisation of Intangible Assets (Refer note: 7)	31.38	37.26
Depreciation on Investment Property (Refer note: 6)	6.78	6.78
Total	18,501.03	19,662.61

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 8 : Investments (Non-Current)

(H in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments measured at Fair Value through OCI			
Investment in Bonds (Refer note 44)	13,254.85	9,846.54	-
Total	13,254.85	9,846.54	-
- Aggregate amount of quoted Investments	13,389.44	9,941.08	-
- Aggregate market value of quoted Investments	13,254.85	9,846.54	-

NOTE 9 : Loans (Non-Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>(Unsecured, considered good unless otherwise stated)</i>			
Security Deposits (Refer note 44)	949.73	931.20	746.03
Total	949.73	931.20	746.03

NOTE 10 : Other Financial Assets (Non-Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>(Unsecured, considered good unless otherwise stated)</i>			
Fixed Deposit with Banks (Refer note 44)	33,734.74	59,922.75	15,817.99
Total	33,734.74	59,922.75	15,817.99

NOTE 11 : Deferred Tax Assets

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Assets			
Provision for long term employees benefits	202.28	163.29	100.01
Reversal of Others Expenses	248.30	229.60	254.50
MAT Credit Entitlement	1,481.25	1,981.31	1,585.78
Unused tax losses	3,297.32	3,062.91	3,075.13
Sub Total (a)	5,229.15	5,437.11	5,015.42
Deferred Tax (Liability)			
Property Plant & Equipment	256.96	122.05	(253.81)
Remeasurement of defined benefit obligations	13.11	(13.12)	(48.99)
Others	24.31	40.65	40.54
Sub Total (b)	294.38	149.58	(262.26)
Total (a - b)	4,934.77	5,287.53	5,277.68

Refer note 59 for movement in Deferred Tax

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 12 : Other Non-Current Assets

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>(Unsecured, considered good unless otherwise stated)</i>			
Capital Advances to Vendors	6,490.82	718.25	701.33
Export Benefit Receivables	98.63	70.17	3.24
Prepaid Expenses	385.09	373.41	379.31
Total	6,974.54	1,161.83	1,083.88

NOTE 13 : Inventories

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials (including stock in transit of ₹ 2433.94 Lacs, FY 2016-17: ₹ 601.62 Lacs, FY 2015-16: ₹ 1297.78 Lacs)	17,904.57	13,164.03	9,593.14
Stock in Process	7,990.19	6,694.84	5,865.28
Finished Goods (including Traded stock) (including stock in transit of ₹ 6630.01 Lacs, FY 2016-17: ₹ 3570.49 Lacs, FY 2015-16: ₹ 3689.50 Lacs)	21,695.16	16,154.69	17,864.46
Stores & Spares	9,063.12	7,558.33	7,628.87
Total	56,653.04	43,571.89	40,951.75

Notes

- The cost of inventories recognised as an expense during the year ₹ 2,82,032.55 Lacs (FY 2016-17: ₹ 259,349.53 Lacs).
- The cost of inventories recognised as an expense includes ₹ 997.14 Lacs, FY - 2016-17: ₹ 1002.65 Lacs, FY - 2015-16: ₹ 1578.11 Lacs in respect of write downs of inventory to net realizable value
- The method of valuation of inventories has been stated in Note 2(i)
- Refer Note 24 and 28 for security Clause

NOTE 14 : Investment (Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Measured at Fair value through Profit & Loss			
Investment in Mutual Fund (Refer note 44)	93.97	128.32	83.37
Total	93.97	128.32	83.37
Note:			
- Aggregate of Unquoted Investments	93.97	128.32	83.37

NOTE 15 : Trade Receivables

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>(Unsecured, considered good unless otherwise stated)</i>			
Considered good	54,967.06	46,845.79	43,400.57
Considered doubtful	203.33	133.19	176.18
Less: Allowance for Doubtful Debts	(203.33)	(133.19)	(176.18)
Total	54,967.06	46,845.79	43,400.57

Refer Note 24 and 28 for security Clause and note 44

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 16 : Cash and Cash Equivalents

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Cash And Cash Equivalent			
Cash on hand	37.34	111.85	56.72
Cheques in hand	-	-	83.16
(b) Bank Balance With Schedule Banks			
Current Accounts	284.66	140.08	327.51
Fixed Deposits with origin less than three months	-	-	-
(c) Bank Balance With Non-Schedule Banks			
Current Accounts	17,900.22	6,010.56	9,761.77
Fixed Deposits with origin less than three months	17,712.58	13,754.74	33,799.59
Total	35,934.80	20,017.23	44,028.75

Refer note 44

NOTE 17 : Bank Balances Other Than Above

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Earmarked Balance With Banks			
Unpaid Dividend Accounts	151.69	128.04	114.31
Fixed Deposits with origin more than one year	189.40	252.60	395.97
	341.09	380.64	510.28
Less: Fixed Deposit presented under Other Non Current Assets (Note 14)	(189.40)	(252.60)	(395.97)
Sub Total (a)	151.69	128.04	114.31
(b) Other Bank Balances			
Fixed Deposits (Lien with Banks)	2.21	2.21	2.21
Fixed Deposits with origin more than three months	42,013.05	18,358.20	53,932.84
Sub Total (b)	42,015.26	18,360.41	53,935.05
Total (a + b)	42,166.95	18,488.45	54,049.36

Refer note 44

NOTE 18 : Loans (Current)

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>(Unsecured, considered good unless otherwise stated)</i>			
Security Deposits	28.00	49.69	62.37
Loans to Related Party	1,450.00	1,450.00	1,475.00
Total	1,478.00	1,499.69	1,537.37

Refer note 44

NOTE 19 : Other Financial Assets (Current)

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>(Unsecured, considered good unless otherwise stated)</i>			
Derivative Financial Instruments	26.41	56.79	27.21
Interest accrued on loans and deposits	2,347.07	1,226.53	2,648.84
Other Receivables	627.55	804.73	456.71
Total	3,001.03	2,088.05	3,132.76

Refer note 44

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 20 : Current Tax Assets

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Tax (Net of Provision) (Net of Provisions of ₹ 3,843.35 Lacs, FY - 2016-17: ₹ 2,589.10 Lacs, FY - 2015-16: ₹ 2,624.62 Lacs)	562.16	683.46	93.80
Total	562.16	683.46	93.80

NOTE 21 : Other Current Assets

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>(Unsecured, considered good unless otherwise stated)</i>			
Advances to Vendors & others	2,017.66	2,203.02	4,494.79
Export Benefit Receivables	817.79	832.98	674.27
Prepaid Expenses	557.85	393.69	411.76
Deposits with Government Authorities	6,111.38	2,237.32	1,713.13
Total	9,504.68	5,667.01	7,293.95

NOTE 22 : Equity Share Capital

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised 3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of ₹ 10 each	3,400.00	3,400.00	3,400.00
Issued, Subscribed and Fully Paid-up 3,19,84,600 (Previous Year - 3,19,84,600) Equity Shares of ₹ 10 each	3,198.46	3,198.46	3,198.46
Add: Forfeited shares (Amount originally paid up)	57.86	57.86	57.86
Total	3,256.32	3,256.32	3,256.32

Reconciliation of Number of Shares

Particulars	(no. of Shares)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Shares outstanding as at the beginning of the year	3,19,84,600	3,19,84,600	3,19,84,600
Additions during the year	-	-	-
Shares outstanding as at the end of the year	3,19,84,600	3,19,84,600	3,19,84,600

Shareholders Holding More Than 5% Shares

Particulars	(no. of Shares)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Mahalaxmi Trading & Investment Co Limited	76,22,390	76,22,390	76,22,390
Secure Investments Limited	55,35,744	55,35,744	55,35,744
K2 Family Trust through its Trustee IL & FS Trust Company Ltd	68,83,876	42,44,535	43,19,749

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 22 : Equity Share Capital (contd..)

The Parent has only one class of Equity Shares of par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Group, the holder of Equity Shares will be entitled to receive remaining assets of the Group after distribution of all preferential amount and the remaining balance is distributed in proportion to the number of equity shares held by the Equity Shareholders.

In last five years there was no Bonus issue, buyback and / or issue of shares other than for cash considerations.

NOTE 23 : Other Equity

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share Warrants Forfeited			
Balance at Beginning of the Year	250.80	250.80	-
Add: Addition during the Year	-	-	-
Balance at End of the Year	250.80	250.80	250.80

Share Warrants Forefeited account shall be utilized as per provisions of Companies Act, 2013

Capital Reserve			
Balance at Beginning of the Year	58.36	58.36	-
Add: Addition during the Year	-	-	-
Balance at End of the Year	58.36	58.36	58.36
Securities Premium Reserve			
Opening Balance	13,886.37	15,473.43	-
Add : Addition during the year	-	2,994.27	-
Less : Minority Interest	-	4,581.33	-
Sub total (c)	13,886.37	13,886.37	15,473.43
Legal Reserve			
Opening Balance	1,802.78	1,802.78	-
Add: Addition during the Year	-	-	-
Sub total (d)	1,802.78	1,802.78	1,802.78

Legal Reserve is set up by Polyplex (Thailand) Public Company Limited (Subsidiary Company) as per applicable GAAP. Legal Reserve is not available for dividend distribution.

General Reserve			
Opening Balance	5,855.10	5,755.10	-
Transferred from Profit & Loss Account	100.00	100.00	-
Sub total (e)	5,955.10	5,855.10	5,755.10

The General Reserve is used from time-to-time to transfer profits from Retained Earnings for appropriation purposes.

