FILATEX INDIA LIMITED

CIN No.L17119DN1990PLC000091

FIL/SE/2018-19/37
4th October, 2018

National Stock Exchange of India Limited
Listing Department
5th Floor, Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051
Security Symbol: **FILATEX**

BSE Limited
Listing Department
25th Floor, Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Security Code: **526227**

Dear Sir,

Please find enclosed the Annual Report of the Company for the Financial Year 2017-2018 sent to the Shareholders.

Thanking You,

Yours Faithfully,
For FILATEX INDIA LIMITED

COMPANY SECRETARY

Encl.: a/a

CORPORATE OFFICE
Bhageria House
43 Community Centre
New Friends Colony
New Delhi - 110025, India
P +91.11.26312503,26848633/44
F +91.11.26849915
E fildelhi@filatex.com

REGD. OFFICE & WORKS
S. No. 274 Demni Road
Dadra - 396193
U.T. of-Dadra & Nagar Haveli
India
P +91.260.2668343/8510
F +91.260.2668344
E fildadra@filatex.com

SURAT OFFICE
Bhageria House
Ring Road
Surat - 395002
India
P +91.261.4030000
F +91.261.2310796
E filsurat@filatex.com

MUMBAI OFFICE
321, Maker Chamber - V
Nariman Point
Mumbai - 400021
India
P +91.22.22026005/06
F +91.22.22026006
E filmumbai@filatex.com

Website: www. filatex.com

28th Annual Report | 2017 – 2018

VAULTING TO GREATER HEIGHTS

FILATEX INDIA LIMITED

FILATEX INDIA LIMITED

Annual Report 2017-18

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Filatex India Limited, which are forward-looking. By their nature, forwardlooking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Filatex India Limited Annual Report 2017-18.

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SALIENT FACTS AND FIGURES

2
Manufacturing units

34
Countries global export

~2000
Employees

237,000 TPA
Production Capacity (FY 2017-18)

328,300 TPA
Production Capacity (FY 2018-19)

(1934-2017)

SH. RAM AVTAR BHAGERIA

FOUNDER CHAIRMAN

"That man is a success –
who has lived well,
laughed often and loved much;
who has gained the respect of intelligent men
and the love of children;
who has filled his niche
and accomplished his task;
who leaves the world better
than he found it;
who looked for the best in others
and gave the best he had."

Corporate Information

BOARD OF DIRECTORS

Mr. Madhu Sudhan Bhageria
Chairman & Managing Director
DIN: 00021934

Mr. Purrshottam Bhaggeria
Joint Managing Director
DIN: 00017938

Mr. Madhav Bhageria
Joint Managing Director
DIN: 00021953

Mr. Ashok Chauhan
Executive Director
DIN: 00253049

Mr. B.B. Tandon
Independent Director
DIN: 00740511

Mr. S.C. Parija
Independent Director
DIN: 00363608

Mr. S.P. Setia
Independent Director
DIN: 00255049

Mrs. Pallavi Joshi Bakhru
Independent Director
DIN:01526618

CHIEF FINANCIAL OFFICER

Mr. R.P. Gupta

COMPANY SECRETARY

Mr. Raman Kumar Jha

BANKERS

Union Bank of India
Punjab National Bank
Bank of Baroda
Oriental Bank of Commerce

AUDITORS

Arun K Gupta & Associates
D-58, East of Kailash
New Delhi - 110 025

CORPORATE OFFICE

BHAGERIA HOUSE
43, Community Centre, New Friends Colony,
New Delhi - 110 025

REGISTERED OFFICE

S. No. 274, Demni Road,
Dadra - 396 191
(U.T. of Dadra & Nagar Haveli)
Ph: 260-2668343/8510
Fax: 260-2668344
Email: fildadra@filatex.com
Website: filatex.com
CIN: L17119DN1990PLC000091

WORKS

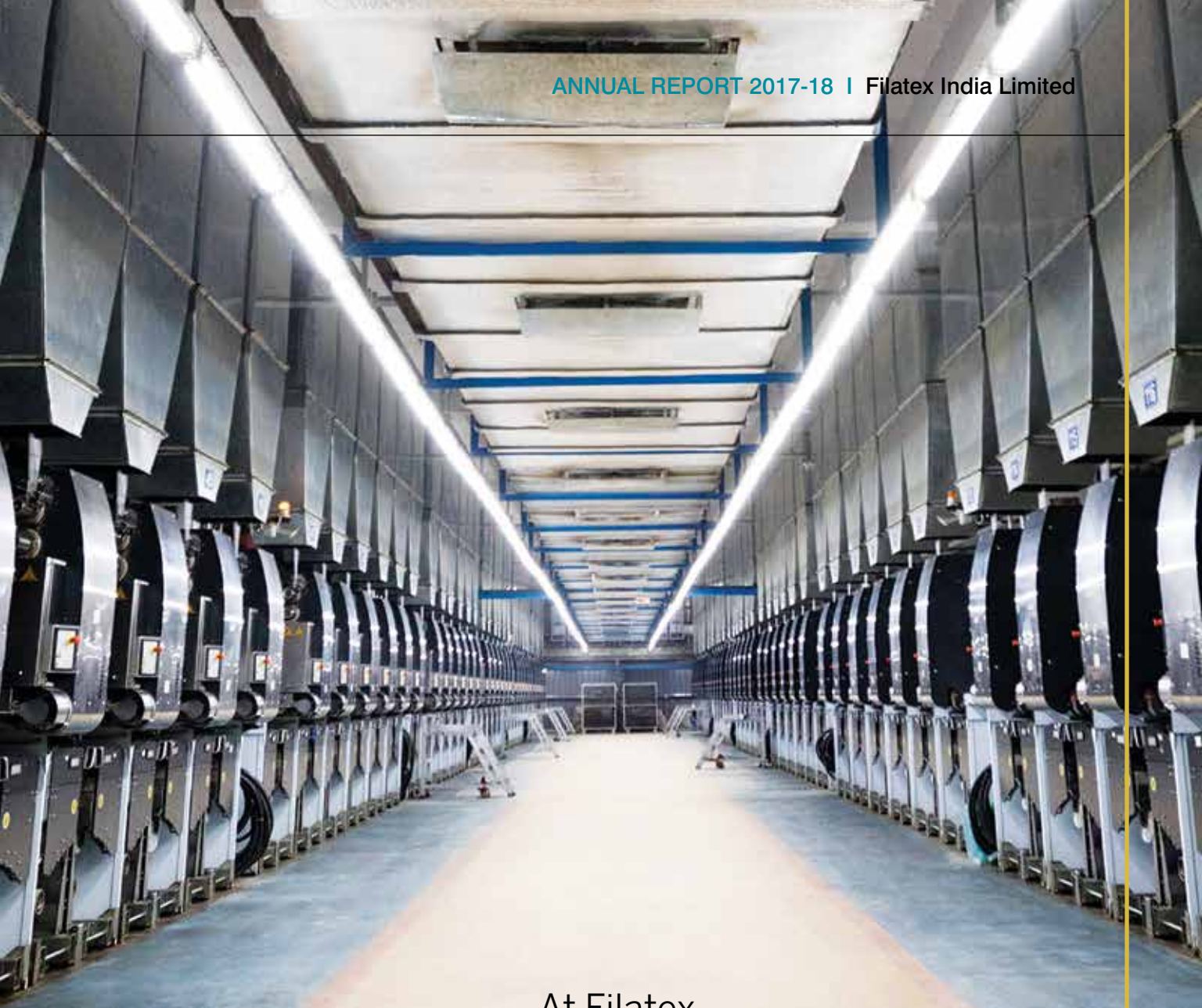
S. No. 274, Demni Road,
Dadra - 396 191
(U.T. of Dadra & Nagar Haveli)

A-2, Extension, Phase - II (Noida)
Distt. Gautam Budh Nagar - 201 304 (U.P.)

Plot No. D-2/6, Jolva Village
PCPIR, Dahej-2 Industrial Estate
GIDC, Distt. Bharuch, Gujarat – 392 130

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area,
Phase-I, New Delhi- 110020
Tel : 011-41406148
Fax : 011-41709881
Email: admin@mcsregistrars.com



At Filatex,
the success in all these
years came through determination
and diligent planning

1. Enhancing product range
2. Improving capacity utilization
3. Consistency in product quality
4. Adding higher margin products
5. Prompt Customer Support

Corporate Identity

Filatex India Limited is in the business of manufacturing of synthetic filament yarns having a wide range of products. It has been an interesting journey as the promoters made a successful transition from trading of different varieties of synthetic yarns to manufacturing. After two decades of trading activities of yarns, Filatex India was incorporated in August 1990 to enter into manufacturing and is now running 2 production facilities in Dadra & Nagar Havelli (UT) and Dahej (Gujarat).

Our Vision

To be one of the leading polyester yarns manufacturer producing products to international standards, to be customer focused through stringent quality assurance and continuous innovation.

Our Mission

To attain highest level of trust, integrity and honesty in business

To encourage people's ownership, empowerment and working under team structure

To manufacture at an affordable cost that provides our customers a competitive advantage

Strive to maintain an edge over its competitors due to consistent product quality and low operating cost

Our Values

Integrity and Honesty in Business

Customer Satisfaction & Delight

Encourage Creativity & Innovation to drive people, product & processes

To promote safe work practices

To protect the environment & community

MILESTONES

2018
Commissioned bright Polymerization of 300 TPD for spinning 190 TPD of FDY, 25 TPD of POY and 85 TPD of Bright chips at Dahej, Gujarat.

2016
In Dahej, added 115 TPD of Fully Drawn Yarn (FDY) in March and 200 TPD of Draw Textured Yarn (DTY)

2012
Set up of Poly-Condensation Plant of 600 TPD capacity along with 260 TPD Spinning of POY and balance 340 TPD of Chips at Dahej, Gujarat

2008
Started production of Fully Drawn Yarns - FDY in Dadra

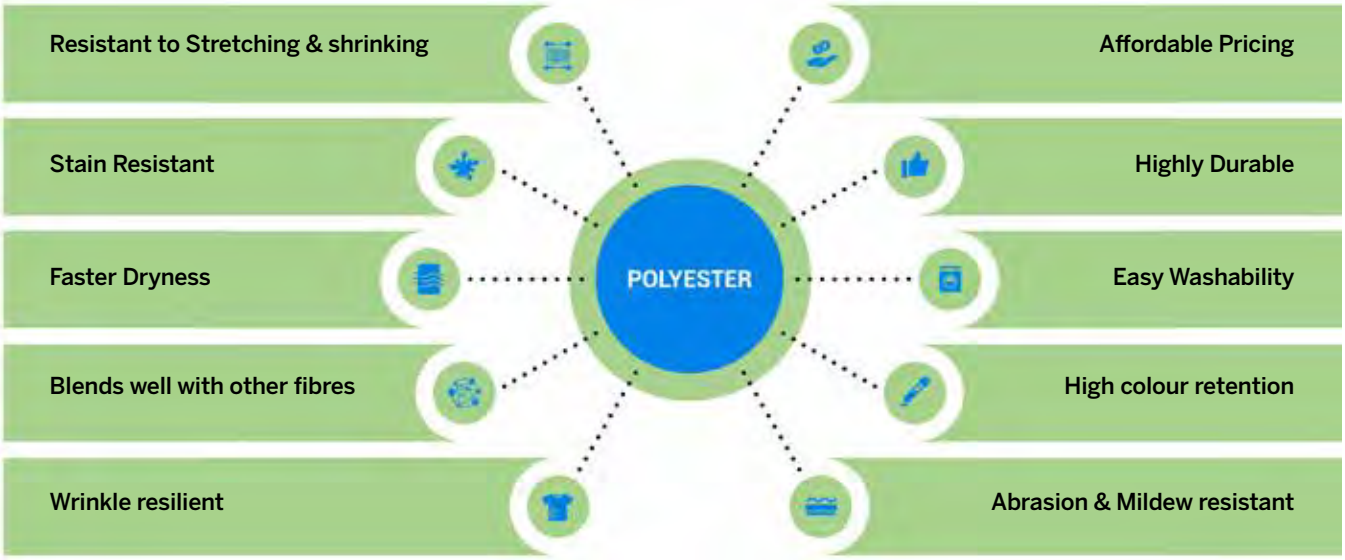
1998
Added more Polyester POY and Polypropylene yarns at Dadra Plant.

1996
Diversified into Speciality Polyester Filaments yarn at Dara (U.T. of Dadra and Nagar Haveli) with production of POY and Textured Yarns.

1994
Started production of Mono Filament Yarns at Noida.

POLYESTER – THE PREFERRED FIBRE

We believe that Polyester will be fibre of the future. Filatex has focused its future growth plans on Polyester Filament Yarns

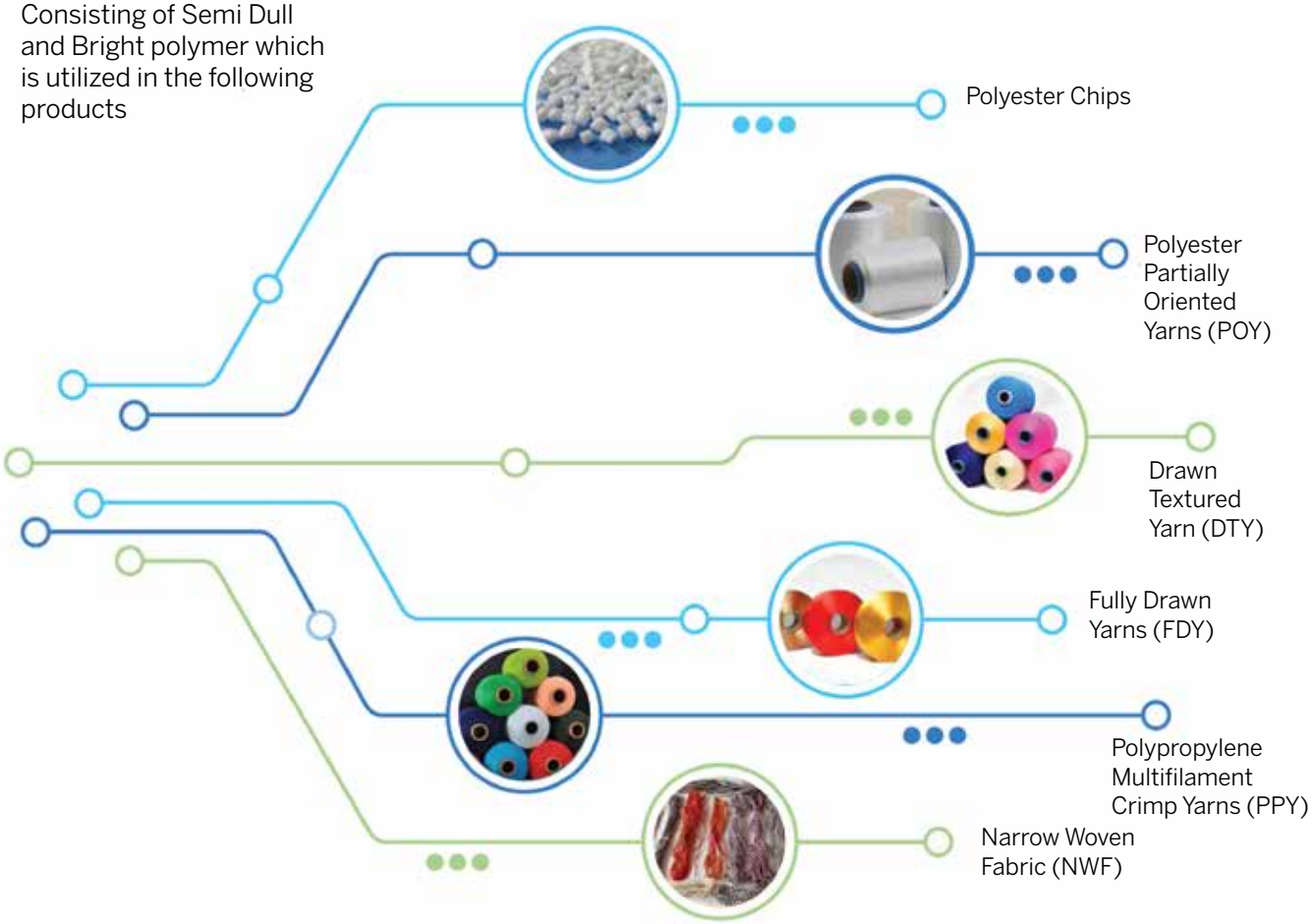


PRODUCTION CAPACITIES - FY 2018 - 19

Products (MTPA)	Production	Captive	Net	%age
Polyester Chips - Semi Dull	64,600	22,900	41,700	12.7%
Polyester Chips - Bright	31,000	13,300	17,700	5.4%
Polyester POY - Semi Dull	123,700	76,000	47,700	14.5%
Polyester POY - Bright	9,000	-	9,000	2.7%
Polyester DTY - Semi Dull	75,900	1,100	74,800	22.8%
Polypropylene DTY- Semi Dull	4,800	-	4,800	1.5%
Polyester FDY - Semi Dull	50,300	-	50,300	15.3%
Polyester FDY - Bright	81,200	1,400	79,800	24.3%
Narrow Woven Fabrics	2,500	-	2,500	0.8%
Grand Total	**443,000**	**114,700**	**328,300**	**100.0%**

DIVERSIFIED PRODUCT PORTFOLIO

Consisting of Semi Dull and Bright polymer which is utilized in the following products



1. **Polyster Chips**
Industrial intermediate product used to manufacture Polyester yarns.

2. **POY**
Intermediate product, post Texturizing used for knitting & weaving different kinds of Fabrics.

3. **DTY**
Produced by drawing & heating POY through a texturing process. It is used for manufacturing Fabrics.

4. **FDY**
Fully drawn polyester filament yarn is directly used for producing all kinds of fabrics specially for children and ladies.

5. **PPY**
Different shades and deniers, the range being used for Socks, Under Garments and Sports Wear.

6. **NWF**
Used in manufacture of Carpets, Rugs, Tapes, Ribbons and Zippers

Catering To Diverse End Users

Apparel

Polyester Filament Yarns are extensively used in apparels – Trousers, Shirts, Suitings & Sarees. PFY is a high strength filament that can withstand repetitive movements. Colour Fastness of Polyester Fiber is excellent. Its wear resistant, water resistant, wrinkle resistant and hydrophobic properties make it ideal for all kinds of apparels.

Home Textiles & Furnishings

Polyester Filament Yarn is also used for Home Furnishings, Fashion Fabrics, Terry Towels, Bed Sheets, Curtains & Carpets. Other growing applications are Upholstery Fabrics. Stain resistance makes it ideal for carpets.

Women Wear & Under Garments

In these garments, seam softness is critical. The Textured Micro Denier have met the expected requirements and are being used in Lingerie, Performance garments - Active wear, Yoga wear, low shrinkage to ensure no seam distortion after washing & soft feel make these yarns ideal choice.

Clothings

The preferred material for sportswear is Polyester Yarn. Sports leisure clothings require a fabric that's not only strong & durable but also abrasion resistant. Ease of washing & corrosion resistance make them easy to maintain with longer usage life.

GROWTH DRIVERS

Increasing Per Capita Income

India's per capita income at current prices during 2017-18 is estimated to have attained a level of Rs. 1,12,835 as compared to the estimates for the year 2016-17 of Rs. 1,03,870 showing a rise of 8.6 percent.

Increased disposable income simulates the demand for value-added products. The demand for apparel is likely to increase adding to the 'feel good' factor, catalyzing polyester demand.

If India's GDP growth rate is 7%, the textile sector is likely to grow at 10.5%. The employment and GDP growth would result in increasing per capita income. When per capita income crosses the threshold value of around 2.5-3 lacs, the growth in domestic demand for textiles would be explosive.

Rapid Urbanization

According to projections, an estimated 140 million Indians could move to cities by 2020 and 700 million by 2050.

Besides, the number of cities with population above one million could nearly double with increase in the number of mega-cities (above five million) to 10 by 2021 and 36 by 2051.

Urbanization is expected to result in a growing demand for daily wear, casual wear, sportswear & other lifestyle products which are durable in nature meeting aesthetic requirements as well.

Government Policies

The new indirect tax regime is expected to enhance compliance, uniform tax rates and structure with the removal of cascading taxes resulting in lower transaction costs.

The polyester yarn industry is likely to benefit. Major yarn producers are likely to cater the fabric and garment sector after rationalization of GST.

Now, Fabric and Garment sector is likely to see a good investment from organized sector.

Rationalized Tax Structure

To encourage domestic manufacturers of man-made fibres, there is an increase in import duty on many textile and apparel items from 10% to 20% or Rs.38 per sq. mt., whichever is higher, on all polyester items in the value chain.

Restricting imports & providing price parity of imports in the domestic markets will result inincrease in demand of synthetic yarns.

Increasing Exports

Capacity built over years has led to low cost of production per unit in India's textile industry; this has lent a strong competitive advantage to the country's textile exporters relative to key global peers.

The sector has also witnessed increasing outsourcing over the years as Indian players moved up the value chain from being mere converters to supply chain partners of global retail giants.

Textile exports witnessed a growth (CAGR) of 6.89 per cent over the period of FY06 to FY17. In the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles.

Home Textile Industry

India's home textile industry is expected to expand at a CAGR of 8.3 per cent during 2014–21 to US$ 8.2 billion in 2021 from US$ 4.7 billion in 2014.

India accounts for 7 per cent of global home textiles trade. Superior quality makes companies in India a leader in the world markets, contributing two-third to their exports.

The growth in the home textiles would be supported by growing household income, increasing population and growth of end use sectors like housing, hospitality, healthcare, etc.