Retained Earnings			
Opening Balance	174,464.34	153,633.50	-
Add:			
Profit as per Profit & Loss Statement	15,945.31	23,170.74	-
Loss / write off on sale of operation	-	(297.91)	-
Re-measurement of the net defined benefit Plans through OCI	65.72	(22.91)	-
Less:			
Transferred to General Reserve	100.00	100.00	-
Interim Dividend	2,878.62	1,919.08	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 23 : Other Equity (contd..)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Sub total (f)	187,496.75	174,464.34	153,633.50
Fair Value of Investment in Debt Instrument Through OCI			
Opening Balance	(97.75)	-	-
Fair value of Investment in Debt Instrument	(133.20)	(97.75)	-
Sub total (g)	(230.95)	(97.75)	-

Debt instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and for impairment losses on such instruments.

Foreign Exchange Translation Reserve

Opening Balance	30,760.32	39,075.21	-
Addition / (deletion) during the year	11,586.84	(8,314.89)	-
Sub total (h)	42,347.16	30,760.32	39,075.21

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rupees) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Total (a+b+c+d+e+f+g+h)	251,566.37	226,980.32	216,049.18
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NOTE 24 : Borrowings (Non-Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
SECURED TERM LOANS FROM BANKS			
Rupee Term Loan	5,000.00	-	-
Foreign Currency Term Loan	32,846.14	55,770.81	79,408.66
Sub Total (a)	37,846.14	55,770.81	79,408.66
Less: Current Portion			
Rupee Term Loan	325.83	-	-
Foreign Currency Term Loan	12,038.34	14,706.34	8,265.61
Sub Total (b)	12,364.17	14,706.34	8,265.61
Total (a - b)	25,481.97	41,064.47	71,143.05

(a) Notes in respect of security clause, are disclosed in separate respective financial statements of the Company and its subsidiaries.

(b) Include Prepaid processing fees of ₹ 91.53 Lacs, (FY 2016-17: ₹ 213.70 Lacs and FY 2015-16: ₹ 357.18 Lacs)

(c) Refer note 44

NOTE 25 : Other Financial Liabilities (Non-Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Lease Liability	-	30.69	61.42
Total	-	30.69	61.42

Refer note 44

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 26 : Provisions (Non-Current)

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employees Benefits Obligations	848.38	757.97	647.98
Total	848.38	757.97	647.98

Refer note 46

NOTE 27 : Other Liabilities (Non Current)

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Government Grants	161.10	153.34	75.16
Total	161.10	153.34	75.16

Note:

- (a) The Group has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scrips of the duty paid upon meeting of specific export obligations. The Group expects to meet its export obligations in future years. Export obligation as on March 31, 2018 is ₹ 1,060.61 Lacs.
- (b) Capital and State Investment Subsidy Grants relating to property, plant and equipment relates to cash incentive received from Government for setting up industries in specified area. During the year, an amount of ₹ 6.67 Lacs (FY 2016-17: ₹ 6.67 Lacs) was released from deferred income to the consolidated statement of profit and loss.

NOTE 28 : Borrowings (Current)

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans:			
Loans from Banks repayable on Demand	17,718.28	20,513.60	49,154.49
Bank Cash Credit Account	461.70	3,727.09	448.40
Sub Total (a)	18,179.98	24,240.69	49,602.89
Unsecured Loans:			
Loans from Banks repayable on Demand	30,208.26	1,000.00	-
Sub Total (b)	30,208.26	1,000.00	-
Total (a - b)	48,388.24	25,240.69	49,602.89

Notes in respect of security clause, are disclosed in separate respective financial statements of the Company and its subsidiaries.

Refer note 44

NOTE 29 : Trade Payables

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Outstanding due to			
Micro and small enterprises (Refer note 53)	-	0.48	-
Other vendors other than micro and small enterprises	26,746.39	25,615.34	18,654.66
Total	26,746.39	25,615.82	18,654.66

Refer note 44

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 30 : Other Financial Liabilities (Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturity of Long Term Debt	12,364.17	14,706.34	8,265.61
Current Maturity of Finance Lease	30.82	29.52	28.94
Interest accrued but not due	100.49	122.87	165.77
Unclaimed Dividend *	167.69	142.51	114.42
Other Security Deposits	112.54	129.23	144.15
Capital Creditors	481.15	265.88	213.67
Derivative Financial Instruments	320.05	-	46.24
Other liabilities **	6,866.10	5,780.75	8,131.93
Total	20,443.01	21,177.10	17,110.73

Refer note 44

*on due, will be transferred to Investor Education and Protection Fund.

** Includes expenses payable

NOTE 31: Other Liabilities (Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory liability	530.68	942.52	990.37
Advance received from Customers	1,797.18	1,555.38	1,612.88
Deferred Government Grants *	86.67	104.07	167.22
Total	2,414.53	2,601.97	2,770.47

* Refer note 27

NOTE 32: Provisions (Current)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employees Benefits obligations	158.91	133.00	264.07
Total	158.91	133.00	264.07

Refer note 46

NOTE 33: Current Tax Liabilities (Net)

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Tax (Net of Advance tax)	109.40	100.21	-
Total	109.40	100.21	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 34 : Revenue From Operations

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products (including Excise Duty)		
Plastic Films	328,058.95	302,790.56
Resins	13,363.01	5,230.74
Others	15,265.87	14,956.36
Gross Sales	356,687.83	322,977.66
Other Operating Revenues		
Export Incentive Receive	2,116.43	2,129.59
Total	358,804.26	325,107.25

Goods and Service Tax (GST) has been effective from July 01, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 01, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products' and 'Revenue from operations' for the year ended March 31, 2018 are not comparable with those of the previous year.

NOTE 35 : Other Income

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on Financial Assets measured at amortized cost		
From Loans and Deposits	2,979.62	2,294.36
From Customers	59.73	235.22
Rental income from investment property	260.53	237.98
Net gain on sale of investments measured at FVTPL	0.65	108.77
Net gain on foreign currency transaction	-	7,635.06
MTM gain on derivative financial instruments measured at FVTPL	-	638.07
Net gain on sale of Property Plant & Equipment	26.12	-
Income from Government Grants	104.06	167.12
Other Non Operating Income	986.12	760.87
Total	4,416.83	12,077.45

NOTE 36 : Cost of Materials Consumed

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material	197,281.72	167,599.04
Packing Material	13,448.15	12,488.85
Total	210,729.87	180,087.89

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 37 : Changes in Inventory

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock		
Finished Goods	16,154.69	17,864.46
Stock in Process - Chips / Others	6,694.84	5,865.28
	22,849.53	23,729.74
Closing Stock		
Finished Goods	21,695.16	16,154.69
Stock in Process - Chips / Others	7,990.19	6,694.84
	29,685.35	22,849.53
Add : Increase / (Decrease) in Excise Duty on Stocks	(92.67)	49.81
Net Changes in Inventories	(6,928.49)	930.02

NOTE 38 : Employee Benefit Expenses

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages and Bonus	26,824.04	25,972.54
Contribution to Provident and other Funds (Refer note 46)	1,292.59	1,207.57
Staff Welfare Expenses	2,206.87	2,169.40
Total	30,323.50	29,349.51

NOTE 39 : Finance Costs

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense on Financial Liabilities measured at Amortized Cost	2,917.78	3,506.47
Exchange Differences regarded as an adjustment to Interest Cost	814.76	1,035.99
Other Borrowing Cost	210.62	159.20
Total	3,943.16	4,701.66

NOTE 40 : Other Expenses

(₹ in Lacs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stores & Spares Consumed	7,682.11	7,820.62
Power & Fuel	20,570.35	19,196.32
Repairs and Maintenance:		
Building	331.45	319.57
Plant & Machinery	2,649.13	2,255.69
Others	195.92	337.42
Rent	827.76	792.21
Insurance	1,165.53	1,045.65
Rates & Taxes	416.35	463.58
Freight	13,591.86	11,456.19
Other Selling Expenses	3,541.37	2,963.31
Legal & Professional Expenses	1,125.35	1,527.18

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 40 : Other Expenses (contd..)

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Auditor's Remuneration (Refer Note 57)	219.97	201.14
Travelling & Conveyance	2,040.63	1,784.47
Directors' Commission	70.00	42.00
Directors' Sitting Fee	31.50	29.50
Allowance for Expected Credit Loss	8.58	-
Bad Debts	71.61	76.76
Donation	7.08	18.13
Corporate Social Responsibility Expenditures	69.80	40.00
Asset write off	17.51	15.91
Net loss on sale of Property Plant & Equipment	-	22.04
Job Work Charges	0.03	1.57
Net loss on foreign currency transaction	4,235.90	-
MTM loss on derivative financial instruments measured at FVTPL	527.96	-
Miscellaneous expenses	3,124.58	2,506.92
Total	62,522.33	52,916.18

NOTE 41 : Tax Expense

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax expense		
Current Year	2,828.77	1,460.35
Tax of earlier years provided / written back	0.77	2.37
Deferred Tax Expense		
Origination & Reversal of Temporary Differences	148.37	10.37
Total	2,977.91	1,473.09

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Reconciliation of effective tax rate		
Net Profit before taxes	31,389.63	37,611.74
Tax using the Company's domestic tax rate (34.608%)	10,863.32	13,016.67
Change in taxes on account of :		
Weighted deduction on Research and Development Expenditure	(205.08)	(273.44)
Effect of accounting of tax holiday period	(534.98)	(480.06)
Promotion Privileges	(4,030.97)	(3,474.71)
Tax on income that is taxable at special rates	(505.18)	(350.26)
Effect of expenses that are non-deductible	764.56	(474.03)
Tax loss brought forward	(349.90)	(925.35)
Tax of earlier years provided / written back	(1.25)	2.37
Differential tax rate of Subsidiaries	(3,022.61)	(5,568.10)
Total	2,977.91	1,473.09
Effective Tax Rate as reported in Profit & Loss Account	9.49%	3.92%