GLOBAL PRESENCE

Exporting to 34 countries across the Globe

Over 50% of DTY production is exported

Exports contributed ~20% of overall Revenues in FY18

Capacity increased over the years From 500 MTPA To 328,300 MTPA

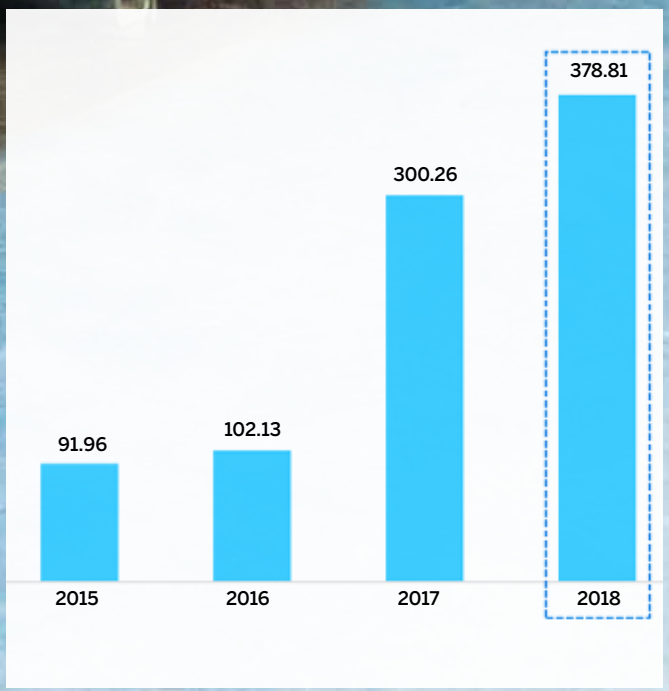
Manufacturing Facilities: 2
Dadra & Nagar Havelli (UT) and Dahej (Gujarat)

Marketing Office: 3
New Delhi
Surat
Mumbai

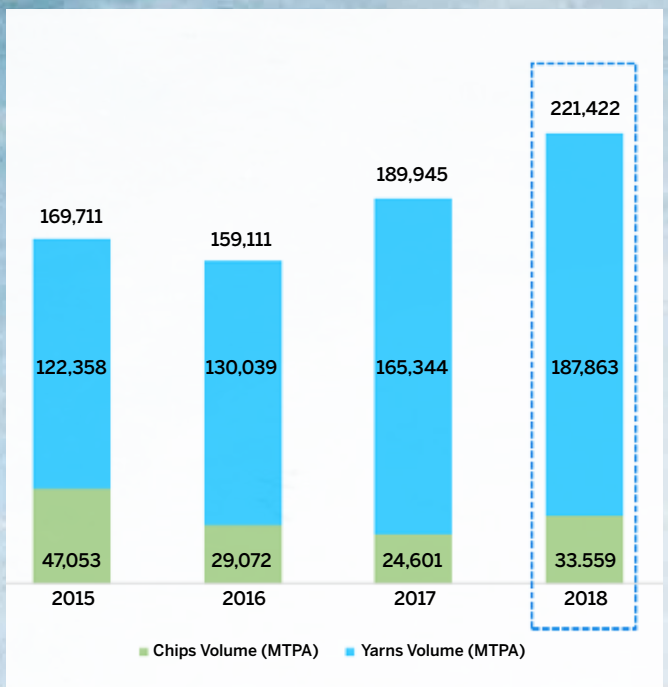
Corporate Office
New Delhi

OPERATIONAL PERFORMANCE

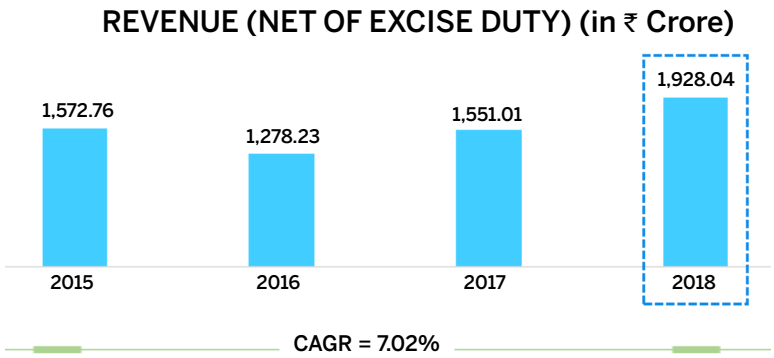
EXPORTS (IN CRORE)

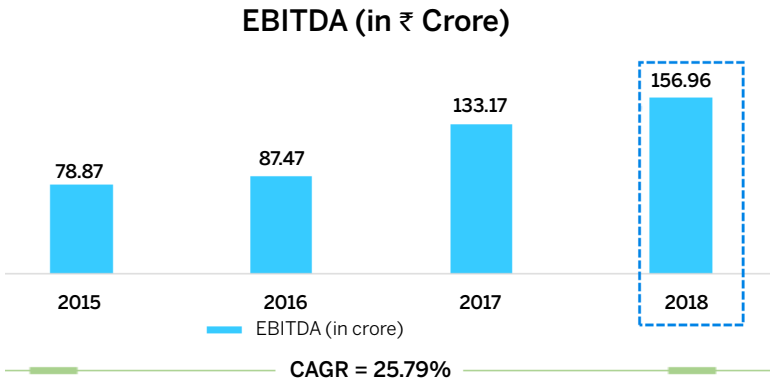


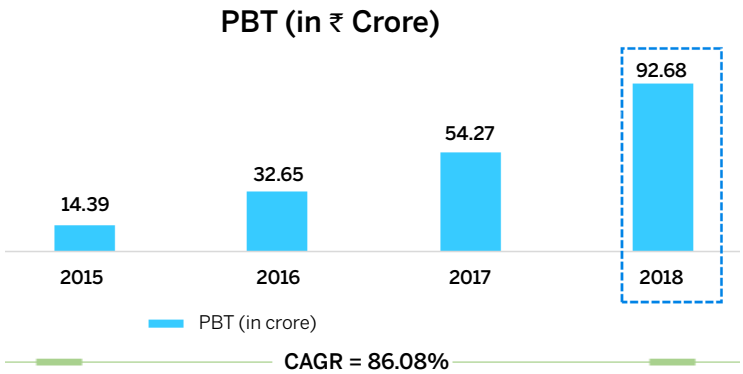
CHIPS AND YARN VOLUME (MTPA)

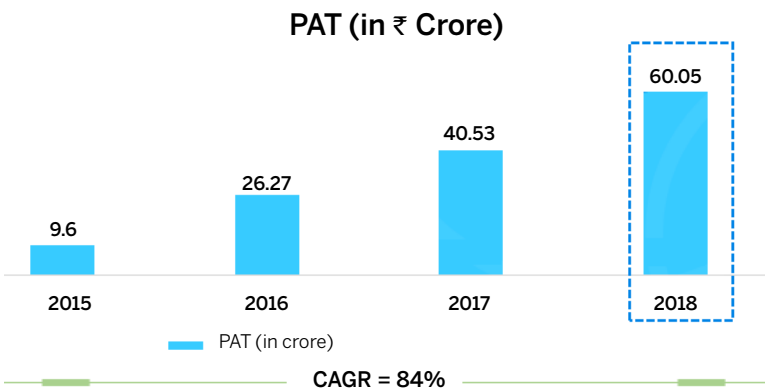


STRONG FINANCIAL PERFORMANCE









OUR ACCREDITATIONS

Our continuous focus is to maintain Quality, Occupational safety, Health and Environment management which has helped us achieve major certifications like ISO 9001 : 2015, ISO 14001 : 2004, BS OHSAS 18001 : 2007 and OEKO TEX – STANDARD 100.

CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It is a privilege to present the annual performance of your company for FY 2017-18. I am pleased to inform that the company has performed even better this year in spite of it being a challenging year for the textile industry post GST regime.

The company has reported a revenue of Rs 1928.0 Cr, a growth of 24% Y-o-Y basis and EBITDA of Rs 156.9 Cr registering an increase of 18% Y-o-Y basis. The company has also made a tremendous growth of 47% in PAT Y-o-Y basis. The positive divergence between revenue growth and profit growth indicates the robustness of company's business model and competitive position.

Your company is now firmly established in the business of manufacturing Synthetic Filament Yarn. We are producing wide variety of yarns. We have narrowed down our focus gradually on Polyester Yarns which forms a major portion of Man Made Fibre.

Our experience in Synthetic Fibre is more than four decades. Prior to manufacturing, we were trading different varieties of Synthetic Yarns. Coping up with vagaries of manufacturers, we had made a foray into manufacturing. A humble beginning was made by setting up a small plant at Noida for manufacturing of Monofilament Yarn and the product rolled out in 1994.

A capacity of 500 TPA was not enough to whet the appetite. Your company took another big step towards growth and set up a larger capacity plant at Dadra which started its commercial production of multi filament yarns in 1996. Over the years, Dadra has grown to a capacity 130 tonnes per day, producing a wide range of products like Partially Oriented Yarn (POY), Draw Texturized Yarn (DTY), and coloured yarns.

Continuing the quest for growth the new plant located at Dahej, Gujarat, is a CP unit of 600 TPD and POY of 260 TPD, based on "Melt to Yarn" process technology. We have made rapid strides in adding value added products through brown field expansions . At present our capacity has increased from to 328300 TPA .We have created our footprints in uncharted path in 34 countries for exporting our products.

Industry Outlook

The growth in textile fibers continues to be driven, both domestically and globally, primarily by manmade fibers. Natural fibers have reached a saturation point and have a lot of constraints in growth like arable land, water etc. Besides, the cost of a natural fibers is high in comparison to manmade fibers. Amongst various manmade fibers, polyester is the most prominent and has the largest share of 80% of all Man-made Fibres. The future growth in textile fiber is being led by Polyester due to its excellent properties and its affordable cost. There are no two opinions that Polyester has gradually become the fiber for the masses. The global demand for polyester fiber is growing at around 5%, which means that the increase in demand will be approx. 3 MT annually.

Asia Pacific region continues to be the main supplier of polyester fiber and accounts for around 90% of the global volume. China has the largest share at around 70%. India occupies second position at around 10%. The rate of growth in China is slowing down. Indian manufacturers have the opportunity to fill up this gap. We feel that future prospects for polyester fiber business in India is likely to be bright.

In addition to the opportunity due to slow down in China, some recent policy initiatives by the Government of India will act as accelerators. After GST rates were announced, import of a large quantity of polyester fabric started which was affecting the domestic producers. After representation of various industry associations, Government has increased the custom duty from 10% to 20 % which will make import of fabric expensive. The import duty specifies a rate of 20 % on the value or Rs 38/sq. mt. whichever is higher. This will discourage malpractices of under valuing. The refund of unabsorbed credit due to inverted duty structure on Man Made Fabrics has also been permitted. The refund of unutilized GST on fabric to the small units of weavers will improve their limited finances. These steps will stimulate domestic production of yarns and improve operating capacities and further investments.

These changes will act as stimulants that could create around 4-5 million jobs annually directly and indirectly.

The polyester filament yarn business is going to witness sustained growth for some years. It has been much less talked about business segment. Polyester has established its supremacy over the other man-made fibres and the shift from cotton to polyester is gaining acceptance from end users . I am sure, in months to come, you all will hear a lot more about polyester fiber business and that too in a positive way.

Future Prospects

We are buoyant about future prospects of our business and we fervently are looking for opportunities for strengthening and growing our business.

We have spotted some debottlenecking opportunities in our plant which will help us increase our polymerization capacity from 900 TPD to 1050 TPD. More polymer availability would also create an opportunity to dovetail more of value added products.

We are undertaking necessary steps to augment the debottlenecked capacity by this year and we plan to add more POY and DTY capacity, which will be commissioned in FY20.

Another aspect which I mentioned last year was about distinct change in the culture of the company. Our efforts to professionalise the management has not only improved our overall performance but also has created a bond of trust and team spirit. The trust factor has taken deep roots internally in the organization.

The trust factor has spread beyond the internal boundaries of our operations. We believe we have established our credibility in aspects of our business. We have dependable suppliers, supportive bankers and reliable customers. I believe in the axiom that "If people like you they will listen to you but if they trust you they will do business with you. Trust can't be bought. It has to be earned. We have, over the years, earned it.

I can say that culmination of all business strategies ends at the customer. "A satisfied customer is the best business strategy of all."

The company values its "Human Resources" as one of the most important factors for its success. Moving away from annual appraisals to Continuous Performance Management, improving skill sets, grooming potential youngsters are some of the worth mentioning steps in nurturing and nourishing our human assets who are driving the growth of the company.

The company, in spite of intense competition, has managed to maintain an edge over its competitors due to consistent product quality and low operating cost. Basically, Filatex now has become ONE STOP, catering to wide range of domestic and international customers.

With continued support and co-operation of long standing customers, dedicated employees, partners, supportive bankers and other business associates, we remain committed to the most of the future and our efforts will be dedicated to sustain the strengths of Indian Textile sector.

Last but not least, on behalf of the Filatex Board, I thank you, our valued shareholders, for your continuous support and encouragement.

Madhu Sudhan Bhageria

BOARD OF DIRECTORS

MADHU SUDHAN BHAGERIA
Chairman & Managing Director (Promoter)

- Gold medalist Commerce graduate from the reputed Shri Ram College of Commerce, Delhi University
- 36 years of rich experience in Polyester Industry
- Director in various other Companies
- President of PTA Users Association
- Chairman of Company's CSR Committee and Member of Audit Committee and Nomination & Remuneration Committee

PURRSHOTTAM BHAGGERIA
Joint Managing Director (Promoter)

- M.B.A., S.C. Johnson Graduates School of Management, Cornell University, USA – 1985, Major: Finance, Graduated with Distinction
- Honorary Consul of the Republic of Moldova in the Republic of India since 2011
- Treasurer, Hony. Consular Corps Diplomatique (HCCD) – India since November 2012 (An All India Body of all the Honorary Consuls in India)
- Chairman of International Affairs Committee – Asia Pacific & Europe, PHD Chamber of Commerce and Industry
- Member of FIICI

MADHAV BHAGERIA
Joint Managing Director (Promoter)

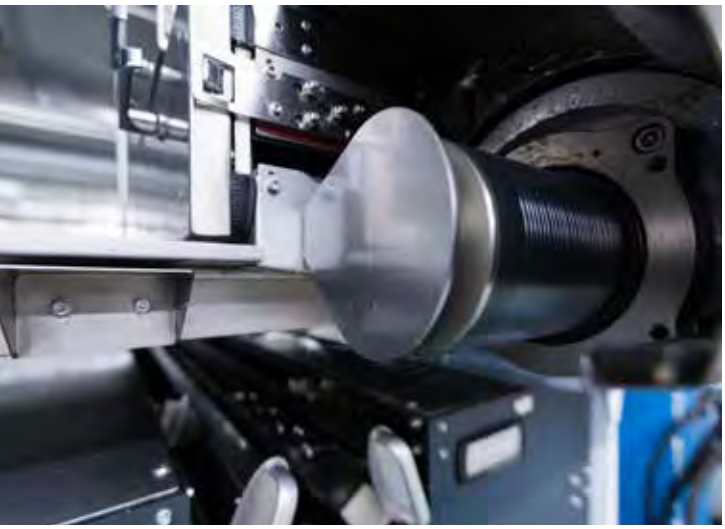
- Commerce graduate from Hindu College, Delhi University
- Looks after plant operations and marketing functions of the Company based at Surat & Mumbai.
- Promoter Director of Tapti Valley Education Foundation which is an International School in Surat.
- Directors in various other Companies
- Member of Company's CSR Committee

ASHOK CHAUHAN
Executive Director

- B.E. (Mech) and Master Degree in Business Administration.
- Awarded Gold Medal for the best student of the College of 1968-1973 batch and also received Best Sportsman Award in college
- Vast experience in Marketing, Project Management, General and overall Operation, Corporate Planning, Risk Evaluation & Business Investment Strategies
- 45 years of experience in diverse industry segments like Pulp & Paper, Chemicals, Engineering Consultancy, Polyester Film, PET Filament, Hydro Power Plants, Solar/ Wind / Renewable Energy, Real Estate Development & Construction, etc.

S P SETIA
(Independent Director)

- Textile Technologist year of graduation 1962.
- Rich experience in textile industry and providing consultancy to textile industry since 1982
- Chairman of Company's Stakeholders Relationship Committee
- Member of Company's Audit Committee and Nomination & Remuneration Committee
- Directors in various other Companies



S C PARIJA
(Independent Director)

- Masters Degree in Political Science from Allahabad University and a MSc in Fiscal Studies from University of Bath (U.K)
- Executive Member of International Fiscal Association, India
- Served as a Chairman of Income-Tax Settlement Commission and as Chief of Administration and Finance of All India Institute of Medical Sciences.
- 38 years of services with the Government of India and served as the Director of Income-tax Investigation, Chief Commissioner of Income-tax and Director General of Income-tax Investigation.
- Chairman of Company's Audit Committee and Nomination & Remuneration Committee
- Member of Company's Stakeholders Relationship Committee
- Independent Director of Board of ARSS Infra Projects Ltd. and Chairman of Audit Committee and Nomination & Remuneration Committee thereof

B B TANDON
(Independent Director)

- Retd. IAS Officer and former Chief Election Commissioner of India
- M.A. (PG in Economics) and LLB from the University of Delhi. CAIIB (Associate Certificate of the Indian Institute of Bankers)
- Served as Secretary to the Government of India in various key Ministries / Departments
- Secretary to the Govt. of Himachal Pradesh in various key Departments like Industry, Power, Mining etc. and as Chairman of the Himachal Pradesh Electricity Board
- Served as Member of the Securities & Exchange Board of India as Special Invitee.
- Independent Director in various other renowned Companies
- Member of Company's Audit Committee, CSR Committee and Nomination & Remuneration Committee

PALLAVI JOSHI BAKHRU
(Independent Director)

- Has more than 27 years of post-qualification experience in the field of taxation. Her area of expertise includes inbound and outbound structuring advisory (including regulatory compliance) for both Indian and Overseas Investors.
- She is a fellow member of the Institute of Chartered Accountants of India
- She is a member of The International Fiscal Association – (India Branch)
- She is a Charter Member with TIE – Delhi Chapter.
- Member of Company's Audit Committee, CSR Committee and Nomination & Remuneration Committee

Spinning to perfection

STATUTORY SECTION

DIRECTORS' REPORT

Dear members

Your Directors have pleasure in presenting the 28th Annual Report alongwith the Audited Accounts for the year ended March 31, 2018.

FINANCIAL RESULTS

₹ in lacs

	Standalone		Consolidated	
Particulars	**2017-2018**	**2016-2017**	**2017-2018**	**2016-2017**
Total revenue (Turnover)	197490	170969	197490	170969
Other income	1065	1213	1065	1213
Total Income	**198555**	**172182**	**198555**	**172182**
Profit before Finance Cost,				
Depreciation and Tax	16764	14533	16761	14531
Finance Cost	4410	5863	4411	5864
Depreciation & amortization expense	3082	2896	3082	2896
Profit/(Loss) before tax	**9272**	**5774**	**9268**	**5771**
(exclude exceptional item)				
Exceptional Items (loss)	-	344	-	345
Tax expense				
- Current	1968	1178	1968	1178
- Deferred	1326	196	1326	196
Total Tax	3294	1374	3294	1374
Net Profit/(Loss) after tax	**5978**	**4056**	**5974**	**4052**

DIVIDEND

In view of the challenging times being faced by the Man Made Fibres Industry and to conserve the resources, the Board has not recommended any dividend on the equity shares for the year 2017-18.

OPERATIONS & EXPANSION

During the year under review, the Company achieved turnover of ₹197490 lacs as compared to ₹170969 lacs in the previous year resulting in increase of 16%. Increase in turnover is due to commencement of commercial production for manufacture of 190 TPD of Bright Polyester Fully Drawn Yarn, 25 TPD of Bright Polyester POY and 85 TPD of Bright Chips. Consequently, during the year under review, the Company has earned net profit (standalone) of ₹5978 lacs as compared to net profit of ₹4056 lacs in the previous year resulting into an increase of 47%.

Our product basket at Dahej facility, at present, offers Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY), Drawn Textured Yarn (DTY) & Chips in Semi Dull range. There is good demand for Bright POY, FDY, DTY & Chips. By adding Bright Polymer & Spinning capacity, our product basket will cater better to our customers. We will also be able to meet our own need of 40 TPD Bright Chips at Dadra plant, which we, presently, purchase from the market.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

SUBSIDIARY COMPANY

Filatex Global Pte Limited, Singapore is a Wholly Owned Subsidiary of the Company as on date. No material transaction/ business has taken place during the financial year ended 31st March, 2018. The financial statement of the Subsidiary Company has been prepared and consolidated with the annual accounts of the Company in terms of Section 129(3) of the Companies Act, 2013. Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, a Statement containing salient features of the Financial Statement of the said Subsidiary Company is annexed herewith as **Annexure "A".**

FILATEX EMPLOYEE STOCK OPTIONS SCHEME, 2015

The Board of Directors of the Company, during the financial year 2015-16, granted 9,50,000 stock options ("options") to the eligible Employees of the Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS 2015), at an exercise price of ₹37 per option. Each option is convertible into one Equity Share of the Company upon vesting & exercise subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

During the year under review, the Company has not granted any Employee Stock Option.

Diluted Earnings per share (EPS) taking the effect of issuance of options under Filatex ESOS 2015 had been calculated (refer Note No. 40 of the Financial Statement).

FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposits.

DIRECTORS

Shri Madhav Bhageria (DIN: 00253049), Director, retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

Mr. Ashok Chauhan (DIN: 00253409) has also been re-appointed as Whole-time Director in the Board meeting held on 9th May, 2018 for a further period of two (2) years w.e.f. 01/05/2018 at consolidated Salary of ₹44,00,000/- (Rupees Forty Four Lacs only) per annum for First Year and ₹48,00,000/- (Rupees Forty Eight Lacs only) per annum for Second year on cost to company basis subject to the approval of Members in the ensuing general meeting.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI regulations.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out an evaluation of its own performance, the directors individually and the evaluation of the working of its Audit, Nomination & Remuneration Committees, Stakeholders Relationship Committee and Finance & Corporate Affairs Committee. The manner in which the evaluation has been carried out has been given in the Corporate Governance Report.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination & Remuneration Policy is available on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY

As required under the Companies Act, 2013 ("Act"), the Corporate Social Responsibility ("CSR") Committee consists of Shri Madhu Sudhan Bhageria as the Chairman, Shri Purrshottam Bhaggeria, Shri Madhav Bhageria, Shri B.B.Tandon and Mrs. Pallavi Joshi Bakhru, as members.

The Board, on the recommendation of CSR Committee, approved ₹63.29 lacs being two percent of average net profits during preceeding three financial years of the Company calculated in accordance with the provision of Section 198 of the Companies Act, 2013 to be spent on CSR activities in accordance with CSR Policy, which is available at the Company website www.filatex.com.

During the year under review, the Company has incurred an expenditure of ₹63.48 lacs on Education, Swachh Bharat Abhiyan, Health facilities, Promotion of sports, making available safe drinking water, environment sustainability etc.

Details of the expenditure incurred towards CSR activities for the financial year 2017-18 is annexed herewith as **Annexure "B".**

MEETINGS OF THE BOARD

Four (4) meetings of the Board of Directors were held during the year. The details of which are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors state that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;

ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis.

v. they 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. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

Your Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

The Corporate Governance Report and Management Discussion & Analysis as per Schedule V of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 along with Certificate regarding compliance of conditions of Corporate Governance are annexed herewith as **Annexure "C".**

AUDITORS

As per the provisions of Section 139 of the Companies Act 2013, M/s Arun K. Gupta & Associates (Firm Registration No. 000605N) was appointed as the Statutory Auditors to hold office for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 27th Annual General Meeting of the Company till the conclusion of the 32nd Annual General Meeting to be held in 2022 on such remuneration plus service tax/GST, out-of-pocket expenses etc. to be decided by the Board of Directors.

The appointment would also subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s Arun K. Gupta & Associates, Statutory Auditors in their report for the Financial Year ended March 31, 2018. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

COST AUDITORS

Your Company has appointed M/s Bahadur Murao & Co., (Firm Registration No. 000008) a firm of Cost Auditors, for conducting the audit of cost records for the financial year 2018-19 as the Cost Auditor at a remuneration of ₹55,000 plus service tax/GST and out of pocket expense subject to the approval of the Central Government and Members at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

The Board has appointed M/s Siddiqui & Associate, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as **Annexure "D"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which may be considered as material in accordance with the policy of the Company on materiality of related party transactions.

Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form No. AOC-2 is annexed herewith as **Annexure "E".**

The Policy on related party transactions approved by the Board may be accessed on the Company's website www.filatex.com.

Your Directors draw attention of the members to Note no. 46 to the financial statement which sets out related party disclosure.

STOCK EXCHANGE LISTING

Presently, the Equity Shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange. The Annual Listing Fee for the year 2018-2019 has been paid to the Stock Exchanges.

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

A statement relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013, is annexed herewith as **Annexure "F".**

PARTICULARS OF EMPLOYEES

During the year, no employees of the Company received remuneration more than ₹102.00 lacs per annum or Rs. 8.50 lacs per month if employed for part of the year. Accordingly, no information pursuant to the provisions of Section 197(12) of the Companies Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and name and designation of Top ten employees in terms of remuneration drawn are annexed herewith as **Annexure "G".**

VIGIL MECHANISM

In terms of the Section 177 of the Companies Act, 2013 and SEBI Regulations, the Company has formulated the Whistle Blower policy/Vigil Mechanism. The Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English/Hindi/ Gujarati and the same should be addressed to the Vigilance Officer of the Company or in exceptional cases, to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and whistle blower policy may be accessed on the Company's website www.filatex.com. During the year under review, no complaint was received from any Whistle Blower. No personnel of the Company were denied access to the Audit Committee.

RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 & SEBI Regulations, the Company has laid down Risk Management Policy to inform Board members about the risk assessment and minimization procedures which is also given in the Corporate Governance Report. The Board of Directors don't foresee any elements of risk, which in its opinion, may threaten the existence of the Company.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note No(s). 21,26 and 6 to the financial statement).

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place and practiced an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) had been set up to redress complaints regarding sexual harassment. All employees are covered under this policy. During the year under review, the Company has not received any complaint under the said Policy.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure "H".**

ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its sincere appreciation for the assistance, support and cooperation received from its Bankers, Government Authorities, Dealers, Customers and Vendors. Your Directors would like to record their sincere appreciation for the dedicated efforts put in by all employees, their commitment and contribution ensuring smooth operations that your Company has achieved during the year. Your Directors also place on record their sincere appreciation for the confidence reposed by the Members in the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 7th May, 2018

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN: 00021934

ANNEXURE "A"

FORM AOC-1

(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

Sl.No	Particulars	Particulars
1.	Name of the Subsidiary	Filatex Global Pte Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2018
3.	Reporting Currency and Exchange rate as on the last date of the relevant financial year/ Period in the case of foreign subsidiaries	USD, 1 USD = INR 65.0441
4.	Share Capital	6,58,291
5.	Reserve & Surplus	(13,01,726)
6.	Total Assets	6,02,648
7.	Total Liabilities	12,46,083
8.	Investments	--
9.	Turnover	--
10.	Profit before Taxation	(4,18,110)
11.	Provision for taxation	--
12.	Profit after Taxation	(4,18,110)
13.	Proposed Dividend	--
14.	% of Shareholding	100

PART "B" –ASSOCIATES AND JOINT VENTURES

The Company don't have any associate companies and joint ventures, therefore the Statement pursuant to Section 129(3) of the Companies Act, 2013 relating to Associate Companies and Joint Ventures are required to be given.

For and on behalf of the Board of Directors of Filatex India Limited

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

S.C. PARIJA
Independent Director
DIN: 00363608

Place: New Delhi
Date: May 7, 2018

R.P. Gupta
Chief Financial Officer

Raman Kumar Jha
Company Secretary

ANNEXURE "B"

Details of Expenditure incurred towards Corporate Social Responsibility (CSR) are as under:

1	2	3	4	5	6	7	8
Sr. No.	**CSR project/ activity identified**	**Sector in which the Project is covered**	**Projects/ Programmes 1. Local area/others 2. Specify the state / district (Name of the District/s, State/s where project/ programme was undertaken**	**Amount outlay (budget) project/ programme wise**	**Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads:**	**Cumulative spend upto to the reporting period.**	**Amount spent: Direct/ through implementing agency**
1.	Food provided and medical treatment of animal	Animal welfare	Dadra, UT of Dadra & Nagar Haveli	2,000	2,000	2,000	Direct
2.	Pradhan Mantri Ujjwala Yojana	Empowering women	Dadra, UT of Dadra & Nagar Haveli	1,00,000	1,05,000	1,07,000	Direct
3.	Development of new garden in community health center, Dadra	Environmental sustainability	Dadra, UT of Dadra & Nagar Haveli	1,00,000	1,00,000	2,07,000	Direct
4.	Water coolers and dispenser provided	Making available safe drinking water	Dadra, UT of Dadra & Nagar Haveli	3,25,000	3,24,501	5,31,501	Direct
5.	Payment made to Utkarsh Mahila Mandal, Dadra	Measures for reducing inequalities faced by socially and economically backward groups	Dadra, UT of Dadra & Nagar Haveli	10,000	11,000	5,42,501	Direct
6.	Condom vending machine	Preventive healthcare	Dadra, UT of Dadra & Nagar Haveli	25,000	21,131	5,63,632	Direct
7.	Chairs, printers, coolers, food and donation given to school	Promoting education	Dadra, UT of Dadra & Nagar Haveli	3,00,000	2,92,441	8,56,073	Direct
8.	AC provided to hospital, food supply on the day of pulse polio camp, trusty membership Under Rogi Kalyan Samiti	Promoting healthcare	Dadra, UT of Dadra & Nagar Haveli	1,80,000	1,83,414	10,39,487	Direct

Details of Expenditure incurred towards Corporate Social Responsibility (CSR) are as under:

1	2	3	4	5	6	7	8
Sr. No.	**CSR project/ activity identified**	**Sector in which the Project is covered**	**Projects/ Programmes 1. Local area/others 2. Specify the state / district (Name of the District/s, State/s where project/ programme was undertaken**	**Amount outlay (budget) project/ programme wise**	**Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads:**	**Cumulative spend upto to the reporting period.**	**Amount spent: Direct/ through implementing agency**
9.	Payment made for cricket tournament purchase of cricket kit	Promoting sport	Dadra, UT of Dadra & Nagar Haveli	20,000	21,500	10,60,987	Direct
10.	Payment made to Bharat Rashtra Mahila Gruh Udhyog	Empowering rural women	Bharuch	20,000	21,000	10,81,987	Direct
11.	Donation to village ashram (chairs and mattress)	Orphans house for children	Bharuch	90,000	94,170	11,76,157	Direct
12.	Donation given to school for note books, water coolers, computers system & table, payment made for school uniform & stitching, vehicle hiring for educational tour for students	Promoting education	Bharuch	18,40,000	18,41,142	30,17,299	Direct
13.	Payment made to Savli Taluka Rifle Association	Promoting Olympic sport	Bharuch	25,000	25,000	30,42,299	Direct
14.	HIV/aids awareness wall painting	Promoting preventive healthcare	Bharuch	1,10,000	1,07,250	31,49,549	Direct
15.	Police athletic meet-2018	Promoting sport	Bharuch	30,000	31,000	31,80,549	Direct

Details of Expenditure incurred towards Corporate Social Responsibility (CSR) are as under:

1	2	3	4	5	6	7	8
Sr. No.	**CSR project/ activity identified**	**Sector in which the Project is covered**	**Projects/ Programmes 1. Local area/others 2. Specify the state / district (Name of the District/s, State/s where project/ programme was undertaken**	**Amount outlay (budget) project/ programme wise**	**Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads:**	**Cumulative spend upto to the reporting period.**	**Amount spent: Direct/ through implementing agency**
16.	Ambulance use, contribution, contribution given to Dr. Babasaheb Ambedkar Yuva Uthan Sanstha	Promoting healthcare	Bharuch	3,00,000	2,97,554	34,78,103	Direct
17.	Gardening work in village, public toilets & bathroom, cleaning work in village, diesel operated sweeping and cleaning machines for village, cleaning work in village	Swachh Bharat Abhiyan	Bharuch	28,60,000	28,69,919	63,48,022	Direct

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the policy of the Company.

Madhu Sudhan Bhageria
Chairman of CSR Committee &
Chairman & Managing Director

Pallavi Joshi Bakhru
Member of CSR Committee &
Independent Director

ANNEXURE "C"

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation"), given below is a Corporate Governance Report on the matters mentioned in the Schedule V of the Listing Regulation.

1. Company's Philosophy on Code of Governance

Your Company is fully committed to conduct its business with due compliance of all applicable laws, rules and regulations. The Company's philosophy on Corporate Governance lays strong emphasis on integrity, transparency, accountability and full disclosure in all facets of its operations to achieve the highest standards of Corporate Governance and also to enhance the trust of the creditors, employees, suppliers, customers and public at large. The Company continues to believe that all its operations and actions must serve the underlying goal of enhancing shareholder value, over a sustained period of time.

During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Company's business.

2. Board of Directors

The Board of Directors consists of total 8 members comprising of 4 Non-Executive & Independent Directors out of which one is women director representing an optimum mix of professionalism, knowledge and experience in their respective fields.

i) Structure of Board of Directors

S.No.	Name	Category of Director
1.	Shri Madhu Sudhan Bhageria Chairman & Managing Director	Executive Director
2.	Shri Purrshottam Bhaggeria Joint Managing Director	Executive Director
3.	Shri Madhav Bhageria Joint Managing Director	Executive Director
4.	Shri B. B. Tandon Director	Non-Executive & Independent Director
5.	Shri S.C. Parija Director	Non-Executive & Independent Director
6.	Shri S.P. Setia Director	Non-Executive & Independent Director
7.	Smt. Pallavi Joshi Bakhru Director	Non-Executive & Independent Director
8.	Shri Ashok Chauhan Wholetime Director	Executive Director

Details of Directors retiring by rotation and reappointment of directors at the ensuing Annual General Meeting are given at the end of this Report.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. The Wholetime Directors of the Company are not the Independent Directors of any listed Company. Shri Madhu Sudhan Bhageria, Shri Purrshottam Bhaggeria and Shri Madhav Bhageria are related to each other. The Independent Directors of the Company have been appointed for a period of five years from the date of their appointment in accordance with the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time. The Company issues a formal letter of appointment to the Independent Directors at the time of their appointment and the same are uploaded on the Company's website.

ii) Board Meetings

During the year 2017-18, the Board met four times on 9th May, 2017, 1st August, 2017, 7th November, 2017 and 25th January, 2018.

Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015) across all the Companies in which he/she is a Director.

Details of attendance of each Director at various meetings of the company and the membership held by the Directors in the Board/ Committees of other Companies are as follows:-

S.No.	Name	No. of Board Meetings attended	No. of Other Directorships*	Committee Memberships*	Committee Chairmanships*	Attendance in AGM
1.	Shri Madhu Sudhan Bhageria	4	1	-	-	NO
2.	Shri Purrshottam Bhaggeria	4	2	-	-	NO
3.	Shri Madhav Bhageria	3	1	-	-	NO
4.	Shri B. B. Tandon	4	8	6	2	NO
5.	Shri S.P. Setia	4	5	-	2	YES
6.	Shri S.C. Parija	4	1	-	2	YES
7.	Smt. Pallavi Joshi Bakhru	4	1	-	-	NO
8	Shri Ashok Chauhan	4	-	-	-	NO

* As on 31.03.2018 Represents Directorship & Membership/Chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Companies.

iii) Board Procedure:

The members of the Board are provided with the requisite information mentioned in the Listing Agreement before the Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances. The Chairman & Managing Director alongwith two Joint Managing Directors and Wholetime Director manage the day-to-day affairs of the Company subject to the supervision and control of the Board of Directors. The Independent Directors take active part in the Board and Committee meetings which adds value in the decision making process of the Board of Directors.

All the Directors who are on various committees are within the permissible limits of the Listing Regulation. The necessary disclosures regarding committee positions have been made by the Directors.

iv) Meeting of Independent Directors:

The meeting of Independent Directors was held on 26th March, 2018 to discuss, inter-alia:

(a) the performance of Non Independent Directors and the Board as a whole;
(b) the performance of the Chairman & Managing Director of the Company, taking into account the views of Executive Director and Non Executive Directors;
(c) the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the meeting. The criteria for performance evaluation of Directors is given under the heading Nomination and Remuneration Committee mentioned in item 4 below.

v) Familiarisation programme for Independent Directors:

Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

The Independent Directors have the opportunity to visit the plants of the Company, to enable them to understand of the manufacturing processes and operations and the Industry in which it operates.

All Directors of the Company are updated as and when required, of their role, responsibilities and liabilities. The Board of Directors have complete access to the information within the Company. Presentations are made regularly before the meetings of the Board of Directors and the Audit Committee, where Directors have an opportunity to interact with senior management personnel. Presentations cover, inter-alia, quarterly and annual results, business strategies, budgets, review of internal audit, risk management and such other areas as may arise from time to time.

Independent Directors have the freedom to interact with the Management of the Company. Interactions happen during the meetings of the Board or Committees, when senior management personnel of the Company make presentations to the Board.

3. Audit Committee

In terms of Section 177 of the Companies Act, 2013 and the Listing Regulation, the Audit Committee consists of Four Independent Directors and One Non Independent Director namely, Shri S.P. Setia, Shri S.C. Parija, Smt. Pallavi Joshi Bakhru and Shri B.B.Tandon and Shri Madhu Sudhan Bhageria. Shri S.C. Parija is Chairman of the Committee. The terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and Listing Regulation, which inter-alia include the overview of Company's Financial Reporting Process, review of Quarterly, Half Yearly and Annual Financial Statements, Management Discussion & Analysis, Adequacy of Internal Control Systems, Major Accounting Policies & Practices, Compliances with Accounting Standards, Related Party Transactions, appointment of statutory auditors and internal auditors etc. The Company Secretary of the Company acts as the Secretary of the Committee.

The Internal Audit Reports are prepared by an external firm of Chartered Accountants & cover various areas of the operations of the Company. The Audit Committee reviews internal audit report regularly. This ensures a constant review of operations and systems and highlights the areas which need improvement. The reports form the basis for the management to develop and maintain a transparent and effective Internal Control system.

During the year 2017-18 the Committee met four times. The attendance at the meetings is as under:-

Date of Meeting	No. of Members present
09-05-2017	5
01-08-2017	5
07-11-2017	5
25-01-2018	5

Shri Purrshottam Bhaggeria, Shri Madhav Bhageria , Joint Managing Directors and Shri Ashok Chauhan, Wholetime Director, Shri R P Gupta, Chief Financial Officer, Internal Auditors and Statutory Auditors are invited to attend the Audit Committee Meetings.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

4. Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and the Listing Regulation, the Nomination & Remuneration Committee consists of five Directors namely, Shri S.P. Setia, Shri S.C. Parija and Smt. Pallavi Joshi Bakhru, Shri B.B. Tandon and Shri Madhu Sudhan Bhageria. Shri S.C. Parija is the Chairman of the Committee.

The Committee reviews and recommends the remuneration payable to Managerial persons on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance / track record etc. The Company Secretary of the Company acts as the Secretary of the Committee. During the financial year ended 31st March, 2018, there was one meeting of the Committee held on 9th May, 2017.

The attendance of the said meeting is as under:

Date of Meeting	No. of Members present
09-05-2017	5

Nomination and Remuneration Policy:

The Company's Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration are available at the Company's website www.filatex.com.

Criteria for performance evaluation of Directors:

Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination and Remuneration Committee. Criteria for performance evaluation included aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency. Further, performance evaluation of the Managing Director/Joint Managing Directors/Wholetime Directors was based on the implementation of various plans & policies in the Company, monitoring and implementation of the projects including the smooth day to day affairs and operations of the Company and finally performance and business achievements of the Company.

Details of Remuneration paid/payable to the Directors during the Financial Year ended 31st March, 2018

S.No.	Name of Directors	Salary & Allowances	Contribution to Provident Fund	Perquisites	Commission	Sitting Fees	Total (in ₹)
1.	Shri Madhu Sudhan Bhageria Chairman & Managing Director	44,80,000	21,600	15,25,753	35,04,500	--	95,31,853
2.	Shri Purrshottam Bhaggeria Joint Managing Director	38,40,000	21,600	15,25,025	35,04,500	--	88,91,125
3.	Shri Madhav Bhageria Joint Managing Director	38,40,000	21,600	13,18,070	35,04,500	--	86,84,170
4.	Shri S.P. Setia	--	--	--	--	1,30,400	1,30,400
5.	Shri S.C. Parija	--	--	--	--	1,40,400	1,40,400
6.	Shri B B Tandon	--	--	--	--	1,50,500	1,50,500
7.	Smt. Pallavi Joshi Bakhru	--	--	--	--	1,50,500	1,50,500
8.	Shri Ashok Chauhan Wholetime Director	30,42,000	--	15,000	--	--	30,57,000

The employment of Managing/Joint Managing Directors/ Wholetime Director is on contractual basis. None of the Non-Executive Directors held any Equity Shares of the Company except Mr. S.P. Setia who holds 20 shares as on 31st March, 2018. The Managing/Joint Managing Directors/Wholetime Director are paid remuneration as approved by the Board of Directors and Shareholders on the recommendation of the Nomination and Remuneration Committee and are not paid sitting fees for Board/Committee Meetings attended by them. Non-Executive Directors do not have any pecuniary relationship with the Company except payment of sitting fees for attending the Board/Committee Meetings. During the previous year, the Company has implemented Filatex Employees Stock Options Scheme, 2015 (Filatex ESOS, 2015) through which the Nomination & Remuneration Committee granted 9,50,000 options to eligible employees including Whole-time Director, who is a non promoter director. The re-appointments of the Managing Director/Joint Managing Directors are made for a period of three years on the terms and conditions contained in the respective resolutions to be passed by the members in the Annual General Meetings. Shri Ashok Chauhan, who has been re-appointed as Wholetime

Director by the Board of Directors on the recommendation of the Nomination & Remuneration Committee for a further period of two years w.e.f., 01/05/2018 The Notice period is as per the respective resolutions passed for appointment of Managing Director/Joint Managing Directors/Wholetime Director. However, no severance fee is payable to them.

5. Corporate Social Responsibility Committee

As required under the Companies Act, 2013 ("Act"), the Corporate Social Responsibility ("CSR") Committee was constituted consisting of Shri Madhu Sudhan Bhageria as the Chairman, Shri Purrshottam Bhaggeria, Shri Madhav Bhageria, Shri B.B.Tandon and Mrs. Pallavi Joshi Bakhru, as members.

During the financial year ended 31st March, 2018, there was one meeting of the Committee held on 9th May, 2017.

The attendance of the said meeting is as under

Date of Meeting	No. of Members present
09-05-2017	5

6. Stakeholders Relationship Committee

For effective and efficient shareholders services, the Company has a Stakeholders Relationship Committee. The Committee comprises of Shri S.P. Setia & Shri S.C. Parija, Independent Directors and Shri Purrshottam Bhaggeria, Joint Managing Director of the Company. Shri. S.P. Setia is the Chairman of the Committee. Amongst the other functions, the Committee looks into redressal of Shareholders complaints like non-transfer of Shares, non-receipt of Balance Sheet, non-receipt of Dividends etc as required pursuant to Regulation 20 of the Listing Regulation.

The Company attends Investors' Grievances/correspondences expeditiously and all efforts are made to reply immediately. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investors' services.

During the year ended 31st March, 2018, five shareholders' complaints were received and resolved to the satisfaction of the shareholders and there was one complaint pending as at the year end. There were no share transfers pending for registration as on 31st March, 2018.

The Company has also adopted a Code of Conduct for Prevention of Insider Trading in the Shares of the Company, pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Name and designation of Compliance Officer
Mr. Raman Kumar Jha, Company Secretary

7. General Body Meetings:

The last three Annual General Meetings of the Company were held as under: -

Year	Location	Date	Time	Whether Special Resolution passed
2014-2015	Survey No.274 Demni Road, Dadra - 396 191 (U.T. of Dadra & Nagar Haveli)	30th September, 2015	09.30 A.M.	Yes
2015-2016	Same as above	30th September, 2016	09.30 A.M.	Yes
2016-2017	Same as above	25th September, 2017	09.30 A.M.	No

During the financial year 2017-18, no Extra Ordinary General Meeting was held. No Special Resolution was passed by Postal Ballot in any of the aforesaid Annual General Meetings. As on date there is no proposal to pass any resolution by postal Ballot.

8. Disclosures

(i) None of the transactions with any of the related party were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties set out in Note No. 44 of financial statement forming part of the Annual Report.

(ii) No penalties or strictures have been 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.

(iii) In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are adopted have been set out in the Notes to Accounts forming part of the Annual Report.

(iv) In terms of the Section 177 of the Companies Act, 2013 and Listing Regulation, the Company has formulated the Whistle Blower policy/Vigil Mechanism. The Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English/Hindi/Gujarati and the same should be addressed to the Vigilance Officer of the Company or in exceptional cases, to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and whistle blower policy may be accessed on the Company's website www.filatex.com.

(v) The Company is aware of the risks associated with the business. It has laid down the Risk Management Policy to inform Board members about the risk assessment and minimization procedures quarterly. It regularly analyses and takes corrective actions for managing/mitigating the same. The Company's Risk management framework ensures compliance with the provisions of Regulation 17(9) of the Listing Regulation and has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and been acted upon by your Company are: Securing critical resources; ensuring sustainable plant operations; ensuring cost competitiveness including logistics; completion of CAPEX; Foreign Exchange fluctuation, maintaining and enhancing customer service standards and resolving environmental and safety related issues.

(vi) The Company has complied with all mandatory requirements set out in the Listing Regulation.

9. Means of Communication

The Company publishes its quarterly/half yearly/annual results, amongst others, in The Economic Times, Financial Express and Gujarat Mitra (Gujarati) circulating in Dadra & Nagar Haveli where the Registered Office of the Company is situated. The same together with shareholding pattern and any other significant development is submitted to the Stock Exchanges and displayed on the Company's website: www.filatex.com. The Company is not making any official releases and not sending half-yearly report to the shareholders, as it is not a mandatory requirement.

The presentations giving an analysis of the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders regarding the financial results which are communicated to the Stock Exchanges.

Management Discussion and Analysis Report forms part of the Annual Report, which is posted to the shareholders of the Company.

10. Code of Conduct for Directors & Senior Management Personnel

The Board has adopted a Code of Conduct for observance by Directors and Senior Management Personnel to ensure ethical conduct in performance of their duties.

The Code has been circulated to all the Directors and Senior Management Personnel and they have affirmed compliance of the same. A declaration in this regard signed by Managing Director of the Company is given at the end of this Report.

11. Shareholder's Referencer

11.1 Annual General Meeting:

Date and Time	Please refer to AGM Notice
Venue	Survey No. 274, Demni Road, Dadra - 396193 (U.T. of Dadra & Nagar Haveli)
11.2 Financial Calendar (Tentative)	Results for the quarter ending 30-06-2018 on or before 14th August, 2018
	Results for the quarter/half year ending 30-09-2018 on or before 14th November, 2018
	Results for the quarter ending 31-12-2018 on or before 14th February, 2019
	Results for the quarter/year ending 31-03-2019 on or before 30th May, 2019
11.3 Book Closure Date:	As in the AGM Notice
11.4 Dividend Payment Date:	Not Applicable

11.5. Listing of Equity Shares on Stock Exchanges

BSE & NSE. Annual Listing fee for the year 2018-19 has been paid to the above Stock Exchanges.