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 42 : Other Comprehensive Income

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Items that will not be Reclassified to Profit or Loss:		
Re-measurement Gain / (Loss) on Defined Benefit Plans	113.34	(33.32)
Less: Income Tax related to Re-measurement Gain / (Loss) on Defined Benefit Plans	7.93	(12.20)
Items that will be Reclassified to Profit or Loss:		
Gain / (Loss) on change in Fair Value of Investment	(133.20)	(97.75)
Less: Income tax related to gain / (loss) on change in Fair Value of Investment	-	-
Foreign Currency Translation Reserve	22,863.65	(13,431.11)
Total	22,835.86	(13,549.98)

Note: 43: Financial Risk Management, Objectives and Policies:

A. Financial Risk Framework:

The group is exposed to various financial risks arising from its operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The respective entity management supervises financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors of respective entity. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the management of the respective entity within the group. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the group's policy and practices neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. Senior management and the Board of Directors of respective entity reviews and approves policies for managing each of the above risks.

a. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency Rate Risk, Interest Rate Risk and other Price Risks, such as Commodity Risk. The Group enters into the derivative contracts as approved by the respective entity Board to manage its exposure to interest rate risk and foreign currency risk.

i) Foreign Currency Risk:

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The foreign currency risk exposure of the Group is mainly in U.S. Dollar (USD) and Euro (EUR). The Group's exposure to foreign currency changes for all other currencies is not material.

The Group uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the Group takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 43: Financial Risk Management, Objectives and Policies: (contd..)

Foreign Currency Risk Exposure is presented as under:

(figures in lacs)

Currency	Financial Assets					
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Fx Amount	INR Amount	Fx Amount	INR Amount	Fx Amount	INR Amount
USD	288.95	18,813.86	306.51	19,859.77	278.03	18,406.03
EURO	48.16	3,874.83	36.98	2,559.21	30.60	2,294.98
JPY	698.50	428.12	542.60	313.921	253.60	149.25
Others	96.50	139.49	247.76	146.46	280.75	110.53

(figures in lacs)

Currency	Financial Assets					
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Fx Amount	INR Amount	Fx Amount	INR Amount	Fx Amount	INR Amount
USD	264.41	17,214.56	404.52	26,216.36	551.59	36,533.38
EURO	835.58	67,013.92	798.94	55,268.21	497.10	37,258.33
JPY	1.20	0.74	6.70	3.88	48.95	28.82
Others	-	-	0.06	3.98	0.1	3.82

The following Sensitivity Analysis demonstrates the sensitivity in the USD, EURO, JPY and others to the Indian Rupee with all other variables held constant.

(₹ in Lacs)

Particulars	Change in currency exchange rate	Effect on Profit Before Tax	
		FY 2017-18	FY 2016-17
USD	5%	16.94	(358.35)
	-5%	(16.94)	358.35
Euro	5%	(3,162.12)	(2,674.28)
	-5%	3,162.12	2,674.28
JPY	5%	21.37	15.50
	-5%	(21.37)	(15.50)
Others	5%	6.97	7.12
	-5%	(6.97)	(7.12)

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Group at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Derivative financial instruments

The Group uses foreign currency forward and Interest rate swap contracts to manage some of its transactions exposure.

Forward Contracts

The Group has foreign currency sale and purchase forward contracts to offset the risk of currency fluctuations. These contracts are for settlement of operational receivable and payable. The Details of outstanding contracts as follow:

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 43: Financial Risk Management, Objectives and Policies: (contd..)

POLYPLEX CORPORATION LIMITED (including Subsidiaries)

Particulars	Contract Sell/Buy	Currency	Amount in (₹ in Lacs)		
			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Forward Contracts	Baht/USD	USD	43.60	31.80	13.70
Forward Contracts	USD/Baht	USD	326.60	313.00	313.90
Forward Contracts	Baht/Euro	Euro	9.90	10.20	3.60
Forward Contracts	Euro/Baht	Euro	19.20	12.50	12.60
Forward Contracts	JPY/Baht	Japanese Yen	773.10	513.50	194.20
Forward Contracts	Euro/TL	Turkish Lira	68.00	38.00	30.00
Forward Contracts	Euro/USD	USD	83.00	66.00	30.00
Forward Contracts	USD/Euro	Euro	-	4.00	-
Forward Contracts	USD/INR	USD	22.80	12.50	10.00
Forward Contracts	EUR/INR	EUR	10.22	11.22	6.89
Forward Contracts	INR/USD	USD	4.12	-	3.39
Currency cum Interest rate swap	USD/Euro	Euro	21.74	-	-
Currency cum Interest rate swap	INR/Euro	Euro	65.35	-	-
Interest rate swap	INR/USD	USD	5.31	26.39	47.48

ii) Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from working capital and long term borrowings. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further Group's investments are primarily in fixed deposits which carries fixed rate of interest and do not expose to interest rate risk.

Exposure to Interest rate risk:

The Interest rate profile of the Group's interest bearing financial instruments as reported to management of Group is as follows:

			(₹ in Lacs)
Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
As at March 31, 2018			
INR	8,111.70	5,000.00	3,111.70
USD	42,238.92	38,581.67	3,657.24
Euro	12,377.39	5,754.90	6,622.49
Baht	23,597.90	-	23,597.90
Total	86,325.91	49,336.57	36,989.34
As at March 31, 2017			
INR	6,918.28	-	6,918.28
USD	50,144.07	46,491.91	3,652.16
Euro	10,720.41	9,493.52	1,226.90
Baht	13,442.44	12,030.42	1,412.02
Total	81,225.20	68,015.84	13,209.36
As at April 1, 2016			
INR	636.70	-	636.70
USD	26,604.57	25,102.22	1,502.35
Euro	14,138.87	12,719.45	1,419.42
Baht	87,988.59	57,303.86	30,684.73
Total	129,368.73	95,125.53	34,243.20

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 43: Financial Risk Management, Objectives and Policies: (contd..)

Sensitivity Analysis:

An increase / decrease of 50 basis points at the reporting date would have increased / decreased the Profit before Tax as shown below. This analysis assumes that all other variants remain constant.

Particulars	Increase / Decrease in Basis Points	(₹ in Lacs)	
		Effect on profit before tax	
		FY 2017-18	FY 2016-17
INR Borrowings	0.5%	25.00	-
	-0.5%	(25.00)	-
USD Borrowings	0.5%	192.91	(232.46)
	-0.5%	(192.91)	232.46
Euro Borrowings	0.5%	28.77	(47.47)
	-0.5%	(28.77)	47.47
Baht Borrowings	0.5%	-	(60.15)
	-0.5%	-	60.15

iii) Commodity price risk:

The main raw materials which group procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly and any adverse fluctuation in the raw material cost can impact the Group's operating margins depending upon the ability of the Group to pass on the increase in costs to its customers. As selling prices are usually negotiated on a monthly / quarterly basis, in a balanced demand supply situation, the Group is able to adjust the selling prices following any changes in the raw material and other operating costs.

b. Credit risk

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

For credit risk exposures, Refer Note No. 8-10, and 14-19 of the financial statements.

i) Trade Receivable:

The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The group has a well-defined and robust internal credit management system to monitor unsecured sales. A strong internal credit risk management policy has enabled the group to manage credit risk prudently even when credit risk were high. Credit guarantee insurance is also obtained wherever required. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. There is one customer accounted for 10% or more of revenue in the current years.

To manage trade receivables, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables. ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. A default on financial assets is when a counter party fails to make the payment within 365 days, when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 43: Financial Risk Management, Objectives and Policies: (contd..)

The Ageing of trade receivables and allowances for doubtful debts are given below:

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Ageing of Gross Carrying Amount			
Not Due	46,335.52	41,045.03	34,920.80
Upto 6 Months	8,375.38	5,732.55	8,140.34
6 to 12 Months	241.02	83.60	369.00
Above 12 Months	218.47	117.80	146.61
Gross Carrying Amount	55,170.39	46,978.98	43,576.75
Allowance for Doubtful Debts	203.33	133.19	176.18
Net Carrying Amount	54,967.06	46,845.79	43,400.57

Reconciliation of Loss allowance provision:

(₹ in Lacs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the Beginning	133.19	176.18
Impairment Loss Reversed	-	-
Additional Provision Created / Reversed	70.14	(42.99)
Balance at the End	203.33	133.19

Financial assets are written off when there is no reasonable expectation of recovery. Whereas the loans and receivables are written off and subsequently recoveries are made, these are recognised as an income in the financial statements

ii) Financial assets to which loss allowances measured using 12 months expected credit loss:

For financial assets (other than trade receivables) which are not measured fair value through Profit and Loss account, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The Group does not have any expected credit loss on financial assets which are measured on 12 month ECL and also has not observed any significant increase in credit risk since initial recognition of the financial assets.