11.6 Stock Code:

(a) Trading Symbol at

The Bombay Stock Exchange Limited: **526227**
The National Stock Exchange of India Limited: **FILATEX**

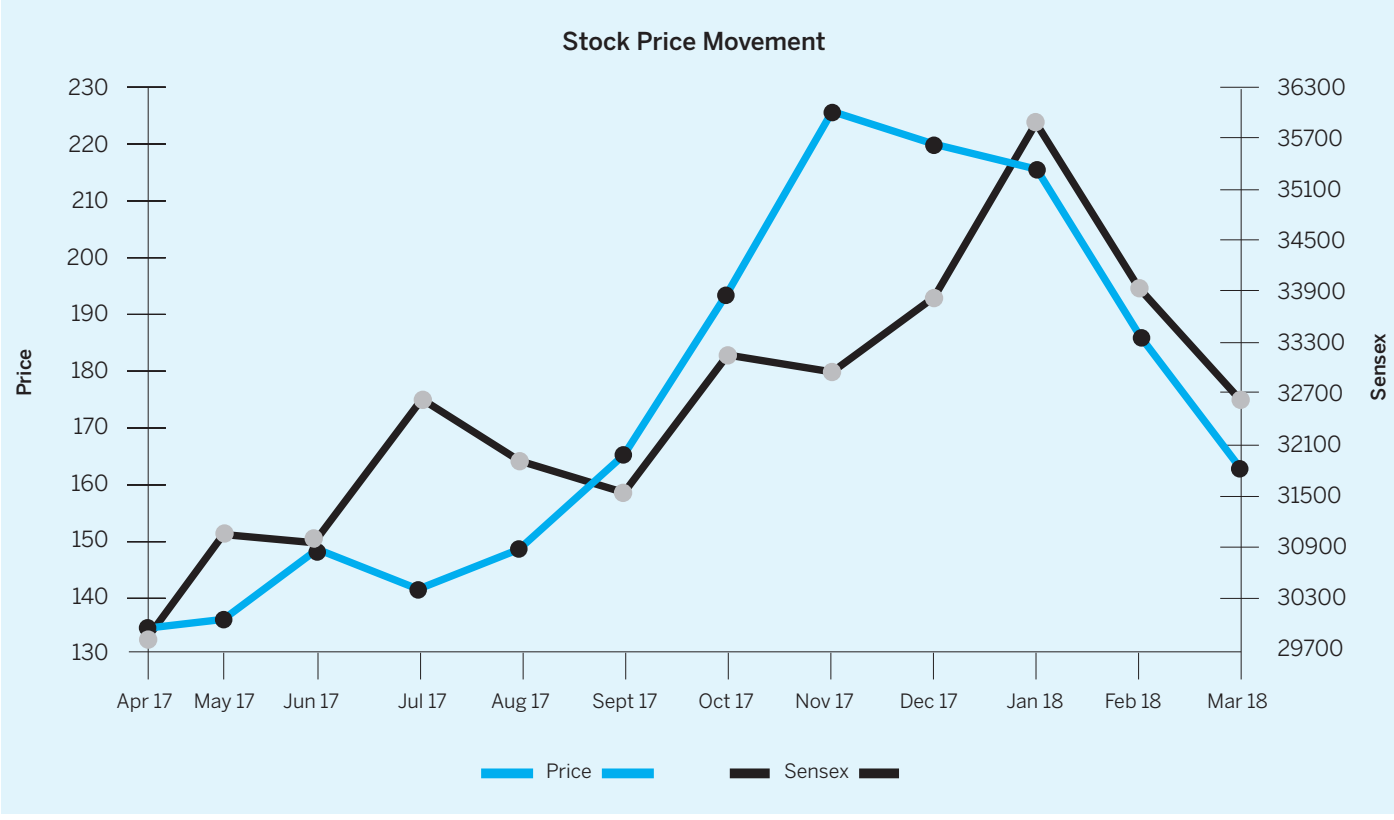
(b) ISIN allotted to: Equity Shares

INE816B01019

11.7 Stock Market Data:

Monthly High & Low price of the Equity Shares of the Company for the year 2017-2018 based upon BSE Price data in comparison to BSE Sensex is given below:

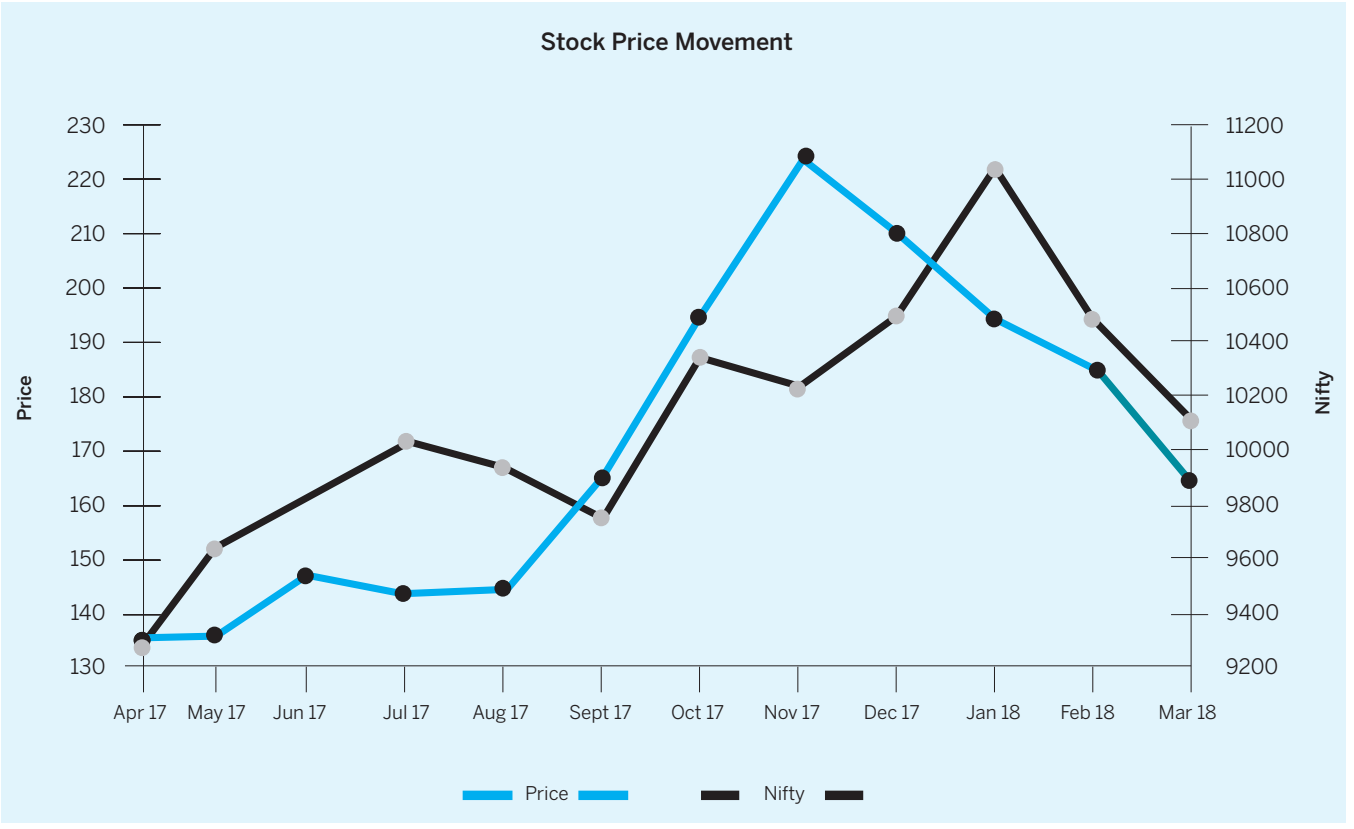
Month	High		Low	
	Share Price	Sensex	Share Price	Sensex
April, 2017	149.30	30184	118.30	29241
May, 2017	151.50	31255	131.15	29804
June, 2017	150.60	31523	129.95	30681
July, 2017	166.00	32673	134.00	31017
August, 2017	155.00	32686	124.10	31128
September, 2017	196.35	32524	146.00	31082
October, 2017	211.80	33340	165.25	31440
November, 2017	237.50	33866	188.25	32684
December, 2017	232.10	34138	209.50	32565
January, 2018	251.35	36443	210.80	33703
February, 2018	226.00	36257	162.95	33483
March, 2018	191.90	34279	150.30	32484



Note: Sensex V/s Closing Share Price on the last trading day of the Month

Monthly High & Low price of the Equity Shares of the Company for the year 2017-2018 based upon NSE Price data in comparison to Nifty is given below:

Month	High		Low	
	Share Price	Nifty	Share Price	Nifty
April, 2017	149.00	9367	118.00	9075
May, 2017	151.50	9650	130.15	9270
June, 2017	150.70	9709	128.60	9449
July, 2017	159.90	10115	133.50	9544
August, 2017	151.15	10138	125.00	9686
September, 2017	195.95	10179	146.10	9688
October, 2017	214.00	10385	165.00	9831
November, 2017	238.00	10490	188.25	10094
December, 2017	232.35	10552	210.45	10033
January, 2018	251.30	11172	210.05	10405
February, 2018	225.00	11117	157.20	10276
March, 2018	191.20	10526	149.45	9952



Note: Nifty V/s Closing Share Price on the last trading day of the Month

11.8 Registrar and Share Transfer Agents:
All the works relating to the share registry for the shares held in the physical form as well as the shares held in the electronic form (Demat) are being done by MCS Share Transfer Agent Limited at the following address:

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area
Phase-I, New Delhi- 110020
Tel: 011-41406148
Fax: 011-41709881
Email: admin@mcsregistrars.com

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.

11.9 Share Transfer System:
The Share Transfers in physical form are registered and returned to the respective shareholders within a period of 15 days from the date of receipt, subject to the documents lodged for transfer being valid in all respects. The Stakeholders Relationship Committee meets twice in a month to approve share transfers/ transmissions.

11.10 Distribution of Shareholding according to categories of Shareholders as on 31st March, 2018:

S.No	Category	No. of Shares	% to total
1.	**Promoters Holding**		
	Promoter Group	2,52,25,495	57.99
2.	**Institutional Investors**		
	Mutual Funds	13,400	0.03
	Banks and Financial Institutions	52,042	0.12
	Alternate Investment Funds	82,096	0.19
	Foreign Institutional Investors	21,02,500	4.83
3.	**Others**		
	Bodies Corporate	77,57,508	17.83
	Indian Public	64,52,532	14.84
	Trust	14,055	0.03
	NRIs/ FCBs	11,53,139	2.65
	Clearing Members	41,286	0.10
	Hindu Undivided Families	5,43,935	1.25
	IEPF	62,012	0.14
	TOTAL	**4,35,00,000**	**100.00**

Distribution of Shareholding as on 31st March, 2018 according to Size:

Range		Shareholders		Shares	
No. of Shares		**Number**	**% to total holders**	**Number**	**% to total capital**
Upto	500	5197	82.06	701754	1.61
501	1000	419	6.62	347890	0.80
1001	2000	244	3.85	385742	0.89
2001	3000	106	1.67	276053	0.63
3001	4000	54	0.85	201325	0.46
4001	5000	46	0.73	217783	0.50
5001	10000	88	1.39	672616	1.55
10001	and above	179	2.83	40696837	93.56
Total		**6333**	**100**	**43500000**	**100**

11.11 Dematerialization of Shares:	The shares of the Company are traded in compulsory dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).
Share Dematerialization record	As on 31st March, 2018, 4,32,47,380 Equity Shares were in dematerialized form which represents 99.42% of the paid up capital.
11.12 Outstanding GDR/ADRs/ Warrants or any Convertible Instruments, conversion dates and likely impact on Equity	N.A.
11.13 Commodity price risk or foreign exchange and hedging activities	The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods. The Company takes forward cover in respect of its major foreign currency exposure such as for imports, repayment of borrowings & interest thereon denominated in foreign currency and export receivables.
11.14 Plant Location	1. Survey No.274, Demni Road, Dadra-396 193 (U.T. of Dadra & Nagar Haveli) 2. Plot No. D-2/6, Jolva Village PCPIR, Dahej-2 Industrial Estate, GIDC, Distt. Bharuch, Gujarat-392130
11.15 Address for Investor Correspondence	MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase-I, New Delhi- 110020 Tel : 011-41406148 Fax : 011-41709881 Email: admin@mcsregistrars.com Members can also contact: The Company Secretary Filatex India Limited 43, Community Centre, New Friends Colony, New Delhi - 110 025 Email: shares@filatex.com Shareholders are requested to quote their Folio Nos./DP Id/Client Id, No. of Shares held and address for prompt reply

12. DIRECTORS RETIRING BY ROTATION/ APPOINTMENT/REAPPOINTMENT OF DIRECTORS:

Name of Director	Shri Madhav Bhageria	Shri Ashok Chauhan
Age (Years)	55	66
Qualifications	B.Com (Hons) from Hindu College, Delhi University, Delhi	MBA, B.E (Mech.)
Date of Appointment	30-07-2003	12-02-2014
Expertise in specific functional areas/ other related activities.	Promoter Director, looking after plant operations and marketing functions of the Company based in Surat & Mumbai	Marketing, Project Management, General and overall Operations, Corporate Planning, Risk Evaluation & Business Investment strategies
List of other Directorship (Indian Public Companies)	Rajasthan Tilters Limited	None
Chairman/Member of the committees of the Board of the Companies on which he is a Director.	Filatex India Limited Member-Corporate Social Responsibility Committee	None

13. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulation, Managing Director and Chief Financial Officer of the Company have submitted a certificate certifying various covenants about financial/cash flow statements, internal controls, financial reporting etc. in respect of Accounts for the year ending 31st March, 2018 to the Board of Directors.

14. NON MANDATORY ITEMS:

The Company has not adopted any non mandatory requirements as mentioned in the Listing Regulation.

For and on behalf of the Board of Directors

Place: New Delhi
Date: May 7, 2018

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

DECLARATION:

I, Madhu Sudhan Bhageria, Managing Director of the Company do hereby declare that all the Directors of the Company and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2018.

Place: New Delhi
Date: April 27, 2018

MADHU SUDHAN BHAGERIA
Chairman & Managing Director

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENT

The Management of Filatex has prepared and is responsible for the financial statements that appear in this report. These statements are in conformity with the latest accounting principles generally accepted in India.

The statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The Management has made these statements based on its assessment, expectations and projections about the future events.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include key raw materials availability and prices, cyclical demand of the products in the markets, changes in Government regulations, exchange rate fluctuations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors. The Management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

GLOBAL ECONOMY

Economy on a brighter side

The global environment continued to be growth-supportive in 2017-18. Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage to 3.9 percent (IMF Report Jan18). The revision reflects increased momentum in global growth and the expected impact of the recently approved U.S. tax policy changes. This forecast reflects the expectation that favorable global financial conditions and strong sentiment will help maintain the recent acceleration in demand, especially in investment, with a noticeable impact on growth in economies with large exports. Improved conditions such as low financial volatility, reduced banking sector fragilities, recovery in some commodity sectors have supported a modest revival in productive investment in some large economies.

While acknowledging that many cyclical and longer-term risks and challenges persist, it has been noted that, in many parts of the world, conditions have improved to support the significant investment necessary for delivering the goods and services to a growing population needs. This paves the way to reorient policy towards longer-term issues, such as rehabilitating and protecting the environment, making economic growth more inclusive and tackling institutional obstacles to development. (UN report 2018)

Risk and Uncertainties

However, these recent economic gains remain unevenly distributed across countries and regions, and many parts of the world have yet to regain a healthy rate of growth. Economic prospects for many commodity exporters remain challenging, underscoring the vulnerability to boom and bust cycles in countries that are overly reliant on a small number of natural resources.

In developing countries and economies in transition commodity prices have stabilized or partially recovered losses. Nonetheless, the policy stance will remain constrained in 2018–2019, as countries continue to adjust to the lower level of commodity prices

Policy challenges and the way forward

While a number of risks and uncertainties remain, what stands out in the current economic environment is the alignment of the economic cycle among major economies, stability in financial market conditions and the absence of negative shocks such as commodity price dislocations.

Policy reorientation should encompass areas such as: increasing economic diversification, reducing inequality, strengthening financial architecture and tackling institutional deficiencies, higher job creation and more sustainable medium-term economic growth.

INDIAN ECONOMY

India's GDP growth was 6.7 percent in financial year 2017-18 which is slightly lower than projected. Short-term disruptions from the newly introduced GST caused a general slowdown.It is estimated that the growth will pick up to 7.3 to 7.5 percent in the next financial year. Strong private consumption and growth in services sector are expected to continue to support economic activities. Private investment is expected to revive in the economy because of several positive signs such as; corporate sector has been accustomed now for GST, infrastructure-spending is being increased to improve public services and internet connectivity and private sector balance sheet weaknesses are being mitigated with the help of the efforts of the government and the Reserve Bank of India

India's recent reforms, such as the "Make in India" initiative and implantation of GST, are expected to encourage formal sector activities, broaden the tax base, and improve long-term growth prospects despite short term disruptions in the case

of demonetization. "Make in India" initiative, which began in late-2014, aims to improve investment and innovation as well as develop skills to meet the demand for skilled labor within India itself. To achieve these goals, the government has taken various steps to improve the business climate, such as shortening approval times for trademarks and patents to enhance property right protection, lowering restrictions on foreign direct investment (including foreign ownership restrictions) in various sectors, and accelerating investment in energy and transport infrastructure, which helped improve the ease of doing business (World Bank Report 2017).

GLOBAL TEXTILE INDUSTRY

The global textile & clothing industry is estimated to be worth about the US $4395 billion and currently, global trade in textiles & clothing stands around the US $360 billion. According to the world trade organization forecast, Global trade of textile will expand by 3.3% this year to 4% in next year. The success of the modern industry of world textiles is dependent largely upon continuing major investment in innovation and invention. The reason which forces the textile business to the promotion is increasing the share of Technical Textiles.

INDIAN TEXTILE INDUSTRY

- Indian textile industry, being one of the oldest industries of ancient Bharat. It is among continuously growing industries of India as of now, expecting to be $230 Billion in three years down the line. (Index of Industrial Production)
- The industry is labour intensive and continues to be the second largest employer. It employs about 45 million people directly and 20 million people indirectly.
- The Indian Textile Industry contributes approximately 4 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

Government Initiatives: The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.
The Textile Ministry of India earmarked ₹7,148 crore (US$ 1.1 billion) for the textile Industry. (Union Budget 2018-19)

Road Ahead: The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US$ 85 billion, is expected to reach US$ 160 billion by 2025.

POLYESTER INDUSTRIES' PROSPECTIVE

Polyester has become the most preferred fiber in the textiles industry due to its better physical properties, lower price, versatility, and recyclability, which offer a completely unique set of benefits unmatched by any other natural or synthetic fibers. Polyester fiber has been segmented into apparel, home furnishing, automotive, construction, filtration, and personal care and hygiene applications. The consumption in apparels was around 50 per cent of the total polyester fiber. Home furnishings constituted the second-largest end-use sector, accounting for about 25 percent of the total global polyester volumes produced.

At global level, of 100 million tons, manmade fibers had a share of 68% and all natural fibers including cotton have the balance of 32%. Amongst various manmade fibers, polyester is the most prominent and has the largest share at 80% of all manmade fibers. Presently the growth in textile fibers continues to be driven primarily by manmade fibers as natural fibers have reached a saturation point and have a lot of constraints in the growth due to limitations of resources like arable land, water and also cost of natural fibers is higher in comparison to MMF. The future growth in textile fibers will be led by polyester due to its sublime properties which are quite akin to natural fibers along with its cost effectiveness. There is no second thought that polyester has gradually become the common man's fiber.

The global demand for polyester fiber is growing around 4%, which implies there will be increase in demand by 3 million tons annually at the global level.

Asia pacific region is significantly dominant market for polyester fibers and is likely to remain so in the coming years. This region accounts for approx. 85% share of global polyester fiber market. The consistently high production figures of polyester fiber industry in China and India is the consequential driver of the global fiber market. After China, India occupies second position in global production.

FILATEX INDIA LIMITED

Filatex India Limited has become one of the leading manufacturers of Polyester multi filament yarns in India. The company has manufacturing facilities at Dahej (Gujarat) & Dadra (Union Territory of D&NH). The plant at Dahej is an integrated spinning facility with continuous polymerisation. In March 2018 a bright Polymer stream has also been added with latest state of art spinning and winding technology.

The operations of company's Noida (UP) plant were closed w.e.f. 17th November, 2017 as the products manufactured in this plant were gradually becoming unremunerative and the in terms scale of operation was below 2% of the overall operations.

Impact of GST: Goods & Service tax has been implemented in India with effect from 1st July, 2017. However, the polyester textile industry has been put to inverted duty structure, where the rate of tax on inputs being higher than the rate of tax on output supplies but the company can claim refund of the accumulated unutilized input credit due to the inverted duty structure from the concerned authority.

Production Capacities of the Product (Post Expansion):

Products	Production Capacity MTPA	% of Total Capacity
Polyester Chips	59400 MT	18.1%
Partially Oriented Yarn	56700 MT	17.3%
Fully Drawn Yarn	130100 MT	39.5%
Drawn Textured Yarn	74800 MT	22.8%
Polypropylene Yarn	4800 MT	1.5%
Narrow Woven Fabric	2500 MT	0.8%
Total	**3,28,300 MT**	**100.0%**

PRODUCTION PERFORMANCE

During the year 2017-18, the overall polymer production increased by around 18% YoY basis. The increase in polymer production was on account of increase in capacity by adding a stream of bright polymer. Company's POY& FDY lines were run at almost 100% capacity. DTY lines have achieved 90% capacity utilization and a major part of DTY production is being exported. The demand for POY in domestic market was good and a judicious product mix was kept to service both domestic and export market.

FINANCIAL PERFORMANCE (FY 2017-18)

The performance during the year was good on account of factors like increase in production due to expansion (introduction of new project) and slight increase in selling price. The performance in second quarter (Q2) was affected by the GST implementation which led to slow demand of textile operations across the value chain.

The net income from business operation (including operating & other income) was ₹1,93,868 lacs which is around 24% more than last year.

The operating profit improved to ₹15,700 lacs, an increase of 18% YoY basis.

Profit before tax also improved by 61% YOY basis, to an amount of ₹9272 lacs.

Profit after Tax also improved by 1.47 times as compared to last year.