Cash and Cash Equivalents, Deposit with Banks:

Credit risk on cash and cash equivalents and deposit with banks is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Derivatives (Forward Contracts):

Derivatives are entered with banks, counter parties which have low credit risk, based on external credit ratings of counter parties. For other financial assets the group monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the group adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

c. Liquidity risk:

Liquidity risk is the risk, where the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 43: Financial Risk Management, Objectives and Policies: (contd..)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

(₹ in Lacs)					
Particulars	Carrying Amount	Less than 6 months	6 to 12 months	> 1 years	Total
As at March 31, 2018					
Interest bearing borrowings (including current maturities)	86,325.91	55,387.75	5,364.66	25,573.50	86,325.91
Financial derivatives	320.05	320.05	-	-	320.05
Other liabilities	7,758.79	7,758.79	-	-	7,758.79
Trade Payables	26,746.39	26,746.39	-	-	26,746.39
Total	121,151.14	90,212.98	5,364.66	25,573.50	121,151.14
As at March 31, 2017					
Interest bearing borrowings (including current maturities)	81,225.20	32,470.22	7,476.81	41,278.17	81,225.20
Financial derivatives	-	-	-	-	-
Other liabilities	6,501.45	6,456.00	14.76	30.69	6,501.45
Trade Payables	25,615.82	25,615.82	-	-	25,615.82
Total	113,342.47	64,542.04	7,491.57	41,308.86	113,342.47
As at April 1, 2016					
Interest bearing borrowings (including current maturities)	129,368.73	53,659.52	4,208.98	71,500.23	129,368.73
Financial derivatives	46.24	46.24	-	-	46.24
Other liabilities	8,860.30	8,798.88	-	61.42	8,860.30
Trade Payables	18,654.66	18,654.66	-	-	18,654.66
Total	156,929.93	81,159.30	4,208.98	71,561.65	156,929.93

B) Capital risk management

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Group's capital management is to maximize the shareholder value. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves. Debt includes, interest bearing loans and borrowings.

The Group monitors capital using Debt-Equity Ratio, which is debt divided by Total Equity.

The ratios at March 31, 2018, March 31, 2017 and April 1, 2016 were as follows:

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Share Capital	3,256.32	3,256.32	3,256.32
Other Equity	251,566.37	226,980.32	216,049.18
Total Equity (A)	254,822.69	230,236.64	219,305.50
Non-Current Borrowings	25,481.97	41,064.47	71,143.05
Current Borrowings	48,388.24	25,240.69	49,602.89
Current Maturities of Non-Current Borrowings	12,364.17	14,706.34	8,265.61
Gross Debt (B)	86,234.38	81,011.50	129,011.55
Gross Debt as Above	86,234.38	81,011.50	129,011.55
Less: Cash & Cash Equivalents	35,934.80	20,017.23	44,028.75
Less: Other balances with bank	42,166.95	18,488.45	54,049.36
Less: Fixed Deposit with Banks (Non-current)	33,734.74	59,922.75	15,817.99
Net Debt (C)	(25,602.11)	(17,416.93)	15,115.45
Net Debt to Equity (C / A)	-10%	-8%	7%

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 44: Financial Instruments

a. Financial Assets and Liabilities:

Particular	Aa at March 31, 2018			Aa at March 31, 2017			Aa at April 1, 2016		
	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI
Financial Assets									
Investments	93.97	-	13,254.85	128.32	-	9,846.54	83.37	-	-
Loans	-	2,427.73	-	-	2,430.89	-	-	2,283.40	-
Trade receivables	-	54,967.06	-	-	46,845.79	-	-	43,400.57	-
Cash and Cash Equivalents	-	35,934.80	-	-	20,017.23	-	-	44,028.75	-
Bank Balances other than above	-	42,166.95	-	-	18,488.45	-	-	54,049.36	-
Other Financial Assets	26.41	36,709.36	-	56.79	61,954.01	-	27.21	18,923.54	-
Total	120.38	172,205.90	13,254.85	185.11	149,736.37	9,846.54	110.58	162,685.62	-
Financial Liabilities									
Borrowings	-	73,870.21	-	-	66,305.16	-	-	120,745.94	-
Trade payables	-	26,746.39	-	-	25,615.82	-	-	18,654.66	-
Other Financial liabilities	320.05	20,122.96	-	-	21,207.79	-	46.24	17125.91	-
Total	320.05	120,739.56	-	-	113,128.77	-	46.24	156526.51	-

b. Fair values of Financial Assets and Liabilities:

Particulars	Fair Value Hierarchy		
	Level 1	Level 2	Level 3
As at March 31, 2018			
Financial assets			
Investment	-	13,348.82	-
Derivatives -			
- Forward contracts & swap	-	26.41	-
Financial liabilities			
Derivatives -			
- Forward contracts & swap	-	320.05	-
As at March 31, 2017			
Financial assets			
Investment	-	9,974.86	-
Derivatives -			
- Forward contracts & swap	-	56.79	-
Financial liabilities			
Derivatives -			
- Forward contracts & swap	-	-	-
As at April 1, 2016			
Financial assets			
Derivatives -			
- Forward contracts & swap	-	27.21	-
- Investments in Mutual Funds	-	83.37	-
Financial liabilities			
Derivatives -			
- Forward contracts & swap	-	46.24	-

The Accounting Policy for fair value has been defined in Note 2(u) financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 44: Financial Instruments

Valuation process and technique used to determine fair value:

Particulars	Fair value hierarchy	Valuation technique	Inputs used
(A) Financial assets			
Investment			
- Investment in Bonds & Mutual Funds	Level 2	Market valuation techniques	On quoted price (unadjusted) in active market for identical assets.
Derivatives - not designated as hedging instruments			
- Forward contracts	Level 2	Market valuation techniques	Mark to market values determined by the Authorised Dealers Banks.
- Currency cum Interest rate swaps	Level 2	Market valuation techniques	Prevailing /forward interest rates in market, interest rates to discount future cash flow
(B) Financial liabilities			
Derivatives - not designated as hedging instruments			
- Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, Interest rates to discount future cash flow
- Currency cum Interest rate swaps	Level 2	Market valuation techniques	Prevailing /forward interest rates in market, interest rates to discount future cash flow

c. Fair Value of Financial Instrument measured at amortized Cost:

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Long-term variable-rate borrowings measured at amortized cost are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the group is considered to be insignificant in valuation.

Note 45 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors of the Group who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The Group is engaged in the business of manufacturing & distribution of Plastic Films, hence there is one operating segment.

Entity wide disclosure as applicable to the Group is mention below:

(i) Information about geographical areas:

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from External Customer		
With in India	79,349.95	75,176.02
Outside India	279,454.31	249,931.23
Total Revenue	358,804.26	325,107.25
Non Current Assets		
With in India	33,845.95	35,799.90
Outside India	195,714.28	184,821.30
Total Non Current Assets	229,560.23	220,621.20

(ii) Revenue from major customer: There is one customer having revenue amounting to 10% or more of Group's total revenue.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 46 Employee Benefits

(A) POLYPLEX CORPORATION LIMITED (Standalone)

a. Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged off / debited to Statement of Profit & Loss are as under:

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund	264.06	242.83
Employer's Contribution to Superannuation Fund	70.68	62.76

b. Defined Benefit Obligations (Gratuity):

The employees' Gratuity Scheme is managed by Life Insurance Company Limited. The present value of obligation is determined based on actuarial valuation using the Projected Unit credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

c. Other Long Term Employee benefits:

Leave Encashment: The Company has provided for its Liability towards Leave encashment, based on the actuarial valuation

The additional disclosure in terms of IND-AS 19 on "Employee Benefits" is as under:

d. The disclosures required under IND-AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

Particulars	(₹ in Lacs)					
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation:						
Defined Benefit Obligation at beginning of the year	1,001.31	232.35	863.57	198.55	644.56	145.61
Current Service Cost	93.35	28.76	85.45	51.33	70.81	47.96
Interest Cost	77.10	17.89	59.15	13.60	49.63	11.21
Actuarial (Gain) / Loss	(44.55)	(23.20)	46.55	(5.40)	134.43	21.90
Benefit Paid	(46.32)	-	(53.41)	(25.73)	(35.86)	(28.13)
Defined Benefit Obligation at year end	1,080.89	255.80	1,001.31	232.35	863.57	198.55
b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:						
Fair value of Plan Assets at beginning of the year	974.34	-	837.78	-	555.33	-
Expected return on Plan Assets	80.70	-	59.73	-	53.85	-
Actuarial Gain / (Loss)	(7.03)	-	8.64	-	(7.14)	-
Employer Contribution	193.83	-	121.60	-	271.59	-
Benefit Paid	(46.32)	-	(53.41)	-	(35.86)	-
Fair value of Plan Assets at year end	1,195.52	-	974.34	-	837.77	-
c) Reconciliation of Fair Value of Assets and Obligations:						
Fair Value of Plan Assets as at year end	1,195.52	-	974.34	-	837.77	-
Present Value of Obligation as at year end	1,080.89	255.80	1,001.31	232.35	863.57	198.55
Net Assets/ (Liability)	114.63	(255.80)	(26.97)	(232.35)	(25.80)	(198.55)

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 46 Employee Benefits (contd..)