(₹ in Lacs)

Particulars	2017-18	2016-17
Net Income (including operating & other income)	193868	156314
EBIDTA	15700	13321
PBT (Before exceptional item)	9272	5774
PAT	5978	4056
Earnings per share (Basic)	13.74	10.21

* Standalone basis

QUARTERLY PERFORMANCE, FY 2017-2018

Particulars	Q1	Q2	Q3	Q4
Production (MTs)	50842	49418	56458	64704
Sales (MTs)	51354	49227	56409	62177
				(₹ in Lacs)
Net Income (including operating & other income)	43320	41658	50811	58079
EBIDTA	3634	3619	3785	4662
PBT (Before exceptional item)	2202	2057	2212	2801
PAT	1432	1352	1448	1746

* Standalone basis

OVERALL PERFORMANCE

In spite of short term disruptions, the overall performance of the company improved.The operating profit increased by ₹2379 lacs, gain of 18% YoY basis. This was achieved primarily by improving the product range. Addition of "Bright polymer" &"Texturizing Capacity" has opened up access to a larger market, spread all over the country & abroad. The company has achieved exports of 43723 MT of polyester products which is around 12% more than last year. Now, with view of increased product range our products are established in international marketsand we have existence to 34 countries across the globe. Our export on account of polyester yarns has increased to ₹37,887 lacs (including Deemed export) in F.Y. 2017-18 as against ₹30,026 lacs in 2016-17.

GROWTH PLAN

Over the past years, the company in its various phases of growth at its Dahej plant has strengthened manufacturing facilities and now is able to offer wide range of product basket of Polyester Yarns.

Company's recent expansion of adding a stream of Bright polymer is completed. Commercial production of Bright POY / FDY & Chips was started from 7th March, 2018.

The facilities at Dadra plant are being utilized to produce all types of colour yarns, customized to its customer needs.

Now the company's product offerings include complete range of filaments, be it POY, DTY or FDY, in semi dull or bright shade, covering a wide range of coarse and fine denier.

The sectional capacities are under close observations to identify further value addition to polyester melt. There are possibilities of adding value to semi dull melt & debottlenecking studies have been initiated to harness this opportunity.

SWOT ANALYSIS

STRENGTHS

i) Management team has rich experience in marketing & manufacturing of PFY.
ii) Now amongst India's top 5 key player in Polyester Filament Industry.
iii) Well-defined quality and process management system.
iv) Favorable location of plants, near to major consumption centers & ports.
v) Good and committed relationship with customers.
vi) Qualified and experienced professionals with rich and proven experience
vii) Established systems for process and plant management, accredited for ISO, OEKO-TEX and 3 Star Export House Status.

CHALLENGES AND THREATS

i) Adverse volatility in raw material prices can affect the performance.
ii) Uncertain availability of PTA from domestic suppliers on account of their unforeseen breakdowns can reduce capacity utilization at times.
iii) Low bargaining power against large suppliers of key raw materials.
iv) High price of PTA in domestic market on account of antidumping duty.

BUSINESS RISKS ASSESSMENT & MINIMIZATION PROCEDURE

Business Risks:

Business operations being continuous activity, risks becoming integral part and even well thought out decisions can have uncertain outcomes that can impact the enterprise's performance and prospects. Comprehensive risk management process is therefore essential for survival in today's competitive business world and more so with rising globalization, we continuously evolve our risk management system. In overall perspective, the business operations can have risks arising out of fiscal policies, political upheavals, demand for the product, input costs, global competition, interest rates, exchange rate fluctuation etc. The company perceives the following risks as significant.

1. After introduction of GST and its various revisions, rate of GST on our key raw materials i.e. PTA & MEG is 18% whereas on our finished products, it is 12%. This inverted duty structure may lead to unabsorbed input tax credit. Another anomaly is IGST paid on imported capital goods even under EPCG scheme. Though this tax was withdrawn for EPCG cases from 13th October, 2017 onwards,the IGST already paid by the company got accumulated and as of now there is no visible refund/ adjustment mechanism.

2. Cost of electricity has been increasing on account of various duties, taxes and miscellaneous charges imposed from time to time. This is affecting the international competitiveness of the Indian manufacturers of Polyester Yarns.

3. The company's business process involves procurement of raw material through imports as well as domestic suppliers. However, the prices of such raw material are formula based on international import parity basis, thus adverse exchange fluctuations may affect profitability of the company.

Minimization Procedure:

1. Various representations have been made to different government agencies to allow adjustment/refund of accumulated IGST on capital goods.
2. Filatex management team & key executives work cohesively to track on daily basis crude prices, key raw material prices, foreign exchange rates, shipping rates etc. to minimize adverse impact due to changes in external scenario.
3. The company is procuring substantial quantity of PTA from domestic suppliers which has reduced exposure of the company to foreign exchange volatility.
4. Company is continuously increasing its export which provides a natural hedge for foreign exchange risk against imports & repayments.
5. Sales & Marketing team manages the risk of supply & demand by constantly tracking market movements and keeps updating the product mix.
6. Finance team monitors the cost of capital & keeps switching its loans to sources that have lower interest rate.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The company recognizes its people as the most valuable resource. The company has formulated policies of nurturing talent of employees and ensuring that there is growth and their capabilities grow in relation to their responsibilities. The HR management takes into account the capability, commitment and sincerity while evaluating talent within the company. To retain talent company has offered ESOS to its senior employees. Second tranche of ESOS has been granted which also covers all good performers as well irrespective of their levels. As a welfare measure "Group Accident Insurance Scheme" has been introduced for all the employees.

Consistent and fair HR policies ensure that industrial

relations continue to be peaceful and cordial and results in increasing in productivity and effectiveness. The Company aims at creating development oriented approach for its employees by building systems, processes and focusing on recruitment of good quality manpower. Focus on transparent performance appraisal and productivity linked incentive schemes have resulted in motivated workforce and increased productivity. Another significant step for promotion or recruitment at senior level is carrying out temperament test and management aptitude test which helps in judging the soft skills which are necessary to steer the company's operation. The company regularly conducts training programs to improve the skill sets and work capability of employees at various levels necessary for their growth. A great deal of emphasis is on creating succession plan for all key positions. This emphasis is extended to well qualified, young family members who are going through arduous training program in different facets of operations.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Filatex has strong internal monitoring and control system to achieve efficiency of operations, processes and to safeguard the company's assets against any loss from unauthorized usage and ensure proper authorization of financial transactions. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Company has a 'Budgetary Control' system and actual performance is regularly monitored by the Management. It has well defined organization structure, authority matrix and internal guidelines and rules. The internal control system ensures that the financial and other records are reliable for preparing financial statements and maintaining proper records of assets.

The company continues to have an independent agency as the Internal Auditor to review "Operations & Systems" audit in accordance with the audit guidelines stipulated by the audit committee. The internal auditors, as part of their assignment, evaluate and assess the adequacy and effectiveness of internal control measures and compliance with general accounting principles and statutory requirements. The internal audit reports are discussed/reviewed by senior management and audit committee of the Board and on its recommendations appropriate actions are initiated to ensure full compliance.

STATUTORY COMPLIANCE

The Chairman & Managing Director and CFO make a declaration at each Board Meeting regarding the compliance to the provisions of various statutes, after obtaining confirmation from all the units of the company. The company secretary ensures compliances in accordance with Companies Act, SEBI regulations and provisions of the Listing Agreement.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF FILATEX INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Filatex India Limited for the year ended 31st March, 2018 as stipulated in the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Chapter IV of the 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.

For Siddiqui & Associates
Company Secretaries

Place: New Delhi
Date: 07.05.2018

K.O.SIDDIQUI
FCS 2229; CP 1284

ANNEXURE "D"

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2018

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

To,
The Members,
Filatex India Limited
S. No. 274, Demni Road,
Dadra 396193
Dadra & Nagar Haveli

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Filatex India Limited** having **CIN No. L17119DN1990PLC000091** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of **Filatex India Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 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 **Filatex India Limited** for the financial year ended on **31st March 2018** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);

The Company has complied with the provisions, rules & regulations of FEMA to the extent applicable. The Company is not having any FDI, ODI and ECB during the period.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b. 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;
d. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable to the Company during the Audit Period.
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable to the Company during the Audit Period and
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable to the Company during the Audit Period.

vi. The Company has also complied with various provisions of Labour Laws, Environment Laws and other related laws to the extent applicable to the Company.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.
ii. The provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as aforesaid.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director 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 and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

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

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

We further report that during the audit period the company has had no major events or actions which are having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

for Siddiqui & Associates
Company Secretaries

Place: New Delhi
Date: 07.05. 2018

K.O.SIDDIQUI
FCS 2229; CP 1284

ANNEXURE "E"

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or Transactions not at arm's length basis	NOT APPLICABLE
a) Name(s) of the related party and nature of relationship	
b) Nature of contracts/arrangements/transactions	
c) Duration of the contracts/arrangements/transactions	
d) Salient terms of the contracts or arrangements or transactions including the value, if any	
e) Justification for entering into such contracts or arrangements or transactions	
f) date(s) of approval by the Board	
g) Amount paid as advances, if any:	
h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis	NOT APPLICABLE
a) Name(s) of the related party and nature of relationship	
b) Nature of contracts/arrangements/transactions	
c) Duration of the contracts/arrangements/transactions	
d) Salient terms of the contracts or arrangements or transactions including the value, if any	
e) Justification for entering into such contracts or arrangements or transactions	
f) date(s) of approval by the Board	
g) Amount paid as advances, if any:	
h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

For and on behalf of the Board of Directors

Place: New Delhi
Date: May 7, 2018

MADHU SUDHAN BHAGERIA
Chairman & Managing Director
DIN: 00021934

ANNEXURE "F"

ANNEXURE TO DIRECTOR' REPORT

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule. 2014.

A) CONSERVATION OF ENERGY

1. Energy Conservation measures taken:
The company, in line with its commitment towards conservation of energy, has taken the followings steps through improved operational & maintenance practices during project design & implement time:

- **Induction Motors:** IE3 energy super efficient induction motors have been installed in Bright FDY and Bright CP plants to improve efficiency of equipments.
- **In HP air Generation:** We have installed new CPT reciprocating compressors with best specific power consumption having 8- 12 bar generation capacity for FDY suction guns.
- **LP Air for Migration in POY:** For Migration air Application in we have toned down 3.0 bar compressors to 1.1 bar low which resulted in power savings of Compressed Air generation.
- **Waste Heat Recovery:** We have installed PHE & Hot water chillers to maximise heat recovery of excess vapour generation in addition to requirements of VAM chiller in CP.
- **HTM Heaters:** We have modified system to use all stripper Colum off gases in HTM heater to protect environment and also save some quantity of fuel.
- **Lightings conservation:** All out sides lighting & godown's lighting has been changed to LED lights and their operation is controlled by Day light sensors.
- **Membrane Biological reactors:** MBR's have been installed in ETP which has reduced turbidity, COD and power consumption in EPT area.

2. Additional Investment and proposal, If any, being implemented for reduction of consumption of energy.
We propose to install a new Fluidized bed type coal fired heater with ESP to reduce smoke emission and conserve coal consumption

3. Impact of the measure at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of product of goods:

- Reduction in wastage of energy / power consumption per unit of yarn.
- Lowering of equipment engagement load will result in longer life of equipment.
- Reduction in process waste/threading waste.

4. Total energy consumption and energy consumption per unit of production:

- The details are provided in form 'A' given below,

B) TECHNOLOGY ABSORPTION

- The details are provided in form 'B' given below,

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Activities relating to exports, initiative taken to increase export, development of new exports markets for product services and export plans.

The company is continuously exploring the possibilities for increasing its exports to newer markets.

Participation in trade exhibition and various other publicity measures are undertaken, for export promotion

b) Foreign exchange earned	₹ In lacs	35,319.89
Foreign exchange used		
Raw Material & Consumables	₹ In lacs	53,230.71
Capital Goods	₹ In lacs	21,980.17
Other Expenditure	₹ In lacs	1,410.86

D) INFORMATION ON POLLUTION CONTROL MEASURES:

The company is maintaining & monitoring environment & pollution control parameters at its plants on a continuous basis. The company is maintaining proper effluent treatment plant to keep the environment pollution free. Environment & pollution parameters are regularly analysed and actual values are within the permissible norms.

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	2017-2018	2016-2017
(A) Power and Fuel Consumption :		
1. Electricity		
(a) Purchased Units KWH	14,61,69,096	13,65,17,471
Total amount (Rs.in lacs)	8,292	6,982
Rate per unit (Rs./KWH)	5.67	5.11
(b) Own generation through DG Sets		
Units KWH	1,09,307	1,78,795
Units per Liter of Diesel oil	3.08	3.19
Cost per unit (Rs./KWH)	19.82	15.89
(c) Own generation through Gas Engine		
Units KWH	2,58,21,340	9,45,473
Units per MMBTU of Gas	107	107
Cost per unit (Rs./KWH)	6.62	6.79
2. Coal		
Quantity (MT)	47,268.41	39,168.54
Total amount (Rs.in lacs)	2,147.85	1,486.60
Average rate per MT Rs.	4,543.93	3,795.40
(B) Consumption per unit production		
Electricity (KWH / MT)		
a. Chips	83	88
b. Yarn	611	591
Coal (KG /MT)		
Chips	212	208
Yarn	234	230

FORM 'B'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and development:

1. Specific areas in which Research and Development carried out by company

>> Optimization of process parameter to increase productivity, quality & efficiency

>> New product development with special emphasis on specialty products.

2. Benefits derived as a result of the above research and development

>> Better product mix, cost reduction resulting in improved margins.

>> Consistency in product quality

>> Improvement in internal process

3. Future Plan of Action

>> To improve material handling & packaging of products

>> Study of new material technology and development

>> Re- use of Treated ETP water

>> Forward integration into knitting and weaving

4. Expenditure on research & development:

>> Capital
>> Recurring
>> Total
>> Total research & Development
>> Expenditure as % of total turn over

} The expenditure has been charged under the primary heads of accounts.

TECHNOLOGY ABSORPTION, ADPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation

>> Optimisation / modification in process, equipments and products:

>> Regular & systematic training of operators & supervisors to operate machines &equipments efficiently

>> Upgradation of skills through vendor's organised programmes

2. Benefits derived as a result of the above efforts, e.g.product improvement, cost reduction, product development, import substitution etc.

>> Optimisation of manufacturing cost

>> Enhanced product portfolio

>> Improvement in operational efficiency and quality of product.

3. In case of Imported Technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: - Not Applicable

ANNEXURE "G"

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S.No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2017-18	% increase in in the Remuneration in the financial year 2017-18	Ratio of Remuneration of each Director/ to median Remuneration of Employees
				(₹ in lacs)
1.	"Shri Madhu Sudhan Bhageria Chairman & Managing Director"	95.32	8.76%	52.96
2.	"Shri Purrshottam Bhaggeria Joint Managing Director"	88.91	9.60%	49.39
3.	"Shri Madhav Bhageria Joint Managing Director"	86.84	13.35%	48.24
4.	"Shri Ashok Chauhan Wholetime Director"	30.57	0.92%	16.98
5.	"Shri B. B. Tandon Non-Executive Independent Director"	#	#	#
6.	"Shri S.C. Parija Non-Executive Independent Director"	#	#	#
7.	"Shri S.P. Setia Non-Executive Independent Director"	#	#	#
8.	"Smt. Pallavi Joshi Bakhru Non-Executive Independent Director"	#	#	#
9.	"Mr. R.P. Gupta* Chief Financial Officer"	18.80	29.57%	N.A
10.	"Mr. Raman Kumar Jha Company Secretary"	7.07	4.83%	N.A

No remuneration only Sitting Fees Paid
* LTA being paid once in a block of two years. It was paid in the Current Year 2017-18
ii) The median remuneration of employees of the Company during the financial year was ₹1.80 Lakhs
iii) In the financial year, there was an increase of 11.11% in the median remuneration of employees.
iv) There were 1,955 permanent employees on the rolls of Company as on 31 March 2018.
v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year, i.e 2017-18 was 8.27% whereas the increase in the managerial remuneration for the same financial year was 10.30%.

vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The names of Top Ten Employees in terms of Remuneration drawn.

1.	Mr. Madhu Sudhan Bhageria	Chairman and Managing Director
2.	Mr. Purrshottam Bhaggeria	Joint Managing Director
3.	Mr. Madhav Bhageria	Joint Managing Director
4.	Mr. Ashok Chauhan	Whole Time Director
5.	Mr. Ravindra Prasad Verma	Chief General Manager (HR)
6.	Mr. Rajendra Prasad Gupta	Chief Financial Officer
7.	Mr. Vijay Kumar Jain	Chief General Manager (Engineering)
8.	Mr. Rajiv Kasturia	Vice President (Marketing)
9.	Mr. Dinesh Goel	Chief General Manager (Acccounts & Taxation)
10.	Mr. J.P.Singh	Chief General Manager (Marketing)

ANNEXURE "H"

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

[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

1.	CIN	L17119DN1990PLC000091
2.	Registration Date	08-08-1990
3.	Name of the Company	**Filatex India Limited**
4.	Category / Sub-Category of the Company	Public Company/Limited by shares
5.	Address of the Registered office and contact details	Survey No.274, Demni Road, Dadra-396 193 (U.T. of Dadra & Nagar Haveli) Phone No. 260-2668343/8510
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Ltd. F-65, Okhla Industrial Area, Phase-I, New Delhi-110020, Phone No. 011-41406148

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyester Multifilament yarn	20203	81%
2	Polyster Chips	22201	11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN/ UEN NO	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	Filatex Global Pte. Limited 300 Tampines Ave 5, #07-02A, NTUC Income Tampines Junction, Singapore 529653	201539583K	Subsidiary	100	2(87)(ii)

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

i) Category - wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
(A) Promoter and Promoter Group									
1. Indian									
(a) Individuals/ Hindu Undivided Family	15600279	_	15600279	35.86	15600279	_	15600279	35.86	_
(b) Central Government/ State Government(s)	_	_	_	_	_	_	_	_	_
(c) Bodies Corporate	9625216	_	9625216	22.13	9625216	_	9625216	22.13	_
(d) Financial Institutions / Banks	_	_	_	_	_	_	_	_	_
(e) Any Other (specify)	_	_	_	_	_	_	_	_	_
Sub Total (A)(1)	**25225495**	**_**	**25225495**	**57.99**	**25225495**	**_**	**25225495**	**57.99**	**_**
2. Foreign									
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	_	_	_	_	_	_	_	_	_
(b) Bodies Corporate	_	_	_	_	_	_	_	_	_
(c) Institutions									
(d) Qualified Foreign Investors	_	_	_	_	_	_	_	_	_
(e) Any Other (specify)	_	_	_	_	_	_	_	_	_
Sub Total (A)(2)	**_**	**_**	**_**	**_**	**_**	**_**	**_**	**_**	**_**
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	25225495	**_**	25225495	57.99	25225495	**_**	25225495	57.99	_
(B) Public shareholding									
1. Institutions									
(a) Mutual Funds/ UTI	**_**	13400	13400	0.04	**_**	13400	13400	0.03	_
(b) Financial Institutions / Banks	66853	**_**	66853	0.15	52042	**_**	52042	0.12	-0.03

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
(c) Central Government/ State Government(s)	_	_	_	_	_	_	_	_	_
(d) Venture Capital Funds	_	_	_	_	_	_	_	_	_
(e) Insurance Companies	_	_	_	_	_	_	_	_	_
(f) Foreign Institutional Investors	2302500	_	2302500	5.29	2102500	_	2102500	4.83	-0.46
(g) Foreign Venture Capital Investors	_	_	_	_	_	_	_	_	_
(h) Qualified Foreign Investors	_	_	_	_	_	_	_	_	_
(i) Alternate Investment Funds	_	_	_	_	82096	_	82096	0.19	0.19
Any Other (specify)	_	_	_	_	_	_	_	_	_
Sub Total (B) (1)	**2369353**	**13400**	**2382753**	**5.48**	**2236638**	**13400**	**2250038**	**5.17**	**-0.31**
2. Non-institutions									
(a) Bodies Corporate	11188577	13900	11202477	25.75	7743708	13800	7757508	17.83	-7.92
(b) Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	1671617	261420	1933037	4.44	2045583	186220	2231803	5.13	0.69
Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1959040	39200	1998240	4.78	4181509	39200	4220709	9.70	4.92
(c) Qualified Foreign Investors	_	_	_	_	_	_	_	_	_
(d) Any Other									
(i) Non Resident Indians (Repat)	54956	_	54956	0.13	105130	_	105130	0.24	0.11
(ii) Hindu Undivided Families	133615	_	133615	0.31	543935	_	543935	1.25	0.94
(iii) Foreign Companies	_	_	_	_	_	_	_	_	_
(iv) Clearing Member	388372	_	388372	0.89	41286	_	41286	0.09	-0.8
(v) Foreign Collaborators	_	_	_	_	_	_	_	_	_
(vi) Trust	81055	_	81055	0.19	14055	_	14055	0.03	-0.13

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
(vii) Overseas corporate bodies	100000	–	100000	0.23	1048009	–	1048009	2.41	2.18
(viii) IEPF	–	–	–	–	62012	–	62012	0.14	0.14
(ix) Director or Director's Relatives	–	–	–	–	20	–	20	–	–
Sub Total (B)(2)	15577209	314520	15891152	36.53	15785247	239220	16024467	36.84	0.31
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	17946562	327920	18273905	42.00	18021885	252620	18274505	42.01	.01
Total (A)+(B)	**43172080**	**327920**	**43500000**	**100**	**43247380**	**252620**	**43500000**	**100**	–
(C) Shares held by custodians and against which Depository Receipts have been issued									
Promoter and Promoter group	–	–	–	–	–	–	–	–	–
Public	–	–	–	–	–	–	–	–	–
Sub Total (C)	–	–	–	–	–	–	–	–	–
GRAND TOTAL (A)+(B)+(C)	**43172057**	**327920**	**43500000**	**100**	**43247380**	**252620**	**43500000**	**100**	–

ii) Shareholding of Promoters

	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in share holding during the year
1.	Madhu Sudhan Bhageria	3708360	8.52	49.01	3754693	8.63	48.41	0.11*
2.	Purrshottam Bhaggeria	4193359	9.64	47.10	4239693	9.75	46.59	0.11*
3	Madhav Bhageria	4230960	9.73	49.16	4277293	9.83	48.63	0.1*

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

		Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Madhu Sudhan Bhageria	3708360	8.52	3754693	8.63
2	Purrshottam Bhaggeria	4193359	9.64	4239693	9.75
3	Madhav Bhageria	4230960	9.73	4277293	9.83

* Reason for increase in % age of Promoter's Shareholding.
Acquired from Late Shri. Ram Avtar Bhageria father of Madhu Sudhan Bhageria, Purrshottam Bhaggeria & Madhav Bhageria

iv) Shareholding Pattern of top ten Shareholders (other than Promoter Director and Holders of GDRs and ADRs):