Particulars			(₹ in Lacs)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded
	Year ended March 31, 2018		Year ended March 31, 2017	
d) Expenses Recognized during the year:				
Current Service Cost	93.35	28.76	85.45	51.33
Interest Cost	77.10	17.89	59.15	13.60
Expected return on Plan Assets	(80.70)	NA	(59.72)	NA
Actuarial (Gain) /Loss	(37.52)	(23.20)	37.90	(5.40)
Expense Recognised in Statement of Profit & Loss	52.23	23.45	122.78	59.53
e) Remeasurements recognised in Other Comprehensive Income (OCI):				
Actuarial (Gain) / Loss for the year - Obligation	(44.55)	(23.20)	46.55	(5.40)
Actual return on Plan Assets less Interest on Plan Assets	7.03	NA	(8.64)	NA
Expenses Recognised in Other Comprehensive Income (OCI)	(37.52)	(23.20)	37.91	(5.40)
f) Sensitivity analysis for Significant Assumptions:				
Increase / (Decrease) in present value of defined benefits obligation at the end of year:				
1% increase in discount rate	(67.08)	(19.78)	(73.02)	(21.04)
1% decrease in discount rate	77.13	23.06	85.17	24.93
1% increase in salary escalation rate	76.90	22.99	84.19	24.64
1% decrease in salary escalation rate	(68.08)	(20.08)	(73.56)	(21.20)
g) Expected (Undiscounted) Benefits Payment in Future:				
Within next 12 months	246.64	44.14	201.70	35.69
Between 1 to 5 years	252.91	45.72	281.27	52.14
Between 6 to 10 years	189.62	20.84	171.02	31.76

Particulars	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
h) Investment Details :						
LIC Group Gratuity (Cash Accumulation) Policy	100%	NA	100%	NA	100%	NA
i) Actuarial assumption						
Mortality Table (L.I.C.)	2006-08		2006-08		2006-08	
	IALM - Ultimate		IALM - Ultimate		IALM - Ultimate	
Discount Rate (per annum)	6.85%	7.70%	6.85%	6.85%	7.70%	7.70%
Expected Return on Plan Assets (per annum)	7.70%	NA	6.85%	NA	8.00%	NA
Withdrawal Rate	1% - 3%		1% - 3%		1% - 3%	
Rate of Escalation in Salary (per annum)	7.00%		7.00%		0.00%	
Retirement Age	58		58		58	

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Same assumptions were considered for comparative period i.e. 2016-17 as considered in previous GAAP on transition to IND-AS

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 46 Employee Benefits (contd..)

e. **Sick Leave:** The Company has provided for its Sick Leave liability based on the actuarial valuation. The Outstanding liability as on March 31, 2018, March 31, 2017 and April 1 2016 - ₹ 114.77 Lacs, ₹ 97.31 Lacs and ₹ 91.31 Lacs respectively.

f. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow –

- Salary Increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk – If Plan is funded then the mismatch between assets and liabilities and actual return on assets being lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(B) Disclosure with respect to Foreign Entity:

Particulars	Employee Retirement Pension			Other employee benefits		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Provision for long-term employee benefits at beginning of year	438.86	404.25	350.02	95.49	80.39	68.17
Included in Profit or Loss:						
Current service cost	168.86	55.92	107.78	8.58	17.13	15.54
Interest cost	23.57	20.83	15.91	2.56	2.94	2.41
Actuarial (gain) loss arising from Demographic assumptions changes	(3.51)	-	-	-	-	-
Financial assumptions changes	(123.31)	-	-	-	-	-
Experience adjustments	50.99	(4.58)	10.94	-	-	-
Benefits paid during the year	(93.66)	(10.24)	(106.64)	(8.62)	(4.98)	(4.47)
Translation Adjustment	66.29	(27.32)	26.25	10.61	0.01	(1.25)
Provision for long-term employee benefits at end of year	528.09	438.86	404.25	108.61	95.49	80.39

Long term employee benefit expenses included in the profit & loss consist of the following:

Particulars	Total Employee Pension	
	March 31, 2018	March 31, 2017
Current service cost	177.45	73.05
Interest cost	26.12	23.76
Total expenses recognised in Profit & loss	203.57	96.81

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 46 Employee Benefits (contd..)

The Company and its subsidiary expected to pay ₹ 365.45 lacs of long-term employee benefits during next year (2017 : ₹ 408.54 lacs)

As at 31 March 2018, the weighted average duration of the liabilities for the long-term employee benefits is 14 - 20 year (2017: 17-20 years)

Significant actuarial assumptions are summarised below:

Particulars	Actuarial Assumptions		
	March 31, 2018	March 31, 2017	April 1, 2016
Discount Rates	1.1% - 3.2% per annum	1.1% - 4.2% per annum	1.1% - 4.2% per annum
Salary increase rates	1.1% - 8.0% per annum	1.1% - 8.0% per annum	1.1% - 8.0% per annum
Turnover rates	3.8% - 20.0% per annum	3.8% - 20.0% per annum	3.74% - 20.0% per annum
Gold price	₹ 0.43 lacs per bhat weight	₹ 0.38 lacs per bhat weight	₹ 0.38 lacs per bhat weight

The results of sensitivity analysis for significant assumptions that affect the present value of the long term employee benefits obligation as at 31 March 2018, 31 March 2017 and 1st April 2016 are summarised below:

Particulars	Employee Retirement Pension			Employee Retirement Pension		
	Increase 1% - 10%			Decrease 1% - 10%		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Discount Rate	11.01	46.95	36.73	(3.38)	(32.55)	(46.40)
Salary rate	(19.90)	(23.72)	(39.60)	39.09	39.27	32.17

Particulars	Increase 1% - 20%			Decrease 1% - 20%		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Turnover rate	(31.72)	(28.41)	(26.67)	43.40	39.48	33.93
Gold price rate	-	-	-	-	-	-

Particulars	Other employee benefits			Other employee benefits		
	Increase 1%			Decrease 1%		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Discount Rate	(5.14)	(4.25)	(3.85)	5.78	4.73	4.28
Salary rate	-	-	-	-	-	-

Particulars	Increase 1% - 20%			Decrease 1% - 20%		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Turnover rate	(15.56)	(16.85)	(13.54)	19.84	21.82	17.50
Gold price rate	21.72	17.73	15.17	(21.72)	(17.73)	(15.17)

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 47: Related Party Transaction

a. Related parties with whom transactions have taken place during the year

Key Management Personnel (KMP)

- i) Mr. Sanjiv Saraf (Chairman)
- ii) Mr. Pranay Kothari (Executive Director)
- iii) Mr. Brij Kishore Soni*
- iv) Mr. Jitender Balakrishnan*
- v) Ms. Pooja Haldea*
- vi) Mr. Ranjit Singh*
- vii) Mr. Sanjiv Chadha^
- viii) Dr. Suresh Inderchand Surana*
- ix) Mr. Ashok Kumar Gurnani (Company Secretary)
- x) Mr. Manish Gupta (Chief Financial Officer)

*Independent Directors

^ Non-Executive Director

Relative of Key Management Personnel

- a. Ms. Ritu Kothari

b. Enterprises over which Key Management Personnel, their relatives and major shareholders have significant influence:

- i) Beehive Systems Private Limited
- ii) Manupatra Information Solutions Private Limited
- iii) Altivolus Infotech Private Limited
- iv) Dalhousie Villa Private Limited
- v) Bhilangana Hydro Power Limited
- vi) Kotla Hydro Power Private Limited
- vii) Punjab Hydro Power Private Limited
- viii) Abohar Power Generation Private Limited
- ix) Kanchanjunga Power Company Private Limited
- x) Utkarsh Trading and Holdings Limited
- xi) Suresh Surana & Associates, LLP
- xii) RSM Astute Consulting Private Limited
- xiii) Praxis Consulting & Information Services Private Limited
- xiv) S. D. College Society (Lahore), New Delhi

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 47: Related Party Transaction (contd..)

Nature of Transactions with Related Parties

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of Material / Services		
Relative of KMP	29.70	29.70
Enterprises over which KMP have significant influence	31.10	32.64
	60.80	62.34
Services Rendered		
Enterprises over which KMP have significant influence	157.81	140.47
	157.81	140.47
Reimbursement of expenses from		
Enterprises over which KMP have significant influence	123.88	116.22
	123.88	116.22
Interest Received		
Enterprises over which KMP have significant influence	145.00	149.62
	145.00	149.62
Loan Recovered		
Enterprises over which KMP have significant influence	-	25.00
	-	25.00
Key management personnel compensation		
Managerial Remuneration	645.53	297.28
Commission to Director	70.00	42.00
Director's Sitting Fees	31.50	29.50
	747.03	368.78

Outstanding balances:

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Receivables on account of sale of Goods / Services			
Enterprises over which KMP have significant influence	11.69	20.82	8.64
	11.69	20.82	8.64
Receivables on account of expenses recovered			
Enterprises over which KMP have significant influence	14.03	14.38	9.59
	14.03	14.38	9.59
Loan given to			
Enterprises over which KMP have significant influence	1,450.00	1,450.00	1,475.00
	1,450.00	1,450.00	1,475.00
Interest on Loan Recoverable			
Enterprises over which KMP have significant influence	-	-	81.35
	-	-	81.35
Security Deposits Recoverable			
Relative of KMP	20.25	20.25	20.25
Enterprises over which KMP have significant influence	5.00	5.00	5.00
	25.25	25.25	25.25
Security Deposits Payable			
Enterprises over which KMP have significant influence	11.26	4.66	4.66
	11.26	4.66	4.66
Payables			
Key management personnel	70.00	42.00	28.00
Enterprises over which KMP have significant influence	5.18	6.75	5.07
	75.18	48.75	33.07

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 47: Related Party Transaction (contd..)

c. Terms & conditions of transactions with Related Parties

The sales to and purchases from related parties, including rendering / availing of service, are made on terms equivalent to those that prevail in arm's length transactions. The outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2018, March 31, 2017 and April 1, 2016 other than that stated above.

Note 48 Contingent Liabilities not provided for and other commitments, in respect of:

a. Disputed matters under litigation

(₹ in Lacs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Excise Duty, Customs Duty and Service Tax *	395.47	382.36	53.69
Sales Tax and Entry Tax **	100.64	99.45	93.76
Income Tax	728.71	728.71	727.31
Others	30.01	26.80	27.93

* Amount deposited ₹ 3.62 Lacs (March 31, 2017: ₹ 9.22 Lacs; April 1, 2016: ₹ 9.69 Lacs)

** Amount deposited ₹ 23.84 Lacs (March 31, 2017: ₹ 22.68 Lacs; April 1, 2016: ₹ 21.55 Lacs)

b. Guarantees

			(₹ in Lacs)	
Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Guarantees given to Banks and others	Sanction amount	82,229.99	82,553.81	90,186.91
	Utilised amount	43,148.04	52,913.29	69,143.17

- c. The Group has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scrips of the duty paid upon meeting of specific export obligations. The Group expects to meet its export obligations in future years. . Export obligation as on March 31, 2018, March 31, 2017 and April 1 2016 - ₹ 1,060.61 Lacs, ₹ 959.45 Lacs and ₹ 706.23 Lacs respectively.

d. Service Agreements

Polyplex (Thailand) Public Company Limited (including Subsidiaries)

As at March 31, 2018, the Company had commitments totalling ₹ 198.39 Lacs (Previous Year - ₹ 165.68 Lacs) under various service agreements. These agreements expire between April 2018 and September 2019.

Note 49 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of ₹ 6,490.83 Lacs (Previous Year: ₹ 718.25 Lacs)) amounts to ₹ 19,993.59 Lacs (Previous Year: ₹ 847.83 Lacs).

Note 50 Research and Development

The revenue expenditure of ₹ 437.85 Lacs (Previous Year: ₹ 395.05 Lacs) and capital expenditure of ₹ Nil (Previous Year: ₹ Nil) on Research & Development are charged to the respective heads of account.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 51 Capital Work-in-Progress includes:

Capital work in progress includes equipment's not yet installed, construction / erection material, construction / erection work in progress, machinery at site and / or in transit and other pre-operative expenses pending allocation / capitalization. Pre-operative expenses pending allocation / capitalization of the Indian Company are:

Particulars	(₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Pre-operative expenses brought forward	-	6.91	-
Raw Material Consumed	-	2.45	-
Power & Fuel	-	1.72	-
Interest on Term Loan	48.10	1.31	-
Miscellaneous & Other Expenses	14.96	11.28	6.91
Total	63.06	23.67	6.91
Less : Scrap Sales	-	0.69	-
Total	63.06	22.98	6.91
Less : Allocated and Capitalised during the year	-	22.98	-
Balance Pending Allocation Transfer to Balance Sheet	63.06	-	6.91

Note 52 Dividend Note

Detail of dividend paid and proposed to be distributed:

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend Paid for Equity Shareholders	2,878.61	1,919.08
Corporate Dividend Tax	-	-
Dividend Proposed for Equity Shareholders	1,599.23	1,279.38
Corporate Dividend Tax	-	-

Note: 53 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information regarding Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group:

Sr. No	Particulars	(₹ in Lacs)		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	0.48	-
	ii) Interest due on above	-	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 54 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Gross amount required to be spent by the Company during the year	68.73	47.70
Amount spent during the year on		
Promoting Culture / Language	60.00	40.00
Promoting Education	9.80	-
Total	69.80	40.00

Note: 55 Earnings per Share

Particulars	Unit in	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit/Loss for the year	(₹ in Lacs)	15,945.31	23,170.74
Weighted Average number of Equity Shares considered as Denominator for calculation of Basic EPS	(Nos.)	31,984,600	31,984,600
Weighted Average number of Equity Shares considered as Denominator for calculation of Diluted EPS	(Nos.)	31,984,600	31,984,600
Basic EPS	(₹)	49.85	72.44
Diluted EPS	(₹)	49.85	72.44
Face Value per share	(₹)	10.00	10.00

Note: 56

a. Operating Lease

The Group has entered into operating lease agreement.

POLYPLEX CORPORATION LIMITED (including Subsidiaries)

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Total lease payment during the year (Recognized in Statement of Profit & Loss)	50.33	47.25
Minimum Lease Payments		
- Not later than one year	96.84	18.85
- Later than one year but not later than five year	59.25	26.62
- Later than five years	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 56 (contd..)

b. Finance Lease:

A subsidiary has entered into finance lease agreements to lease equipment for use in its operation. The average term of the agreements is 5 years.

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Minimum Lease Payments		
- Not later than one year	30.82	29.52
- Later than one year but not later than five years	-	30.69
- Later than five years	-	-

Note: 57 Auditor's Remuneration:

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fee	205.65	175.99
Tax Audit fee	1.00	1.00
Certification & Other fees	6.06	14.66
Out of Pocket Expenses	7.26	9.49
Total	219.97	201.14

Note: 58 Exceptional Item:

Exceptional Item for the year ended March 31, 2018: ₹ Nil (Financial year ended March 31, 2017: ₹ 5627.95 lacs) represents during the previous year net profit arising from sale of stake in Polyplex (Thailand) Public Company Limited (PTL) by Polyplex (Asia) Pte. Ltd (PAPL).

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 59 Movement in Deferred Tax:

(₹ in Lacs)					
Particulars	As at April 1, 2017	Recognized in P&L	Recognized in OCI	Other Adjustment #	As at March 31, 2018
Deferred Tax Assets					
Provision for long term employees benefits	163.29	6.07	-	32.92	202.28
Reversal of Others Expenses	229.60	(4.39)	-	23.09	248.30
MAT Credit Entitlement	1,981.31	-	-	(500.06)	1,481.25
Unused tax losses	3,062.91	3.16	-	231.25	3,297.32
Sub Total (a)	5,437.11	4.84	-	(212.80)	5,229.15
Deferred Tax (Liabilities)					
Property Plant & Equipment	122.05	134.91	-	-	256.96
Remeasurement of defined benefit obligations	(13.12)	18.30	7.93	-	13.11
Others	40.65	-	-	(16.34)	24.31
Sub Total (b)	149.58	153.21	7.93	(16.34)	294.38
Total (a - b)	5,287.53	(148.37)	(7.93)	(196.46)	4,934.77

(₹ in Lacs)					
Particulars	As at April 1, 2016	Recognized in P&L	Recognized in OCI	Other Adjustment #	As at March 31, 2017
Deferred Tax Assets					
Provision for long term employees benefits	100.01	63.18	-	0.10	163.29
Reversal of Others Expenses	254.50	(25.01)	-	0.11	229.60
MAT Credit Entitlement	1,585.78	395.53	-	-	1,981.31
Unused tax losses	3,075.13	(19.21)	-	6.99	3,062.91
Sub Total (a)	5,015.42	414.49	-	7.20	5,437.11
Deferred Tax Liabilities					
Property Plant & Equipment	(253.81)	375.87	-	(0.01)	122.05
Remeasurement of defined benefit obligations	(48.99)	48.99	(12.20)	(0.92)	(13.12)
Others	40.54	-	-	0.11	40.65
Sub Total (b)	(262.26)	424.86	(12.20)	(0.82)	149.58
Total (a - b)	5,277.68	(10.37)	12.20	8.02	5,287.53

Other Adjustment including FCTR

Note: 60 Non-Controlling Interest

A. Proportion of equity interest held by non-controlling interests:

				(₹ in Lacs)
Name of the Company	Principal Place of Business	Effective ownership as at		
		March 31, 2018	March 31, 2017	April 1, 2016
Subsidiary of Polyplex Corporation Limited:				
Polyplex (Asia) Pte. Limited (PAPL)	Singapore	100.00%	100.00%	100.00%
Polyplex (Thailand) Public Company Limited (PTL)	Thailand	51.00%	51.00%	51.00%
Subsidiary of Polyplex (Asia) Pte. Limited (PAPL):				
PAR LLC (USA)	U.S.A	100.00%	100.00%	100.00%
Subsidiary / Step down subsidiaries of Polyplex (Thailand) Public Company Limited (PTL):				
Polyplex (Singapore) Pte. Limited (PSPL)	Singapore	51.00%	51.00%	51.00%
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)	Turkey	51.00%	51.00%	51.00%
Polyplex Trading (Shenzhen) Co. Limited (PTSL)	China	51.00%	51.00%	51.00%
Polyplex America Holdings Inc (PAH)	U.S.A	51.00%	51.00%	51.00%
Polyplex USA LLC (PU)	U.S.A	51.00%	51.00%	51.00%
EcoBlue Limited (EcoBlue)	Thailand	33.92%	33.92%	37.74%
Polyplex Europe B.V. (PEBV)	Netherland	51.00%	51.00%	51.00%
PT Polyplex Films Indonesia*	Indonesia	51.00%	-	-
Polyplex Paketleme Çözümleri Sanayi VE Ticaret Anonim Sirketi (PP)	Turkey	51.00%	51.00%	51.00%

*incorporated during the year on October 11, 2017

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 60 Non-Controlling Interest (contd..)