		Shareholding at the beginning of the year					Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the company
1.	Azimuth Investments Ltd	3125000	7.18	NA	NA	NA	3125000	7.18
2.	Janus Infrastructure Projects Pvt. Ltd.	2700000	6.21	NA	NA	NA	2700000	6.21
3.	Nouvelle Securities Pvt. Ltd.	1989016	4.57	NA	NA	NA	1989016	4.57
4.	Satsai Finlease Pvt. Ltd.	2000077	4.60	NA	(340077)	Sale	1660000	3.82
5.	Fargo Estates Pvt. Ltd.	1600000	3.68	NA	NA	NA	1600000	3.68
6.	Nishit Fincap Pvt. Ltd.	2408000	5.54	NA	(1208000)	Sale	1200000	2.76
7.	ELM Park Fund Limited	1182500	2.72	NA	NA	NA	1182500	2.72
8.	Hypnos Fund Limited	1120000	2.57	*	(200000)	Sale	920000	2.11
9.	ANM Fincap Pvt. Ltd.	1840000	4.23	*	(940000)	Sale	900000	2.07
10.	Madhulika Agarwal	-	-	NA	NA	Purchase	756278	1.74
11.	Shefali Bhageria	550300	1.27	*	Increase	Purchase	702700	1.62
12.	Anu Bhageria	525300	1.21	*	Increase	Purchase	677800	1.56
13.	Gunjan Bhageria	512700	1.18	*	Increase	Purchase	665100	1.53
14.	Vrinda Bhageria	660000	1.52	NA	NA	NA	660000	1.52
15.	Savita Holdings Pvt. Ltd.	1407757	3.24	*	(767757)	Sale	640000	1.47

Note: More than 99.42 % of the shares of the Company are held in dematerialized form, and are widely traded on daily basis. Therefore. the Date wise increase/decrease in shareholding is not indicated.

v) Shareholding Pattern of Directors including promoter director and Key Managerial Personnel and Holders of (GDRs and ADRs):

		Shareholding at the beginning of the year					Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the company
1	Madhu Sudhan Bhageria	3708360	8.52	---	Increase	Purchase	3754693	8.63
2	Purrshottam Bhaggeria	4193359	9.64	---	Increase	Purchase	4239693	9.75
3	Madhav Bhageria	4230960	9.73	---	Increase	Purchase	4277293	9.83
4	Ashok Chauhan	--	--	---	--	--	--	--
5	S.C.Parija	--	--	---	--	--	--	--
6	S.P.Setia	--	--	---	Increase	Purchase	20	--
7	Pallavi Joshi Bakhru	--	--	---	--	--	--	--
8	B.B.Tandon	--	--	---	--	--	--	--
9	R.P.Gupta	--	--	---	--	--	--	--
10	Raman Kumar Jha	--	--	---	--	--	--	--

V) INDEBTNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	44,625.70	8,759.75	--	53,385.45
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	61.01	--	--	61.01
Total (i+ii+iii)				
Change in Indebtedness during the financial year • Addition • (Reduction)				
Net Change	18,490.36	(746.50)	--	17,243.86
Indebtedness at the end of the financial year				
i) Principal Amount	63,065.43	8,013.25	--	71,078.68
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	111.64	--	--	111.64
Total (i+ii+iii)	**63,177.07**	**8,013.25**	**--**	**71,190.32**

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		SH. MADHU SUDHAN BHAGERIA	SH. PURRSHOTTAM BAGGERIA	SH. MADHAV BHAGERIA	SH. ASHOK CHAUHAN	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,01,600	38,61,600	38,61,600	30,42,000	1,52,66,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,25,753	15,25,025	13,18,070	15,000	43,83,848
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	-- --	--	--	
2.	Stock Option	--	-- --	*	--	
3.	Sweat Equity	--	-- --	--	--	
4.	Commission - as % of profit - others, specify...	35,04,500	35,04,500	35,04,500	-	1,05,13,500
5.	Others, please specify	--	-- --	--	--	
	Total (A)	**95,31,853**	**88,91,125**	**86,84,170**	**30,57,000**	**3,01,64,148**
	Ceiling as per the Act	**As per Companies Act, 2013 and Schedules thereto**				

B. Remuneration to other directors: (Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		SH. S.P SETIA	SH.S.C PARIJA	SH. B.B TANDON	SMT. PALLAVI JOSHI BAKHRU	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1,30,400	1,40,400	1,50,500	1,50,500	5,71,800
Total (1)		**1,30,400**	**1,40,400**	**1,50,500**	**1,50,500**	**5,71,800**
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	--	--	--	--	-- --
Total (2)		--	--	--	--	--
Total (B)=(1+2)		**1,30,400**	**1,40,400**	**1,50,500**	**1,50,500**	**5,71,800**
Total Managerial Remuneration						**3,07,35,948**
Overall Ceiling as per the Act		No Remuneration, only sitting fee				

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (Amount in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	Total
1.	Gross salary	Not applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		6,91,576	18,64,619	25,56,195
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		15000	15000	30000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify...		-	-	-
5.	Others, please specify		-	-	-
	Total		**7,06,576**	**18,79,619**	**25,86,195**

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: New Delhi
Date: 7th May, 2018

Madhu Sudhan Bhageria
Chairman and Managing Director
DIN: 00021934

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FILATEX INDIA LIMITED

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

1. We have audited the accompanying standalone Ind AS Financial Statements of Filatex India Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Ind AS Financial Statements

2. 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 financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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

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

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

5. 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 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

6. 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.

7. 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

8. 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 of the Company as at March 31, 2018, total comprehensiveincome (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other matters

9. The previously issued standalone financial information of the company for the year ended 31 March 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and audited by the predecessor statutory auditors

of the company (vide their unmodified audit report dated 9 May 2017) have been restated to comply with the Indian Accounting Standards ("Ind AS") and included in this statement as corresponding financial information. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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), the Cash Flow Statement and the 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.

(e) On the basis of the written representations received from the directors as on April 1, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to 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 knowledge and belief and according to the information and explanations given to us:

i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018, on its financial position in its standalone Ind AS financial statements - Refer Note 41 to the standalone Ind AS financial statements;

ii) The Company has made provision as at March 31, 2018, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv) The reporting on disclosure relating to specified Bank Notes is not applicable to the company for the year ended March 31, 2018.

For Arun K Gupta & Associates
Chartered Accountants
Firm Registration No. 000605N

Place: New Delhi
Dated: 07-05-2018

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

Annexure-A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Filatex India Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets have been physically verified by the management during the year in a phased manner and no material discrepancy has been noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of free hold immovable properties are held in the name of the Company.

ii. The management has conducted physical verification of inventory at reasonable intervalsand no material discrepancies in inventory were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b)&(iii)(c) of the said Order are not applicable to the Company.

iv In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act,2013 in respect of investments made, have been complied by the Company. There are no other loans, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act,2013 are applicable.

v. The Company has not accepted any deposit from the public.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Govt. 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 accounts and records have been maintained. We have however, not made a detailed examination of these records.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods & service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax sales tax, duty of customs, duty of excise, service tax, value added tax, goods & service tax, cess and other material statutory dues were in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the dues outstanding of income-tax, sales tax, service-tax, duty of customs, duty of excise, value added tax, goods & service tax and cess which have not been deposited on account of any dispute as at March 31, 2018 are stated below:-

Sl. No	Name of the Statute	Nature of Dues	Amt (₹/lacs)	Period to Which it relates	Forum where Dispute is pending
1	Central Excise Act, 1944.	NCCD on Deemed Exports.	2.77	From July 2004 to Nov. 2004	Commissioner of Central Excise (Appeals), Vapi
2	Central Excise Act, 1944.	Service Tax Credit before starting of production	51.08	F.Y 2011-12	CESTAT, Ahmedabad
3	Central Excise Act, 1944.	Service Tax Credit on Hotel Bill & outward courier	1.08	March 2012 to Jan. 2016.	The Commissioner (Appeals) Bharuch
4	Central Excise Act, 1944.	Credit of Service Tax availed on courier service.	0.21	F.Y's 2005-06 & 2006-07	The Asst. Commissioner of Central Excise, Silvassa.
5	Central Excise Act, 1944.	Demand for sale of Grey Knitted fabrics from the premises of various job workers	472.52	FY 2008-09	CESTAT, WZB, Ahmedabad
6	Central Excise Act, 1944.	Excess credit availed on goods supplied to 100% EOUs	35.99	FY 2007-08 & FY 2008-09	Commissioner (Appeals) C.E., Vapi

Sl. No	Name of the Statute	Nature of Dues	Amt (₹/lacs)	Period to Which it relates	Forum where Dispute is pending
7	Central Excise Act, 1944.	Credit of Service tax availed on the invoices issued in the name of Branch offices for the year 2010-11, 2011-12 & 2012-13	3.17	F.Y's 2010-11 to 2012-13	CESTAT, WZB, Ahmedabad
8	Central Excise Act, 1944.	Demand of Service Tax credit availed on Sales Commission for the years 2009-10 & 2010-11	15.31	F.Y's 2009-10 & 2010-11	The Addl. Commissioner, Central Excise, Customs & Service Tax, Vapi
9	Central Excise Act, 1944.	Cenvat credit of service tax availed on invoices issued in the name of branch office for the period from Nov.-2012 to March.-2013	0.69	From Nov. 2012 to Mar. 2013	Commissioner (Appeals) C.E., Vapi
10	Central Excise Act, 1944.	Demand of Ex. duty on Polyester FDY Yarn transferred to NWF on transaction value instead of CAS-04 for the period from April-2009 to April-2012	32.99	From Apr.-2009 to Apr -2012	The Jt. Commissioner, Central Excise, Customs & Service Tax, Vapi
11	Customs Act, 1962.	Differential duty on import of chips	14.54	December, 2007	Asst. Commissioner of Customs, Group II, E&B, JNCH, Navi Mumbai.
12	Customs Act, 1962.	Co-Party made with a customer for discrepancies in compliance of export obligation by customer.	15.00	April, 2007	CESTAT, Western Zone, Ahmedabad.
13	Customs Act, 1962.	Fraudulentavailment of DEPB credit by M/s Shivam Overseas, Ludhiana by resorting to overvaluation of their exported goods	8.64	March 2005	The Commissioner of Customs (EP), New Custom House, Ballard Estate, Mumbai
14	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period April 2011 to December 2014	20.10	April 2011 to December 2014	The Additional Commissioner, Central excise ,Custom & Service Tax, Div I Vapi.
15	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period January 2015 to November 2015	3.58	January 2015 to November 2015	The Assistant Commissioner, Central excise ,Custom & Service Ta , Div I Silvassa.
16	Central Excise Act, 1944	Demand of service tax credit availed on sales commission for the period April 2010 to February 2016	44.10	April 2010 to February 2016	The Superinendent, Central Ex & Custom, Range-III, Division - V, Bharuch
17	Central Excise Act, 1944	Excise Rebate claim sale Invoice no. 2039ARE no.8/2014-15	3.09	For the period 2014-15	The Joint Commissioner, Central Excise, Raigarh

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or banks. The company does not have any outstanding debenture.

ix. Based on the audit procedures applied by us & according to the information & explanations provided by the management, the Company has not raised any moneys by initial public offer or further public offer(including debt instruments) during the year. Term loans taken by the company during the year have been applied for the purpose for which the loans were obtained.

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, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has paid and provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.

xii. The company is not a Nidhi Company, this clause is not applicable to the company.

xiii. According to the records of the Company examined by us and the information and explanation given to us, the company has complied with section 177 and 188 of the Companies Act 2013 in relation to transaction with related parties and the details have been disclosed in the standalone Ind AS Financial Statements as required by applicable Indian Accounting Standards.

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

xv. As per the information & explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Companies Act,2013.

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

For Arun K Gupta & Associates
Chartered Accountants
Firm Registration No.000605N

Place: New Delhi
Dated: 07-05-2018

GIREESH KUMAR GOENKA
Partner
Membership No.-096655

Annexure-B to the Independent Auditor's Report

Report on the Internal Financial Controls

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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 Arun K Gupta & Associates
Chartered Accountants
Firm Registration No.000605N

Place: New Delhi
Dated: 07-05-2018

GIREESH KUMAR GOENKA
Partner
Membership No.-096655

BALANCE SHEET

AS AT MARCH 31, 2018

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	4	94,446.40	62,837.95	54,912.04
Capital work in progress	4	641.37	572.74	1,801.64
Other Intangible assets	5	5.60	15.48	4.53
Intangible Assets under Development	5	36.00	-	-
Financial Assets				
Investments	6	6.56	8.03	1.43
Loans	7	65.63	74.95	92.84
Other Financial Assets	8	9.42	5.41	5.26
Income Tax Asset (net)	9	78.50	176.83	189.54
Other non-current assets	10	924.33	2,904.74	328.79
Total Non Current Assets		**96,213.81**	**66,596.13**	**57,336.07**
Current Assets				
Inventories	11	19,370.39	14,913.58	9,857.03
Financial Assets				
Trade receivables	12	17,052.31	19,944.87	21,221.13
Cash & Cash Equivalents	13	889.39	58.06	160.04
Bank balances (other than cash and cash equivalents)	14	1,660.50	1,420.84	1,093.80
Loans	15	59.55	46.59	47.75
Other Financial assets	16	417.23	93.24	69.45
Other current assets	17	6,748.22	2,169.08	2,489.34
Total Current Assets		**46,197.59**	**38,646.26**	**34,938.54**
Assets classified as held for sale	18	1,340.12	693.29	76.01
Total Assets		**143,751.52**	**105,935.68**	**92,350.62**
EQUITY & LIABILITIES				
EQUITY				
Equity Share Capital	19	4,350.00	4,350.00	3,200.00
Other Equity	20	34,199.62	28,161.49	21,345.28
Total Equity		**38,549.62**	**32,511.49**	**24,545.28**
LIABILITIES				
Non - Current Liabilities				
Financial Liabilities				
Borrowings	21	54,160.16	33,635.10	30,181.90
Other financial liabilities	22	722.67	736.63	510.35
Provisions	23	516.01	563.81	468.25
Deferred tax liabilities (Net)	24	4,117.83	2,775.70	2,578.97

(₹ in Lakhs)

Particulars	Notes	As a March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other non-current liabilities	25	1,966.06	902.52	944.16
Total Non Current Liabilities		**61,482.73**	**38,613.76**	**34,683.63**
Current Liabilities				
Financial Liabilities				
Borrowings	26	9,852.50	14,350.76	13,780.51
Trade Payables	27	22,406.03	11,129.41	12,038.56
Other financial liabilities	28	10,268.49	8,329.27	6,591.50
Other current liabilities	29	609.06	833.19	487.79
Provisions	30	231.06	127.80	97.43
Income Tax Liabilities (net)	31	112.03	-	74.92
Total Current Liabilities		**43,479.17**	**34,770.43**	**33,070.71**
Liabilities directly associated with assets classified as held for sale	32	240.00	40.00	51.00
Total Equity and Liabilities		**143,751.52**	**105,935.68**	**92,350.62**
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

Place: New Delhi
Date: May 07, 2018

R.P GUPTA
CHIEF FINANCIAL OFFICER

RAMAN KUMAR JHA
COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Notes	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Income:			
Revenue from operations	33	197,489.67	170,968.65
Other Income	34	1,064.68	1,213.29
Total Income (I)		**198,554.35**	**172,181.94**
Expenses:			
Cost of materials consumed	35	152,984.90	123,266.83
Purchases of stock-in-trade		3,479.84	3,804.17
(Increase)/decrease in Inventories of finished goods, work in progress & stock in trade	36	(1,350.98)	(4,540.76)
Excise Duty on sale of goods		4,685.87	15,867.86
Employee benefits expense	37	4,874.74	4,696.77
Finance cost	38	4,410.43	5,863.48
Depreciation & amortization expense	4	3,082.47	2,896.41
Other Expenses	39	17,115.06	14,552.85
Total Expenses (II)		**189,282.33**	**166,407.61**
Profit/(loss) before exceptional items & tax		**9,272.02**	**5,774.33**
Exceptional Items [Profit/(Loss)] (refer note 55)		-	(344.43)
Profit/(loss) before tax		**9,272.02**	**5,429.90**
Tax Expense:			
Current tax	24	1,968.17	1,177.95
Deferred tax	24	1,325.47	196.39
Total tax expense		**3,293.64**	**1,374.34**
Net profit/(loss) after tax		**5,978.38**	**4,055.56**
Other Comprehensive Income/ (loss)			
A (i) Items to be reclassified to profit or loss			
(ii) Income tax relating to items to be reclassified to profit or loss			
B (i) Items not to be reclassified to profit or loss			
Re-measurement of defined benefit plans		47.67	1.01
(ii) Income tax relating to items not to be reclassified to profit or loss		(16.66)	(0.35)
Total Comprehensive Income/ (Loss)		**6,009.39**	**4,056.22**
Earnings Per Share (EPS) in Rupees			
- Basic	40	13.74	10.21
- Diluted	40	13.53	9.30
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

for **ARUN K. GUPTA & ASSOCIATES**
Firm Registration No. 000605N
Chartered Accountants

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

Place: New Delhi
Date: May 07, 2018

R.P GUPTA
CHIEF FINANCIAL OFFICER

RAMAN KUMAR JHA
COMPANY SECRETARY

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Cash flow from operating activities		
Net profit / (loss) before tax	9,272.02	5,429.90
Adjustments for:		
- Depreciation/amortization	3,082.47	2,896.41
- Loss/(profit) on Property, Plant & Equipment sold/discarded (net)	21.68	31.92
- Employee Stock Option expense	28.74	28.74
- Remeasurement of Employee Benefit Expenses	47.67	1.01
- Unrealised foreign exchange Loss/ (profit) (net)	114.63	16.36
- Unrealised Marked to Market (Gain)/Loss	56.79	(72.21)
- Forward contract Premium Amortised	-	167.97
- Provisions/liabilities no longer required, written back	(24.86)	(25.67)
- Exceptional Items (Profit on sale of land)	-	(92.47)
- Bad Debts Written off	-	841.69
- Interest expense	2,659.35	4,368.95
- Interest income	(643.34)	(991.36)
- Dividend income	(46.99)	(1.62)
Operating profit before working capital changes	**14,568.16**	**12,599.62**
Movements in working capital:		
Decrease/ (increase) in trade receivables	2,976.94	423.44
Decrease/ (increase) loans and advances/other current assets	(4,811.87)	309.77
Decrease/ (increase) in inventories	(4,456.81)	(5,056.56)
Increase / (decrease) in trade & other payable / provisions	12,251.06	(377.41)
Cash generated from operations	**20,527.48**	**7,898.86**
Direct taxes paid	(1,757.81)	(1,240.16)
Net cash flow from operating activities (a)	**18,769.67**	**6,658.70**
Cash flow from investing activities		
Purchase of Property, Plant &	(31,274.85)	(13,356.12)
Equipment (Including Capital Advances)		
Proceeds from sale of Property, Plant & Equipment (Including advances received)	907.54	186.66
Purchase of Investment	1.47	(6.60)
(Increase)/Decrease in deposits	(239.66)	(327.95)
(Increase)/Decrease in unpaid Dividend Account	-	0.91
Interest received	546.99	991.21
Dividend received	46.99	1.62
Net cash flow from/(used in) investing activities (b)	**(30,011.52)**	**(12,510.27)**
Cash flow from financing activities		
Money received against share warrants	-	3,881.25

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Proceeds from long-term borrowings from banks	27,907.56	8,667.12
Proceeds from long-term borrowings from others	100.00	2,400.00
Payment of transaction cost related to borrowings	(1,498.31)	(24.27)
Repayment of long term borrowings from Banks	(5,537.66)	(4,460.54)
Repayment of long term borrowings from others	(809.05)	(1,207.57)
Net Proceeds/(repayment) from/of short-term borrowings	(4,535.11)	1,012.24
Interest paid	(3,554.25)	(4,518.64)
Net cash flow from/(used in) in financing activities (c)	**12,073.18**	**5,749.59**
Net increase/(decrease) in cash and cash equivalents (a + b + c)	831.33	(101.98)
Cash and cash equivalents at the beginning of the year	58.06	160.04
Cash and cash equivalents at the end of the year	**889.39**	**58.06**
Components of cash and cash equivalents		
Cash on hand	12.34	5.04
Balance with scheduled Banks :	377.05	53.02
- on deposit account	1,656.20	1,416.54
- unpaid dividend accounts*	4.30	4.30
- Cheques, draft on hand	500.00	-
Cash and Bank Balances	**2,549.89**	**1,478.90**
Less: Fixed Deposits not considered as cash and cash equivalents		
- Deposits pledged with banks	1,656.20	1,416.54
- Unpaid dividend account	4.30	4.30
Cash & Cash Equivalents	889.39	58.06

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liability.

The accompanying notes are an integral part of financial statement.

As per our report of even date
for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

Place: New Delhi
Date: May 07, 2018

R.P GUPTA
CHIEF FINANCIAL OFFICER

RAMAN KUMAR JHA
COMPANY SECRETARY

STATEMENT OF CHANGES IN EQUITY
AS AT MARCH 31, 2018

(₹ in Lakhs)

A. EQUITY SHARE CAPITAL (REFER NOTE-19) Equity shares of Rs. 10/- each issued, subscribed and fully paid	Number of Shares	Amount
As at 1st April 2016	32,000,000	3,200
Increase/(decrease) during the year	11,500,000	1,150
As at 31st March 2017	43,500,000	4,350
Increase/(decrease) during the year	-	-
As at 31st March 2018	43,500,000	4,350

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and Surplus						Money received against Share warrants	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Share based option outstanding	Retained Earnings		
Balance as on April 01, 2016	1,253.11	1,250.00	5,709.30	350.43	-	7,897.06	1,293.75	17,753.65
Changes in Accounting Policy (i)	-	-	-	-	3.86	3,587.77	-	3,591.63
Restated Balance as on April 01, 2016	**1,253.11**	**1,250.00**	**5,709.30**	**350.43**	**3.86**	**11,484.83**	**1,293.75**	**21,345.28**
Profit for the Year	-	-	-	-	-	4,055.56		4,055.56
Money received against share warrants					-	-	3,881.25	3,881.25
Preferential allotment of Equity shares	-	-	4,025.00	-	-	-	(5,175.00)	(1,150.00)
Share based compensation to employees	-	-	-	-	28.74	-	-	28.74
Other Comprehensive Income:								
Re-measurement of defined benefit plans	-	-	-	-	-	0.66	-	0.66
Total Comprehensive Income for the year	**-**	**-**	**4,025.00**	**-**	**28.74**	**4,056.22**	**(1,293.75)**	**6,816.21**
Balance as at March 31, 2017	**1,253.11**	**1,250.00**	**9,734.30**	**350.43**	**32.60**	**15,541.05**	**-**	**28,161.49**
Profit for the Year	-	-	-	-	-	5,978.38	-	5,978.38
Share based compensation to employees	-	-	-	-	28.74	-	-	28.74
Other Comprehensive Income:								
Re-measurement of defined benefit plans	-	-	-	-	-	31.01	-	31.01
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**28.74**	**6,009.39**	**-**	**6,038.13**
Balance as at March 31, 2018	**1,253.11**	**1,250.00**	**9,734.30**	**350.43**	**61.34**	**21,550.44**	**-**	**34,199.62**

i) Refer Note No. 3 - First Time Adoption - Reconciliation of Equity and Total Comprehensive Income.

ii) Refer note 20 for nature and purpose of reserves

The accompanying notes are an integral part of financial statement.