B. Summarised statement of profit and loss for the year ended 31 March 2018:

		(₹ in Lacs)
Polyplex (Thailand) Public Company Ltd (CFS)	March 31, 2018	March 31, 2017
Revenue	248,523.45	227,435.26
Profit for the Year	25,285.85	26,304.33
Total Comprehensive Income	48,380.74	15,801.50
Attributable to non-Controlling Interest	23,706.56	7,742.74
Dividends paid to non-Controlling Interest	5,048.73	-

C. Summarised balance sheet as at 31 March 2018, 31 March 2017 and 1st April, 2016:

			(₹ in Lacs)
Polyplex (Thailand) Public Company Ltd (CFS)	March 31, 2018	March 31, 2017	April 1, 2016
Non- Current Assets	198,062.09	186,906.68	201,268.41
Current Assets	117,740.06	84,249.16	91,729.73
Total Assets (A)	315,802.16	271,155.84	292,998.13
Non-Current Liability	21,521.29	38,260.91	62,725.47
Current Liability	74,188.18	50,907.03	76,217.66
Total Liabilities (B)	95,709.47	89,167.93	138,943.13
Net Assets (A+B)	220,092.68	181,987.91	154,055.00

D. Summarised Cash Flows

		(₹ in Lacs)
Polyplex (Thailand) Public Company Ltd (CFS)	March 31, 2018	March 31, 2017
Net cash inflow from operating activities	33,094.29	40,167.69
Net cash inflow from investing activities	(10,128.19)	(3,805.87)
Net cash inflow from financing activities	(11,272.48)	(42,955.99)
Net increase /(decrease) in cash and cash equivalents	11,693.62	(6,594.17)

Note: 61 Recent accounting pronouncements

Appendix B to IND-AS 21, foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to IND-AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

IND-AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, IND-AS 115 "Revenue from contracts with customers" supersedes IND-AS 11, "Construction contracts" and IND-AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

IND-AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The new revenue standard is applicable to the Group from 1 April 2018.

The standard permits two possible methods of transition:

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IND-AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND-AS 115 is expected to be insignificant

NOTE 62 : First Time Adoption of IND-AS

As stated in Note 2, these are the Group's first financial statements prepared in accordance with IND-AS

The accounting policies set out in Note 2 have been applied in preparing the consolidated financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening IND-AS statement of financial position at 1st April 2016 (the Group's date of transition). In preparing its opening Ind AS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to IND-AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions and exceptions availed:

Set out below are the applicable IND-AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND-AS.

A Ind AS optional exemptions:

(i) Investment Property & Intangible assets

IND-AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investment property as recognised in the financial statements as at the date of transition to IND-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by IND-AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its Investment property and intangible assets at their previous GAAP carrying value.

B. IND-AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with IND-AS at the date of transition to IND-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

IND-AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for Impairment of financial assets based on expected credit loss model in accordance with IND-AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets

IND-AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(iii) Derecognition of financial assets and liabilities

As per IND-AS 101, an entity should apply the derecognition requirements in IND-AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to IND-AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply IND-AS 109 to financial assets and financial

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 62 : First Time Adoption of IND-AS (contd..)

liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the derecognition principles of IND-AS 109 prospectively.

(iv) Impairment of financial assets

An entity shall determine an approximate credit risk at the date when the financial instrument were initially recognised and compare that to the credit risk at the date of transition to IND-ASs. This should be based on reasonable and supportable information that is available without undue cost or effort. If the entity is unable to make this determination without undue cost or effort, it shall recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

C Reconciliation of Equity

- IND-AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(₹ in Lacs)							
Particulars	Note No.	As at March 31 2017			As at April 1 2016		
		IGAAP*	Adjustments	IND-AS	IGAAP*	Adjustments	IND-AS
I ASSETS							
1 Non Current Asset							
a Property, Plant & Equipment	D-1,D-3	221,193.51	(3,165.60)	218,027.91	240,179.80	(4,402.63)	235,777.17
b Capital work-in-progress		1,026.34	-	1,026.34	293.28	-	293.28
c Investment Property	D-2	-	317.45	317.45	-	324.23	324.23
d Goodwill		12.55	-	12.55	330.25	-	330.25
e Other Intangible assets		75.12	-	75.12	116.70	-	116.70
f Financial Assets							
(i) Investments		9,846.54	-	9,846.54	-	-	-
(ii) Loans		931.20	-	931.20	746.03	-	746.03
(iii) Other Financial Assets		59,922.75	-	59,922.75	15,817.99	-	15,817.99
g Deferred tax assets (Net)	D-8	4,488.43	799.10	5,287.53	4,264.87	1,012.81	5,277.68
h Other non-current assets	D-3	788.42	373.41	1,161.83	704.57	379.31	1,083.88
		298,284.86		296,609.22	262,453.49		259,767.21
2 Current Asset							
a Inventories		43,571.89	-	43,571.89	40,951.75	-	40,951.75
b Financial Assets							
(i) Investment		128.32	-	128.32	83.37	-	83.37
(ii) Trade receivables		46,845.79	-	46,845.79	43,400.57	-	43,400.57
(iii) Cash and cash equivalents		20,017.23	-	20,017.23	44,028.75	-	44,028.75
(iv) Other balances with Banks		18,488.45	-	18,488.45	54,049.36	-	54,049.36
(v) Loans		1,499.69	-	1,499.69	1,537.37	-	1,537.37
(vi) Other Financial Assets	D-4	2,031.26	56.79	2,088.05	3,105.55	27.21	3,132.76
c Current tax assets (Net)		683.46	-	683.46	93.80	-	93.80
d Other current assets		5,667.01	-	5,667.01	7,293.95	-	7,293.95
TOTAL		138,933.10		138,989.89	194,544.47		194,571.68
		437,217.96		435,599.11	456,997.96		454,338.89
II EQUITY & LIABILITIES							
1 Equity							
a Equity Share Capital		3,256.32	-	3,256.32	3,256.32	-	3,256.32
b Other Equity	C-3	234,732.98	(7,752.66)	226,980.32	228,865.03	(12,815.85)	216,049.18
Equity attributable to owners of Polyplex Corporation Ltd.		237,989.30		230,236.64	232,121.35		219,305.50
Non Controlling Interest		82,418.64	6,068.57	88,487.21	63,519.96	11,183.00	74,702.96
Total Equity		320,407.94		318,723.85	295,641.31		294,008.46
2 Non Current Liabilities							
a Financial Liabilities							
(i) Borrowings	D-6	41,009.35	55.12	41,064.47	71,335.22	(192.17)	71,143.05
(ii) Other financial liabilities		30.69	-	30.69	61.42	-	61.42
b Provisions		757.97	-	757.97	647.98	-	647.98
c Other non-current liabilities	D-1,D-7	-	153.34	153.34	-	75.16	75.16
		41,798.01		42,006.47	72,044.62		71,927.61

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 62 : First Time Adoption of IND-AS (contd..)

		(₹ in Lacs)					
Particulars	Note No.	As at March 31 2017			As at April 1 2016		
		IGAAP*	Adjustments	IND-AS	IGAAP*	Adjustments	IND-AS
3 Current Liabilities							
a Financial Liabilities							
(i) Borrowings		25,240.69	-	25,240.69	49,602.89	-	49,602.89
(ii) Trade payables		25,615.82	-	25,615.82	18,654.66	-	18,654.66
(iii) Other financial liabilities	D-5	21,424.39	(247.29)	21,177.10	17,227.61	(116.88)	17,110.73
b Other current liabilities	D-1,D-7	2,497.90	104.07	2,601.97	2,603.26	167.21	2,770.47
c Provisions		133.00	-	133.00	1,223.61	(959.54)	264.07
d Current Tax Liabilities (Net)		100.21	-	100.21	-	-	-
		75,012.01		74,868.79	89,312.03		88,402.82
TOTAL		437,217.96		435,599.11	456,997.96		454,338.89

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

2 Reconciliation of total comprehensive income for the year ended March 31, 2017

		(₹ in Lacs)		
Particulars	Note No.	IGAAP*	Adjustments	IND-AS
I. Revenue from Operations				
Sale of products	D-10	320,767.10	4,340.15	325,107.25
II. Other Income	D-1,D-7,D-4	9,675.90	2,401.55	12,077.45
III. Total Revenue (I+II)		330,443.00		337,184.70
IV. Expenses:				
Cost of Materials consumed		180,087.89	-	180,087.89
Purchase of Stock in Trade		12,544.97	-	12,544.97
Changes in Inventories of finished goods, work in progress and stock in trade		930.02	-	930.02
Excise Duty on sale of goods	D-10	-	5,008.07	5,008.07
Employee Benefits expense	D-9	29,344.27	5.24	29,349.51
Finance Costs	D-1, D-6	3,542.27	1,159.39	4,701.66
Depreciation and amortisation expense	D-1,D-3	20,216.28	(553.67)	19,662.61
Other Expenses	D-2, D-3	53,047.51	(131.33)	52,916.18
Total Expenses		299,713.21		305,200.91
V. Profit Before Exceptional Items and Tax (III - IV)		30,729.79		31,983.79
VI. Exceptional Items Gain / (Loss)		5,627.95		5,627.95
VII. Profit Before Tax (V + VI)		36,357.74		37,611.74
VIII. Tax Expenses				
(1) Current Tax		1,460.35	-	1,460.35
(2) Deferred Tax	D-8, D-11	(216.46)	226.83	10.37
(3) Earlier year Tax		2.37	-	2.37
		1,246.26		1,473.09
IX. Profit after Tax (VII - VIII)		35,111.48		36,138.65
X. Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	D-9	-	(33.32)	(33.32)
(ii) Less: Income tax relating to the above item	D-8	-	(12.20)	(12.20)
B Items that will be Reclassified to Profit or Loss:		-	(13,528.86)	(13,528.86)
Total Other Comprehensive Income(IX+X)		-		(13,549.98)
XI. Total Comprehensive Income for the year (IX+X)		35,111.48		22,588.67

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 62 : First Time Adoption of IND-AS (contd..)

3 Reconciliation of Total Equity

		(₹ in Lacs)	
Particulars		March 31, 2017	April 1, 2016
Total Equity (Shareholder's funds) as per previous GAAP		234,732.98	228,865.03
Adjustments:			
Impact of Opening IND-AS Adjustments		(12,815.85)	-
(i) Fair Value of Derivative Financial Instrument	D-4	36.09	20.70
(ii) Amortization of Processing Cost	D-6	(123.40)	(785.20)
(iii) Impact of forex /FCTR	D-1	5,610.65	(18,800.28)
(iv) Recognition of Government Grants	D-1, D-7	167.12	2,669.12
(v) Depreciation impact on Foreign Exchange Fluctuations and Government Grants	D-1	547.77	2,107.46
		(6,577.62)	(14,788.20)
(vi) Deferred Tax on above adjustments	D-8	(213.71)	1,012.81
(vii) Proposed Dividend	D-5	(959.54)	959.54
(viii) Other Comprehensive Income (Net of Taxes)		(1.79)	-
Total Adjustments		(7,752.66)	(12,815.85)
Total Equity as reported under IND-AS		226,980.32	216,049.18

4 Reconciliation of Cash Flow for the year ended 31 March 2017

Particulars	IGAAP*	Adjustments	IND-AS
(i) Net cash flow from operating activities	42,450.56	1,669.06	44,119.62
(ii) Net cash flow from investing activities	(15,305.03)	914.84	(14,390.19)
(iii) Net cash flow from financing activities	(40,993.60)	(2,583.90)	(43,577.50)
(iv) EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN OPERATION	(10,163.45)	-	(10,163.45)
Net increase/(decrease) in cash and cash equivalents	(24,011.52)	-	(24,011.52)
Cash and cash equivalents as at 1 April 2016	44,028.75	-	44,028.75
Cash and cash equivalents as at 31 March 2017	20,017.23	-	20,017.23

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

D Notes to first-time adoption:

1 Property Plant & Equipment / FCTR

The Group has applied Ind AS 16 retrospectively for its property, plant and equipments, from the date of their acquisition. Under IND-AS, all foreign exchange transaction gains and losses are recorded in net income except to the extent these are treated as an adjustment to interest cost and considered for capitalization. Under Previous GAAP, foreign exchange gains and losses arising on foreign currency denominated borrowings that were incurred to acquire property, plant and equipment and intangible assets were recorded in the cost of the asset and depreciated over their remaining useful life. Under IND-AS, import duty waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Statment of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled. On the transition date, the Group, therefore, recorded an adjustment to measure such property, plant and equipment in accordance with IND-AS 16.

Under Previous GAAP, cost of the property, plant and equipment was recorded at the cash price paid to acquire such assets. Consequently, depreciation relating to the above differences in the cost of property, plant and equipment under IND-AS and Previous GAAP has also been adjusted.

The Group has transferred proportionate share of Foreign Currency Translation reserve to Non -Controlling Interest.

2 Investment property

Under the previous GAAP, investment properties were presented under Property Plant & Equipment. Under IND-AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or loss as a result of this adjustment.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 62 : First Time Adoption of IND-AS (contd..)

3 Leasehold Land:

Under Previous GAAP, land was scoped out from the purview of AS 19 Leases and hence leasehold land were capitalised by the Group forming part of fixed assets. IND-AS 17 Leases covers leasehold land in its scope. Leasehold land were, therefore, identified under finance leases and operating leases based upon the criteria specified in the accounting standard. Leasehold land, which are identified under operating leases, have been decapitalised from Property plant & equipment. As per IND-AS 17, Leasehold Land has now been classified as operating lease and the premium paid on leasehold land is amortized over the period of the lease.

4 Derivative Assets:

Under previous GAAP, derivative instruments entered into for hedging the foreign currency fluctuation risk were accounted for on the principles of prudence. Pursuant to this, losses, if any, on Mark to Market basis, were recognised and gains were not recognised. Under IND-AS, gains on derivative instruments have been measured at fair value through profit or loss and gains or losses are recognised in the statement of profit and loss.

5 Proposed Dividend

Under IND-AS, dividends payable are recorded as a liability in the year in which these are declared and approved. Under Previous GAAP, dividends payable were recorded as a liability in the year to which they relate.

6 Prepaid Processing Fees

Under previous GAAP, transaction costs incurred in connection with borrowings are amortised over the period of borrowings. IND-AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in profit or loss over the tenure of the borrowings as part of interest expense using effective interest rate method. Further, as per previous GAAP such unamortised amount was disclosed as prepaid assets which as per IND-AS now are netted off with the related borrowings.

7 Government Grant

Under previous GAAP, certain asset related grant were shown as a Capital Reserve. Ind AS requires an asset related grant to be presented in the balance sheet by setting up the grant as deferred income. Subsequently the income in relation to such grant is recognized in statement of profit and loss for the year ended March 31, 2017

8 Deferred tax

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under IND-AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset / liability in the Balance Sheet and its corresponding tax base. The application of IND-AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP. The (decreased) / increased in the deferred tax assets are on account of adjustments made on transition to IND-AS.

9 Remeasurements of post-employment benefit obligations

In the financial statements prepared under Previous GAAP, remeasurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under IND-AS, such remeasurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of IND-AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

10 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under IND-AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2017 by INR 5,008.17 Lacs. There is no impact on the total equity and profit.

11 MAT Credit

Under previous GAAP, MAT credit forms part of non-current assets which as per the requirements of IND-AS 12 has been shown as a part of deferred tax liabilities (net).

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note: 63 Events occurring after the Balance Sheet Date:

There are no events occurring after the balance sheet date for the financial year 2017-18.

As per our report of even date attached

For and on behalf of Board of Directors

For, **S S Kothari Mehta & Co**
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Yogesh K Gupta
Partner
Membership No. 093214

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: Noida
Date: May 30, 2018

Place: Noida
Date: May 30, 2018

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

Part “A”: Subsidiaries

(Information in respect of each subsidiary presented with amount in Lacs)

S.No.	1	2	3	4	5	6	7	8	9	10	11	12
Name of the Subsidiary	Polyplex (Asia) Pte. Ltd.	Polyplex (Thailand) Public Company Ltd.	Polyplex (Singapore) Pte. Ltd.	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S	Polyplex Trading (Shenzhen) Company Ltd.	PAR LLC	Polyplex America Holdings Inc.	Polyplex USA LLC	EcoBlue Limited	PT Polyplex Films Indonesia (PT PFI) #	Polyplex Europe B.V.	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi
Country of Incorporation	Singapore	Thailand	Singapore	Turkey	China	USA	USA	USA	Thailand	Indonesia	Netherland	Turkey
Reporting currency as on the last date of the relevant Financial year in the case of foreign subsidiaries.	US \$	THB	Euro	INR	RMB	US \$	US \$	US \$	THB	IDR	Euro	TRY
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	65.14	2.09	80.14	80.14	10.37	65.14	65.14	65.14	2.09	0.00473	80.14	19.67
Share Capital	11.30	736.04	9,000.00	18,794.79	91.45	7,329.26	40.36	3,234.65	27.31	283.19	2.00	1.00
Reserve & Surplus / (Deficit)	1,689.94	1,10,076.92	27,249.89	56,906.22	52.72	4,225.24	2,029.80	1,62,678.24	646.63	1,350.36	4.21	25.58
Total Assets	1,746.39	1,13,753.88	86,324.74	1,80,272.83	144.23	11,559.31	2,191.24	1,75,616.84	965.54	2,016.35	17.43	192.86
Total Liabilities	1,746.39	1,13,753.88	86,324.74	1,80,272.83	144.23	11,559.31	2,191.24	1,75,616.84	965.54	2,016.35	17.43	192.86
Investment (other than in subsidiaries)	153.98	10,029.73	-	-	-	-	-	-	-	-	-	-
Turnover/ Income	260.68	16,980.70	551,64.52	1,15,200.63	0.01	0.80	1,046.24	83,850.86	1547.94	3,232.58	33.50	494.65
Profit/ (Loss) Before Taxation	80.20	5,223.95	2,125.89	4,439.52	(1.23)	(98.58)	264.21	21,175.10	285.63	596.48	1.04	18.31
Provision for Taxation	5.25	341.97	2.65	5.53	0.000	-	4.31	345.42	58.12	121.37	0.21	3.66
Profit/ (Loss) After Taxation	74.95	4,881.99	2,123.24	4,433.98	(1.23)	(98.58)	259.90	20,829.67	227.51	475.11	0.83	14.65
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
% of shareholding (Directly and/ or through other Subsidiaries)	100.00%	51.00%	51.00%	51.00%	51.00%	100.00%	51.00%	51.00%	33.92%	51.00%	51.00%	51.00%

Note:

- Names of subsidiaries which are yet to commence operations : PT Polyplex Films Indonesia (PT PFI)
- Reporting period for all subsidiary companies is from April 1, 2017 to March 31, 2018 except for PT PFI for which reporting period is from October 11, 2017 to March 31, 2018. # Incorporated during the year on October 11, 2017.

Part “B”: Associates and Joint Ventures: Company has no Associates or Joint Ventures

Place: Noida
Date: May 30, 2018

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary
FCS: 2210



Polyplex Corporation Limited

CIN: L25209UR1984PLC011596

Registered Office: Lohia Head Road, Khatima - 262 308, Distt. Udham Singh Nagar, Uttarakhand

Corporate Office: B-37, Sector-1, Noida, Distt. Gautam Budh Nagar, Uttar Pradesh - 201 301

Email: investorrelations@polyplex.com • **Website:** www.polyplex.com