As per our report of even date
for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

Place: New Delhi
Date: May 07, 2018

R.P GUPTA
CHIEF FINANCIAL OFFICER

RAMAN KUMAR JHA
COMPANY SECRETARY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. CORPORATE INFORMATION

Filatex India Ltd. ('The Company') is a Public Limited Company incorporated in India. The address of its Corporate office and principal place of business is at 43, Community Centre, New Friends Colony, New Delhi - 110025, India. The main business of the Company is manufacturer of Polyester Chips, Polyester/ Nylon/Polypropylene Multi & Mono Filament Yarn and Narrow Fabrics. The Company is listed on BSE Limited and National Stock Exchange of India Limited

The financial statements were authorised by the Board of Directors for issuing accordance with a resolution passed on May 07, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by The Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening IndAS balance sheet as at April 01, 2016 for the purpose of transition to IndAS, unless otherwise indicated.

2.1 Basis of preparation

a) Statement of compliance with Ind AS:
These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all periods upto and including the year ended 31st March, 2017, The Company has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

These financial statements for the year ended 31st March, 2018 are the first financial statements that The Company has prepared under Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 (being the 'date of transition to Ind AS') have been restated in accordance with Ind AS for comparative information.

Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on The Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

b) Basis of measurement
These financial statements are prepared under the historical cost convention except for the following material items that have been measured at fair value as required by relevant Ind AS :

- certain financial assets (including derivative financial instruments) that are measured at fair value;
- share based payments;
- defined benefit plans - plan assets measured at fair value;
- certain property, plant and equipment measured at fair value (viz. leasehold land and freehold land) which has been considered as deemed cost.

The fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.
Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value measurement:

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Where required/appropriate, external valuers are involved.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy established by Ind As 113, that categorises into three levels, the inputs to valuation techniques used to measure fair value. These are 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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity 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(i.e. as prices) or indirectly(i.e. derived from prices).

Level 3 inputs are unobservable inputs for the asset or liability.
The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company recognises transfers between levels of fair value hierarchy at the end of reporting period during which change has occurred.

c) Current non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

d) Functional and presentation currency

Items included in the financial statements of The Company are measured using the currency of the primary economic environment in which The Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of The Company.

e) Rounding of amounts:

All amounts disclosed in the financial statements and notes

are in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.2 Use of estimates

The preparation of financial statements in conformity with the recognition and measurement principles of the Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements, and the reported amounts of revenues, expenses and the results of operations during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an "ongoing basis". Such estimates & assumptions are based on management evaluation of relevant facts & circumstances as on date of financial statements. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Revenue recognition

Sale of goods
Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which is mainly upon delivery and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, value added tax, etc.

Revenue (other than sale)
Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to The Company and the revenue can be reliably measured.

Claim on insurance company and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on "acceptance basis".

Export benefits/incentives constituting Duty Draw back, incentives under FPS/FMS/MEIS and duty free advance license scheme are accounted for on accrual basis where there is reasonable assurance that The Company will comply with the conditions attached to them and the export benefits will be received.

Interest Income
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.

Dividend
Dividend income is recognized when The Company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

2.4 Property, plant and equipment (PPE)

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. 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. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of an item of property, plant and equipment comprises

i. its purchase price, including import duties and non – refundable purchase taxes (net of duty/ tax credit availed), after deducting trade discounts and rebates.

ii. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

iii. borrowing cost directly attributable to the qualifying asset in accordance with accounting policy on borrowing cost.

iv. the costs of dismantling, removing the item and restoring the site on which it is located.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes direct costs, related pre-operational expenses and for qualifying assets applicable borrowing costs to be capitalised in accordance with The Company's accounting policy. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not directly related to the project nor are incidental thereto, are expensed.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other items of PPE, commences when the assets are ready for their intended use.

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 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 recognised in the Statement of Profit and Loss.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.
Machinery spares which meets the criteria of PPE is capitalized and depreciated over the useful life of the respective asset.

On transition to Ind AS:

Under the Previous GAAP, all property, plant and equipment were carried at in the Balance Sheet on basis of historical cost. In accordance with provisions of Ind AS 101 First time adoption of Indian Accounting Standards, The Company, for certain properties, has elected to adopt fair value and recognized as of April 1, 2016 as the deemed cost as of the transition date. The resulting adjustments have been directly recognized in retained earnings. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

Depreciation:

Depreciation on Property, Plant & Equipment (other than freehold land and capital work in progress) is provided on the straight line method, based on their respective estimate of useful lives, as given below. Estimated useful lives of assets are determined based on internal assessment estimated by the management of The Company and supported by technical advice wherever so required. The management believes that useful lives currently used, which is as prescribed under Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of Property, Plant & Equipment (considered at 5% of the original cost), though these lives in certain cases are different from lives prescribed under Schedule II.

Type of assets	Useful life in years
Leasehold Land	Over Lease Period i.e. 198 years
Buildings	
Factory Building	30 years
Non Factory Buildings	60 years
Leasehold Improvements	10 years
Plant and Machinery *	5 – 25 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 - 10 years
Computers	3 years

* Based on internal technical evaluation and external advise received, the management believes that the useful lives as considered for arriving at the depreciation rates, best represent the period over which management expect to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets individually costing ₹5000 or less are fully depreciated in the year of acquisition.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognised.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or,

where shorter, the term of the relevant lease.

Depreciation methods, useful lives and residual values are reviewed periodically including at the end of each financial year. Any changes in depreciation method, useful lives and residual values are treated as a change in accounting estimate and applied/adjusted prospectively, if appropriate.

2.5 Intangible assets

Identifiable intangible assets are recognised when The Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to The Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets with finite useful lives are recognised at cost of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as 'intangible assets under development'. This comprises expenditure on ERP software license fee and it's configuration and customization.

Intangible assets are derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset are recognised as income or expense in the statement of profit and loss.

Deemed cost on transition to Ind AS:

Under the Previous GAAP, all Intangible assets were carried at in the Balance Sheet on basis of historical cost. The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Amortisation:
Intangible assets are amortised on a straight line basis over the estimated useful lives of respective assets from the date when the asset are available for use, on pro-rata basis. Estimated useful lives by major class of finite-life intangible assets are as follows:

Type of assets	Useful life in years
Computer software	5 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted prospectively.

2.6 Financial instruments

Financial Assets:

Initial recognition and measurement:
Financial assets are recognised when The Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, except for trade receivables which are initially measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are added to or deducted from the fair value of the financial assets.

Financial assets are subsequently classified and measured at

- amortised cost (if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding)"
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Equity Instruments:

Investment in subsidiaries are measured at cost less impairment losses, if any.
All investments in equity instruments in scope of Ind AS 109 classified under financial assets are initially measured at fair value.

If the equity investment is not held for trading, The Company may,

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on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Equity Instruments which are held for trading are classified as measured at FVTPL.
Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless The Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

The Company does not have any equity investments designated at FVOCI.

Derivative financial instruments:

The Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks and interest rate risks. Such derivative financial instruments are recorded at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset:

In accordance with Ind AS 109, The Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Simplified approach does not require The Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. This involves use of provision matrix constructed on the basis of historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

For recognition of impairment loss on other financial assets and risk exposure, The Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL 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 (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

Financial Liabilities and equity instruments:

Classification as debt or equity

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 an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement:

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The fair value of a financial instrument at initial recognition is normally the transaction price. If The Company determines that the fair value at initial recognition differs from the transaction price, difference between the fair value at initial recognition and the transaction price shall be recognized as gain or loss unless it qualifies for recognition as an asset or liability. This normally depends on the relationship between the lender and borrower or the reason for providing the loan. Accordingly in case of interest-free loan from promoters to The Company, the difference between the loan amount and its fair value is treated as an equity contribution to The Company.

In accordance with Ind AS 113, the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss, unless and to the extent capitalised as part of costs of an asset.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Off setting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amount and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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FOR THE YEAR ENDED MARCH 31, 2018

2.7 Impairment of Non-financial assets

The carrying amounts of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

2.8 Borrowing costs

Borrowing costs comprises interest expense on borrowings calculated using the effective interest method and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. EIR calculation does not include exchange differences.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are included in the cost of those assets. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.9 Foreign currency transactions

The financial statements are presented in Indian Rupees (INR), the functional currency of The Company. Items included in the financial statements of The Company are recorded using the currency of the primary economic environment in which The Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Under Previous GAAP, The Company had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from

the cost of the asset and should be depreciated over the balance life of the asset.
Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Company has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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 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 recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with The Company's policy on borrowing cost. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease:

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset or the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials, stores and spares: cost includes cost of purchase (viz. the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition and is net of trade discounts, rebates and other similar items) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving Weighted Average Method.

- Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Spare parts, which do not meet the definition of property, plant and equipment are classified as inventory.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out

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basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.12 Employee benefits

Short- term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, social security contributions, short term compensated absences (paid annual leaves) etc. are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled and are expensed in the period in which the employee renders the related service.

Post-employment benefits :

i) Defined contribution plan

The defined contribution plan is post employment benefit plan under which The Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

ii) Defined benefit plan

The Company's obligation towards gratuity liability is a "defined benefit" obligation. The present value of the defined benefit obligations is determined on the basis of actuarial valuation using the projected unit credit method. The rate used to discount "defined benefit obligation" is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

The amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the current year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss).

The amount of net interest expense, calculated by applying the liability discount rate to the net defined benefit liability or asset, is charged or credited to 'Finance costs' in the Statement of Profit and Loss.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value of the defined benefit obligation resulting from experience adjustments and effects of changes in actuarial assumptions), the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) and is recognised immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss account in subsequent periods.

Other long-term employee benefit obligations:

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as 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. 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 the Statement of Profit and Loss. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit.

2.13 Share-Based Payments:

Employees of The Company receive remuneration in the form of share based payments in consideration of the services rendered (equity settled transactions).

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options on the grant date is calculated by an independent valuer on the basis of Black Scholes model.
The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions

are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. When the options are exercised, The Company issues fresh equity shares.

2.14 Government Grant:

Government grants are recognised only when there is reasonable assurance that The Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which The Company recognises as expenses the related costs for which the grants are intended to compensate.

Accordingly, government grants:

a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income in profit or loss on a systematic basis over the useful life of the assets.

b) related to an expense item is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed and presented as deduction from the related/relevant expense.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

2.15 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for "held for sale" is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

If the criteria for held for sale is no longer met, the asset ceases to be classified as held for sale and the asset shall be measured at the lower of :

(a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and

(b) its recoverable amount at the date of the subsequent decision not to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as "held for sale" are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

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Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

2.16 Taxation

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

Current income tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. 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.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized"

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and

tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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 assets in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.17 Provisions and contingencies

Provisions:

Provisions are recognised when The Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where The Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Contingencies:

Contingent liabilities
A contingent liability is:
• a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Company, or

• a present obligation that arises from past events but is not recognised because :

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or"
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed unless the contingency is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Company.

Contingent assets are not recognised but are disclosed when the inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

2.18 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Company is engaged in manufacture and trading of synthetic yarn and textiles which is considered as the only reportable business segment. The Company's Chief Operating Decision Maker (CODM) is the Managing Director. He evaluates The Company's performance and allocates resources based on analysis of various performance indicators by geographical areas only.

2.19 Related party

A related party is a person or entity that is related to the reporting entity and it includes :

(a) A person or a close member of that person's family if that person:

(i) has control or joint control over the reporting entity;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of the following conditions apply:

(i) The entity and the reporting entity are members of the same Group.

(ii) One entity is an associate or joint venture of the other entity.

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

(a) that person's children, spouse or domestic partner, brother, sister, father and mother;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Related party transactions and outstanding balances disclosed in the financial statements are in accordance with the above definition as per Ind As 24.

2.20 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits/ investments with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value. These exclude bank balances (including deposits) held as margin money or security against borrowings, guarantees etc. being not readily available for use by The Company.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits and exclude items which are not available for general use as on the date of Balance Sheet, as defined above, net of bank overdrafts which are repayable on demand where they form an integral part of an entity's cash management.

2.21 Cash Flow Statement

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method as set out in Ind AS 7 'Statement of Cash Flows', adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and

iii. all other items for which the cash effects are investing or financing cash flows.

2.22 Earnings per share

The Basic Earnings per equity share ('EPS') is computed by dividing the net profit or loss after tax before other comprehensive income for the year attributable to the equity shareholders of The Company by weighted average number of equity shares outstanding during the year. Ordinary

shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Contingently issuable shares are treated as outstanding and are included in the calculation of basic earnings per share only from the date when all necessary conditions are satisfied (i.e the events have occurred).

Diluted earnings per equity share are computed by dividing the net profit or loss before OCI attributable to equity holders of The Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares (including options and warrants). The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. Anti-dilutive effects are ignored.

2.23 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material.

2.24 Exceptional Items

An item of Income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of The Company is treated as an exceptional item and the same is disclosed in the financial statements.

2.25 Corporate Social Responsibility (CSR) expenditure

The Company charges its CSR expenditure during the year to the statement of profit & loss.

2.26 New and amended standards and interpretations: issued but not yet effective

The Company is still evaluating the applicability and relevance of certain new standards & interpretations to existing standards issued, but not yet effective, upto the date of issuance of The Company's financial statements, on The Company's operations and its impact on the financial statements of The Company in terms of results, presentation or disclosure. Those that may be relevant to The Company are set out below. The Company shall adopt them, if applicable, when they become effective.

Ind AS 115 'Revenue from Contracts with Customers'

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customer. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard may supersede few revenue recognition practices under current Ind AS. The Company is in the process of analysing the impact of the proposed standard. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company shall adopt the new standard on the required effective date.

Amendment to Ind AS 12 'Income Taxes'

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which may make deductions on reversal of deductible temporary differences (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognizing related expense/ income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 112 'Disclosure of Interests in Other Entities'

The amendment to Ind AS 112 requires the entities that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, 'Non-Current Assets held for sale and discontinued operations'. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

3. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017 with a transition date of 1st April, 2016. These financial statements for the year ended March 31, 2018, are The Company's first Ind AS financial statements which have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, The Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with relevant rules of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, The Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,
b. not recognising items of assets or liabilities which are not permitted by Ind AS,
c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
d. applying Ind AS in measurement of recognised assets and liabilities.

In preparing these Ind AS financial statements, The Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by The Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

A. Ind AS Optional Exemptions from retrospective application

i) Investments in subsidiary

"When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiary either at cost; or in accordance with Ind AS 109. If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

(a) cost determined in accordance with Ind AS 27; or
(b) deemed cost. The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
(ii) previous GAAP carrying amount at that date. A first-time adopter may choose either (i) or (ii) above to measure its investment in its subsidiary that it elects to measure using a deemed cost. The Company has availed the exemption and has measured its investment in subsidiary at deemed cost being the previous GAAP carrying amount at that date.

ii) Deemed cost for a class of property, plant and equipment

The Company has elected to measure some items (viz. leasehold and freehold land) of property, plant and equipment at the date of transition to Ind AS at their fair value and use that fair value as its deemed cost at that date. The remaining items of property, plant and equipments are measured as per Ind AS at the date of transition.

iii) Long term Foreign Currency Monetary Items

Under Previous GAAP, The Company had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from the cost of the asset and should be depreciated over the balance life of the asset. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial

reporting period as per the previous GAAP. The Company has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

B. Mandatory Exceptions from retrospective application

i) De-recognition of financial assets and liabilities exception

Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

ii) 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.

On an assessment of the estimates made under the Previous GAAP financial statements, The Company has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by The Company for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Balance sheet as previously reported under IGAAP to Ind AS as at 1st April, 2016 and 31st March, 2017

II. Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS for the year ended 31st March, 2017

III. Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017

IV. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

V. Reconciliation of Cash Flow Statement for the year ended 31st March, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence, Previous GAAP information have been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statement of The Company prepared in accordance with Previous GAAP.

RECONCILIATION OF BALANCE SHEET

AS AT 1ST APRIL 2016 AND 31ST MARCH 2017 AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

I. Reconciliation of Balance sheet as previously reported under IGAAP to Ind AS as at 31st March, 2017 and 1st April, 2016

(₹ in Lakhs)

Particulars	Footnote Reference	As at March 31, 2017			As at April 01, 2016		
		Previous GAAP	Effect of transition to Ind-AS	Ind AS	Previous GAAP	Effect of transition to Ind-AS	Ind AS
ASSETS							
Non - Current Assets							
Property, Plant and Equipment	1,2 &4	57,190.29	5,647.66	62,837.95	49,231.42	5,680.62	54,912.04
Capital work in progress	1	583.22	(10.48)	572.74	1,801.64	-	1,801.64
Intangible assets		15.48	-	15.48	4.53	-	4.53
Financial Assets							
Investments	6	8.00	0.03	8.03	1.42	0.01	1.43
Loans	5	70.04	4.91	74.95	92.84	-	92.84
Other Financial Assets		5.41	-	5.41	5.26	-	5.26
Income Tax Asset (net)		176.83	-	176.83	189.54	-	189.54
Other non-current assets	5	2,911.18	(6.44)	2,904.74	328.79	-	328.79
Total Non Current Assets		**60,960.45**	**5,635.68**	**66,596.13**	**51,655.44**	**5,680.63**	**57,336.07**
Current Assets							
Inventories		14,913.58	-	14,913.58	9,857.03	-	9,857.03
Financial Assets							
Trade receivables	3	20,359.45	(414.58)	19,944.87	21,635.71	(414.58)	21,221.13
Cash & Cash Equivalents		58.06	-	58.06	160.04	-	160.04
Bank balances (other than cash and cash equivalent)		1,420.84	-	1,420.84	1,093.80	-	1,093.80
Loans		46.59	-	46.59	47.75	-	47.75
Other Financial assets		93.24	-	93.24	69.45	-	69.45
Other current assets	1 & 5	2,192.57	(23.49)	2,169.08	2,489.34	-	2,489.34
Total Current Assets		**39,084.33**	**(438.07)**	**38,646.26**	**35,353.12**	**(414.58)**	**34,938.54**
Assets classified as held for sale		693.29	-	693.29	76.01	-	76.01
TOTAL ASSETS		**100,738.07**	**5,197.61**	**105,935.68**	**87,084.57**	**5,266.05**	**92,350.62**

RECONCILIATION OF BALANCE SHEET

AS AT 1ST APRIL 2016 AND 31ST MARCH 2017 AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

Particulars	Footnote Reference	As at March 31, 2017			As at April 01, 2016		
		Previous GAAP	Effect of transition to Ind-AS	Ind AS	Previous GAAP	Effect of transition to Ind-AS	Ind AS
EQUITY & LIABILITIES							
EQUITY:							
Equity Share Capital	Equity Reconciliation	4,350.00	-	4,350.00	3,200.00	-	3,200.00
Other Equity		24,605.25	3,556.24	28,161.49	17,753.65	3,591.63	21,345.28
Total Equity		**28,955.25**	**3,556.24**	**32,511.49**	**20,953.65**	**3,591.63**	**24,545.28**
LIABILITIES:							
Non - Current Liabilities							
Financial Liability							
Borrowings	1	34,103.38	(468.28)	33,635.10	30,757.00	(575.10)	30,181.90
Other financial liabilities		736.63	-	736.63	510.35	-	510.35
Provisions		563.81	-	563.81	468.25	-	468.25
Deferred tax liability (Net)	10	1,456.33	1,319.37	2,775.70	1,233.51	1,345.46	2,578.97
Other Non current liabilities	4	-	902.52	902.52	-	944.16	944.16
Total Non Current Liabilities		**36,860.15**	**1,753.61**	**38,613.76**	**32,969.11**	**1,714.52**	**34,683.63**
Current Liabilities							
Financial Liabilities							
Borrowings		14,350.76	-	14,350.76	13,780.51	-	13,780.51
Trade Payables		11,129.41	-	11,129.41	12,038.56	-	12,038.56
Other financial liabilities	1 & 7	8,483.15	(153.88)	8,329.27	6,673.24	(81.74)	6,591.50
Other current liabilities	4	791.55	41.64	833.19	446.15	41.64	487.79
Provisions		127.80	-	127.80	97.43	-	97.43
Current Tax Liabilities (net)		-	-	-	74.92	-	74.92
Total Current Liabilities		**34,882.67**	**(112.24)**	**34,770.43**	**33,110.81**	**(40.10)**	**33,070.71**
Liabilities directly associated with assets classified as held for sale		40.00	-	40.00	51.00	-	51.00
TOTAL EQUITY & LIABILITIES		**100,738.07**	**5,197.61**	**105,935.68**	**87,084.57**	**5,266.05**	**92,350.62**

RECONCILIATION OF STATEMENT OF PROFIT & LOSS

AS AT 1ST APRIL 2016 AND 31ST MARCH 2017 AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

II. Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(₹ in Lakhs)

Particulars	Footnote Reference	For the year ended March 31, 2017		
		Previous GAAP	Effect of transition to Ind-AS	Ind AS
Income:				
Revenue from operations	4	170,927.01	41.64	170,968.65
Other Income	5, 6 & 7	1,140.60	72.69	1,213.29
Total Income (I)		172,067.61	114.33	172,181.94
Expenses:				
Cost of materials consumed		123,266.83	-	123,266.83
Purchases of stock-in-trade		3,804.17	-	3,804.17
(Increase)/decrease in Inventories of finished goods, work in progress & stock in trade		(4,540.76)	-	(4,540.76)
Excise Duty on sale of goods		15,867.86	-	15,867.86
Employee benefits expense	8 & 9	4,694.20	2.57	4,696.77
Finance costs	1 & 9	5,694.32	169.16	5,863.48
Depreciation & amortization expense	1,2 & 4	2,863.45	32.96	2,896.41
Other Expenses	5	14,552.00	0.85	14,552.85
Total Expenses (II)		**166,202.07**	**205.54**	**166,407.61**
Profit/(loss) before exceptional items & tax		**5,865.54**	**(91.21)**	**5,774.33**
Exceptional Items [Profit/(Loss)]		(344.43)	-	(344.43)
Profit/(loss) before tax		**5,521.11**	**(91.21)**	**5,429.90**
Tax Expense:				
Current tax (MAT)		1,177.95	-	1,177.95
Deferred tax	10	222.82	(26.43)	196.39
Total tax expense		**1,400.77**	**(26.43)**	**1,374.34**
Net profit/(loss) after tax		**4,120.34**	**(64.78)**	**4,055.56**
Other Comprehensive Income/ (loss)				
A. (i) Items to be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items to be reclassified to profit or loss		-	-	-
B. (i) Items not to be reclassified to profit or loss	9			
Re-measurement gains/(losses) of post employment benefit plan		-	1.01	1.01
(ii) Income tax relating to items not to be reclassified to profit or loss	10	-	(0.35)	(0.35)
Total Comprehensive Income for the year		**4,120.34**	**(64.12)**	**4,056.22**

RECONCILIATION OF EQUITY/TOTAL COMPREHENSIVE INCOME AND CASH FLOW STATEMENT

AS AT 1ST APRIL 2016 AND 31ST MARCH 2017 AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

III. Reconciliation of Equity as at April 1, 2016 and March 31, 2017

(₹ in Lakhs)

Particulars	Footnote Reference	As at March 31, 2017 (end of last period presented under previous GAAP)	As at April 1, 2016 (Date of Transition)
Equity (Shareholders funds) as per Previous GAAP		28,955.24	20,953.65
Add/ (Less) : Adjustments on account of transition to Ind AS:			
Transaction costs on borrowings	1		
Effect of accounting of transaction costs on borrowings as per EIR method		(157.23)	(44.79)
Fair Valuation of certain properties	2		
Fair valuation of certain properties considered as deemed cost and impact of additional amortisation related to fair value		5,436.47	5,457.33
Impairment of Trade receivables	3		
Provision for expected credit losses on Trade receivables		(414.58)	(414.58)
Fair Valuation of Security Deposit as per Ind As-109	5	(0.40)	-
Fair Valuation of Investments (at FVTPL)	6	0.03	0.01
Fair valuation of Derivative Instruments - Foreign Exchange Forward Contracts	7	11.33	(60.88)
Tax Adjustments on above	10	(1,319.37)	(1,345.46)
Equity under Ind AS		**32,511.49**	**24,545.28**

IV. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Footnote Reference	For the year ended 31 March 2017
Net Profit as per Previous GAAP		4,120.34
Add/(Less): Adjustments on account of transition to Ind AS:		
Finance Cost		
Effect of accounting of transaction costs on borrowings as per Effective Interest rate (EIR) method	1	(141.98)
Reclassification of finance costs on defined benefit plans from employee benefits	9	(27.18)
Employee benefits expense		
Employee share-based payment expense (Employee stock option scheme)	8	(28.74)
Reclassification of actuarial gains and losses on defined benefit plans to Other Comprehensive Income	9	(1.01)

RECONCILIATION OF EQUITY/TOTAL COMPREHENSIVE INCOME AND CASH FLOW STATEMENT

AS AT 1ST APRIL 2016 AND 31ST MARCH 2017 AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

Particulars	Footnote Reference	For the year ended 31 March 2017
Reclassification of finance costs on defined benefit plans to finance cost	9	27.18
Depreciation and amortization expense		
Reversal of depreciation on Transaction costs on borrowings capitalized under IGAAP	1	29.54
Incremental Depreciation on PPE and amortisation related to fair value as deemed cost of certain properties	2	(20.86)
Depreciation chargeable on import duty waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) scheme, now capitalised	4	(41.64)
Other Expenses		
Provision for expected credit losses on Trade receivables	3	-
Rent	5	(0.85)
Revenue from Operations		
Import duty waivers for capital assets purchased under EPCG scheme are recorded as deferred revenue and recognized in Profit and Loss	4	41.64
Other Income		
Fair value gain on financial instruments at FVTPL	6	0.02
Notional interest income on interest free security deposit	5	0.45
Fair valuation of Derivative Instruments - Foreign Exchange Forward Contracts	7	72.21
Tax on above adjustments	10	26.43
(A) Net Profit as per Ind AS		4,055.56
(B) Add: Other Comprehensive Income		
Actuarial gain/ (loss) on defined benefit plans (net of tax)	9 & 10	0.66
Total Comprehensive Income (A+B)		**4,056.22**
Net change/ impact		

V. Reconciliation of Cash Flow Statement for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Previous GAAP	Ind AS adjustments (Effect of transition to Ind AS)	Ind AS
Net Cash Flow from operating activities	7,516.25	(857.55)	6,658.70
Net Cash Flow from investing activities	(12,476.89)	(33.38)	(12,510.27)
Net Cash Flow from financing activities	4,858.66	890.93	5,749.59
Net increase/(decrease) in cash and cash equivalents	**(101.98)**	**(0.00)**	**(101.98)**
Cash & Cash Equivalent as at April 01, 2016	160.04	0.00	160.04
Cash & Cash Equivalent as at March 31, 2017	**58.06**	**0.00**	**58.06**

FOOTNOTES TO THE RECONCILIATION'S

AS AT 1 APRIL 2016 AND 31 MARCH 2017 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

1. Loan processing fees / transaction cost:

Under previous GAAP, transaction costs incurred towards origination of borrowings were capitalised to plant, property & equipment.

Ind AS 109 requires these transaction costs to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, the excess transaction costs capitalised in plant, property & equipment and corresponding depreciation charged is reversed (de-capitalised), and unamortised transaction costs have been shown as a deduction from loans.

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	44.79	157.23	112.44
Liability:			
Borrowings (non-current portion)	575.10	468.28	
Other financial liabilities (Current maturities of long-term borrowings)	142.60	142.55	
Assets:			
Property, plant and equipment	(762.51)	(732.97)	
Capital Work-in-progress		(10.48)	
Other current Assets		(24.62)	
(Profit)/Loss:			
Finance costs			141.98
Depreciation and amortization expense			(29.54)

2. Fair Valuation of certain properties

The Company has in accordance with provisions of Ind AS 101 First time adoption of Indian Accounting Standards, considered fair value for a class of properties viz. Land as the deemed cost as on its Opening Balance Sheet on April 01, 2016 . Consequently, the impact on Freehold land and leasehold land being the difference of book value and fair value of these land properties have been credited in the retained earnings as on April 01, 2016. Consequently The Company has recognised additional depreciation/ amortization as applicable on aforesaid based on the fair value in subsequent year. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

FOOTNOTES TO THE RECONCILIATION'S
AS AT 1 APRIL 2016 AND 31 MARCH 2017 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	(5,457.33)	(5,436.47)	20.86
Assets:			
Property, plant and equipment	5,457.33	5,436.47	
(Profit)/Loss:			
Depreciation and amortization expense			20.86

3. Trade Receivables - Expected Credit Losses

Under the Previous GAAP, provision for bad debt was recognised for the doubtful debtors on a case to case basis. However, under Ind AS, The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the trade receivables by following simplified approach. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis.

Hence, trade receivables have been reduced and correspondingly impact for additional allowance for credit loss has been taken in Retained Earnings on the date of transition and in Statement of Profit & Loss for FY 2016-17.

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	414.58	414.58	-
Assets:			
Trade Receivables	(414.58)	(414.58)	
(Profit)/Loss:			
Other expenses (Provision for expected credit losses on Trade receivables)		-	-

FOOTNOTES TO THE RECONCILIATION'S

AS AT 1 APRIL 2016 AND 31 MARCH 2017 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

4 Government Grant

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 Profit and Loss on a systematic basis over the periods of useful lives of the respective assets. 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.

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	-	-	-
Liability:			
Other non-current liabilities (Deferred Revenue)	(944.16)	(902.52)	
Other current liabilities (Deferred Revenue)	(41.64)	(41.64)	
Assets:			
Property, plant and equipment	985.80	944.16	
(Profit)/Loss:			
Depreciation and amortization expense			41.64
Other Operating Income (government grant)			(41.64)

5. Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, The Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased and the prepaid rent increased as at 31st March, 2017. The profit for the year and total equity as at 31st March, 2017 decreased due to amortisation of the prepaid rent which is partially off-set by the notional interest income recognised on security deposits.

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FOOTNOTES TO THE RECONCILIATION'S

AS AT 1 APRIL 2016 AND 31 MARCH 2017 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	-	0.40	0.40
Assets:			
Other non-current financial assets - Loans	-	4.91	
Other non-current assets	-	(6.44)	
Other current assets	-	1.13	
(Profit)/Loss:			
Rent			0.85
Finance Income			(0.45)

6. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. As explained in accounting policy under Ind AS, such investments are measured/accounted for at fair value (FVTPL). The resultant impact as on April 01,2016 has been adjusted in retained earning and subsequent changes has been recorded in the Statement of Profit and loss.

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	(0.01)	(0.03)	(0.02)
Assets:			
Non-current investments	0.01	0.03	
(Profit)/Loss:			
Other Income			
Fair value gain on financial instruments at FVTPL			(0.02)

FOOTNOTES TO THE RECONCILIATION'S
AS AT 1 APRIL 2016 AND 31 MARCH 2017 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

7. Fair value of Derivative Instruments - Foreign Exchange Forward Contracts

Under Indian GAAP, foreign exchange forward contracts were accounted for based on premium amortisation method and no fair valuation was required. However, under Ind AS, such derivative financial instruments are to be recognised at fair value (FVTPL). The resultant impact as on April 01,2016 has been adjusted in retained earning and subsequent changes has been recorded in the Statement of Profit and loss.

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	60.88	(11.33)	(72.21)
Liability:			
Other current financial liabilities	(60.88)	11.33	
Assets:			
Other current financial assets			
(Profit)/Loss:			
Other Income			(72.21)

8. Employee share-based payments

Under the previous GAAP, the cost of equity-settled employee share-based plan is to be recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	3.86	32.60	28.74
Other equity (Employee Stock Options Outstanding)	(3.86)	(32.60)	(28.74)
(Profit)/Loss:			
Employee benefits expense			28.74

FOOTNOTES TO THE RECONCILIATION'S
AS AT 1 APRIL 2016 AND 31 MARCH 2017 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

9. Defined Benefit Plans

i. Actuarial gain/(loss) - Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in Statement of Profit and Loss. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.

ii. Net interest cost on defined benefit plans - Under Previous GAAP, the interest cost on defined benefit liability and expected return on plan assets was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, The Company has recognised the net interest cost on defined benefit plans as finance cost.

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
(Profit)/Loss:			
Employee benefits expenses			(26.17)
Finance costs			27.18
Other Comprehensive Income (OCI):			
Remeasurement (gain)/loss on net defined benefit plans			(1.01)

10. Deferred Taxes

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

(₹ in Lakhs)

Particulars	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	1,345.46	1,319.37	(26.08)
Liability:			
Deferred tax liabilities (net)	(1,345.46)	(1,319.37)	
(Profit)/Loss:			
Deferred tax charge/(credit)			(26.43)
Income tax relating to			
Remeasurement gain/(loss) on net defined benefit plans			0.35

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land		Building	Lease Hold Improve-ments	"Plant & Machinery [refer note (i) and (ii) below"	Furniture & Fittings	Vehicles	Office Equip-ments	Computer	Total Property, Plant and Equipments	Capital Work in Progress		Total Capital Work in Progress
	Free Hold	Lease Hold									Building	Plant & Machinery	
Deemed Cost as at April 01, 2016	3,235.09	4,550.01	7,989.32	-	38,630.19	150.90	253.21	75.35	27.97	54,912.04	570.52	1,231.12	1,801.64
Additions	-	-	1,845.05	88.84	9,468.41	62.42	10.20	23.30	38.93	11,537.15	281.06	266.22	547.28
Sales/ Adjustments	-	-	-	-	179.44	-	22.75	-	3.14	205.33	545.06	1,231.12	1,776.18
Reclassification to assets held for sale	428.45	-	317.93	-	-	-	-	-	-	746.38	-	-	-
Gross Carrying Value as at March 31, 2017	**2,806.64**	**4,550.01**	**9,516.44**	**88.84**	**47,919.16**	**213.32**	**240.66**	**98.65**	**63.76**	**65,497.48**	**306.52**	**266.22**	**572.74**
Additions	-	-	1,879.97	-	33,289.61	13.89	136.38	27.64	61.07	35,408.56	258.46	382.91	641.37
Sales/ Adjustments	-	-	-	-	227.69	49.52	73.97	20.55	-	371.73	306.52	266.22	572.74
Reclassification to assets held for sale	-	603.92	131.75	-	1,082.60	-	-	-	-	1,818.27	-	-	-
Gross Carrying Value as at March 31, 2018	**2,806.64**	**3,946.09**	**11,264.66**	**88.84**	**79,898.48**	**177.69**	**303.07**	**105.74**	**124.83**	**98,716.04**	**258.46**	**382.91**	**641.37**

Particulars	Land		Building	Lease Hold Improve-ments	"Plant & Machinery [refer note (i) and (ii) below"	Furniture & Fittings	Vehicles	Office Equip-ments	Computer	Total Property, Plant and Equipments	Capital Work in Progress		Total Capital Work in Progress
	Free Hold	Lease Hold									Building	Plant & Machinery	
Accumulated Depreciation as at April 01, 2016	-		-	-	-	-	-	-	-	-	-		-

(₹ in Lakhs)

Particulars	Land		Building	Lease Hold Improve-ments	"Plant & Machinery [refer note (i) and (ii) below"	Furniture & Fittings	Vehicles	Office Equip-ments	Computer	Total Property, Plant and Equipments	Capital Work in Progress		Total Capital Work in Progress
	Free Hold	Lease Hold									Building	Plant & Machinery	
Depreciation Expenses	-	37.79	338.29	6.13	2,353.54	25.27	50.75	28.40	16.68	2,856.85	-	-	-
Deductions/ Adjustments	-	-	-	-	127.97	-	13.12	-	3.14	144.23	-	-	-
Reclassification to assets held for sale	-	-	53.09	-	-	-	-	-	-	53.09			
Accumulated Depreciation as at March 31, 2017	-	37.79	285.20	6.13	2,225.57	25.27	37.63	28.40	13.54	2,659.53	-	-	-
Depreciation Expenses	-	23.95	379.67	8.46	2,534.68	27.21	51.04	22.49	23.39	3,070.89	-	-	-
Deductions/ Adjustments	-	-	-	-	175.24	47.57	42.09	19.40	-	284.30	-	-	-
Reclassification to assets held for sale	-	18.27	87.77	-	1,070.44	-	-	-		1,176.48			
Accumulated Depreciation as at March 31, 2018	-	43.47	577.10	14.59	3,514.57	4.91	46.58	31.49	36.93	4,269.64	-	-	-
Net Carrying Value as at April 01, 2016	3,235.09	4,550.01	7,989.32	-	38,630.19	150.90	253.21	75.35	27.97	54,912.04	570.52	1,231.12	1,801.64
Net Carrying Value as at March 31, 2017	2,806.64	4,512.22	9,231.24	82.71	45,693.59	188.05	203.03	70.25	50.22	62,837.95	306.52	266.22	572.74
Net Carrying Value as at March 31, 2018	2,806.64	3,902.62	10,687.56	74.25	76,383.91	172.78	256.49	74.25	87.90	94,446.40	258.46	382.91	641.37

i) Plant & Machinery Includes cost of ₹342.93 Lakhs (previous year ₹342.93 Lakhs) of water supply connection from GIDC and ₹101.00 Lakhs (Previous Year ₹101.00 Lakhs) being cost of electricity transmission lines not owned by The Company being enabling assets.

ii) Foreign Exchange differences on long term foreign currency loans(as permitted by para. D13AA of Ind AS 101) aggregating loss of ₹937.92 Lakhs (Previous year gain ₹586.60 Lakhs) capitalised/decapitalised during the year. The accumulated foreign exchange fluctuation capitalised is ₹4,814.25 Lakhs (Upto Previous year ₹3,876.33 lakhs).

iii) Expenditure incurred during construction period ₹673.47 Lakhs (previous year ₹33.41 Lakhs) and borrowing cost ₹2,290.12 Lakhs (previous year ₹118.76 Lakhs) has been capitalised. (Refer note 53)

iv) Capital work-in-progress includes expenditure incurred during construction period pending allocation aggregating ₹Nil (P.Y. ₹78.67 lakhs) and borrowing cost ₹Nil (P.Y. ₹105.16 lakhs) (Refer note 53)

v) The Company has in accordance with provisions of Ind AS-101 first time adoption of Indian Accounting Standards, considered fair value for certain properties viz. freehold and leasehold land as the deemed cost as on its opening balance sheet on April 01, 2016. Consequently , the impact on freehold land amounting ₹2,579.58 lakhs and leasehold land amounting ₹2,877.75 lakhs being the difference of book value and fair value of these land properties have been credited in the retained earnings as on April 01,2016. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

vi) Measurement of fair value

a) Fair value hierarchy:

The fair value of freehold and leasehold land has been determined by external, independent property valuers, having appropriate recognised professional qualifications and experience in the category of the property being valued. The fair value measurement has been categorised as level 2 fair value based on the inputs to the valuations technique used.

b) Valuation technique:

Value of the property has been arrived at using market approach using market corroborated inputs. Adjustments have been made for factors specific to the assets valued including location and condition of the assets, the extent to which input relate to items that are comparable to the assets and the volume or the level of activity in the markets within which the inputs are observed.

vii) Charge has been created against the aforesaid assets for the borrowings taken by The Company. (Refer note 21 and 26)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

5. Intangible Assets

(₹ in Lakhs)

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development
Deemed Cost as at April 01, 2016	4.53	-
Additions	50.51	-
Disposals	-	-
Reclassification to assets held for sale	-	-
Gross Carrying Value as at March 31, 2017	**55.04**	**-**
Additions	1.70	36.00
Disposals	-	-
Reclassification to assets held for sale	-	-
Gross Carrying Value as at March 31, 2018	**56.74**	**36.00**
Particulars	**Intangible Assets (Computer Software)**	**Intangible Assets under Development**
Accumulated Depreciation as at April 01, 2016	**-**	**-**
Depreciation Expenses	39.56	-
Disposals	-	-
Reclassification to assets held for sale		-
Accumulated Depreciation as at March 31, 2017	**39.56**	**-**
Depreciation Expenses	11.58	
Disposals	-	
Reclassification to assets held for sale	-	
Accumulated Depreciation as at March 31, 2018	51.14	-
Net Carrying Value as at April 01, 2016	4.53	-
Net Carrying Value as at March 31, 2017	15.48	-
Net Carrying Value as at March 31, 2018	5.60	36.00

i) The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

ii) Intangible Assets under Development comprises of expenditure on computer ERP license fee and it's configuration and customization.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

6. Non- Current Investments

(₹ in Lakhs)

Particulars	Face value per share	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
Investments in equity shares							
In Subsidiary Companies (Unquoted) (at deemed cost)							
Filatex Global Pte Ltd.	USD 1	10,000	6.50	10,000	6.58	-	-
In Others (Quoted) at fair value through profit or loss (FVTPL)							
Tata Coffee Ltd.	₹1	50	0.06	50	0.06	50	0.04
In Others (Unquoted) at fair value through profit or loss (FVTPL)							
OPGS Power Gujrat Private Limited *	₹0.1	-	-	731,500	1.39	731,500	1.39
Total			**6.56**		**8.03**		**1.43**
Aggregate amount of quoted investments			0.06		0.06		0.04
Market value of quoted investments			0.06		0.06		0.04
Aggregate amount of unquoted investments			6.50		7.97		1.39
Aggregate amount of impairment in value of Investments			-		-		-

* Shares kept with Gita Power Ventures Limited, an escrow agent

7. Non-Current Financial Assets - Loans

(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	65.63	74.95	92.84
Total	**65.63**	**74.95**	**92.84**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

8. Non Current Other Financial Assets
(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits with banks remaining maturity of more than 12 months (refer note 8)	4.25	0.25	-
Application money paid towards securities to related party [Filatex Global PTE LTD] (refer note 46)	5.17	5.16	5.26
Total	**9.42**	**5.41**	**5.26**

9. Income Tax Assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income tax recoverable (net of provisions)	78.50	176.83	189.54
Total	**78.50**	**176.83**	**189.54**

10. Other Non-Current Assets
(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	876.34	2,854.19	283.99
Deposit with excise/sales tax department under protest	40.94	41.24	44.80
Prepaid expenses	7.05	9.31	-
Total	**924.33**	**2,904.74**	**328.79**

11. Inventories (at lower of cost or net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials (includes Inventory in Transit ₹1,911.83 Lakhs, previous year ₹1,720.41 Lakhs)	8,327.26	5,301.31	4,699.18
Work In Progress	922.07	764.21	323.55
Finished Goods (Including goods sold in transit ₹713.38 Lakhs, previous year ₹558.95 Lakhs)	8,456.12	7,263.00	3,162.90
Packing Material	787.61	658.43	531.15
Stores, Spares & Consumables (includes Inventory in Transit ₹NIL, previous year ₹159.92 Lakhs)	877.33	926.63	1,140.25
Total	**19,370.39**	**14,913.58**	**9,857.03**

Inventories have been pledged as security for borrowings, refer note 21 and note 26 for details

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

12. Trade receivables

(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Considered Good*	17,052.31	19,944.87	21,221.13
Considered Doubtful	414.58	414.58	414.58
Less: Provision for Doubtful Debts	414.58	414.58	414.58
Total	**17,052.31**	**19,944.87**	**21,221.13**

* Net of bill discounting ₹277.74 Lakhs (previous year ₹949.19 lakhs) under confirmed Letter of Credits (LC)

There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person. Also, there are no trade or other receivables which are due from firms or private companies, in which any director is a partner, a director or a member.
Trade Receivables have been pledged as security for borrowings, refer note 21 and note 26 for details

13. Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and cash equivalents			
Balances with Banks on Current accounts	377.05	53.02	140.68
Cash on hand	12.34	5.04	19.36
Cheques, draft on hand	500.00	-	-
Total	**889.39**	**58.06**	**160.04**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

14. Bank Balances (other than Cash and Cash equivalent)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Earmarked balances with bank			
Unpaid dividend a/c *	4.30	4.30	5.21
Other Bank balances :-			
Deposits with original maturity of less than 3 months **	-	-	-
Deposits with original maturity for more than 3 months but upto 12 months **	1,656.20	1,412.54	927.36
Deposits with original maturity of more than 12 months **	4.25	4.25	161.23
Total (B)	**1,660.45**	**1,416.79**	**1,088.59**
Less : Amount disclosed under non current financial assets (refer note 8)	4.25	0.25	-
Total	**1,660.50**	**1,420.84**	**1,093.80**

* These balance are not available for the use by the Company as they represent corresponding unpaid dividend liabilities.
** Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/Letter of Credit's established by the bank

15. Current Financial Assets - Loans

(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances to employees	59.55	46.59	47.75
Total	**59.55**	**46.59**	**47.75**

16. Other Current Financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Insurance claims receivable	273.71	46.07	22.43
Interest Receivable	143.52	47.17	47.02
Total	**417.23**	**93.24**	**69.45**

17. Other current assets
(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance to suppliers	391.20	565.58	1,379.29
Deposit with related parties (refer note 46)	9.60	9.60	9.60
GST Refund claim with statutory authority	1,982.18	-	-
Balance with the statutory/ Government authorities	3,897.25	350.81	416.28
Export Incentive Receivable	71.65	809.52	378.26
Duty Credit Script/ MEIS in hand	60.83	91.90	16.58
Prepaid expenses	181.57	188.98	152.51
Others	153.94	152.69	136.82
Total	**6,748.22**	**2,169.08**	**2,489.34**

18 Assets held for sale

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Lands	1,019.15	428.45	76.01
Buildings	308.82	264.84	-
Plant & machinery	12.15	-	-
Total	**1,340.12**	**693.29**	**76.01**

LAND AND BUILDING AT NANI TAMBADI

The Company had acquired Land at Nani Tambadi for setting up of Multi Filament Yarns facility with continuous polymerasation plant. Due to problems created by local villagers and undue delay in statutory clearances, the project had to be shifted to Dahej, Gujarat. Consequent to this the Company has decided to sell the said land and building constructed thereon. The Company has entered into an agreement to sell the land & building and has received advance. On receipt of Pending approvals and NOC from concerned authority, The closure of the deal is likely to completed in FY 2018-19.

LAND, BUILDING & PLANT & MACHINERY AT NOIDA

Board of Directors in its Board Meeting held on 07.11.2017 decided to close down operations at its Noida Plant as the size of operations at Noida plant were very small as compared to the other two plants at Dahej and Dadra, also the products manufactured at Noida plant became unremunerative. Out of the three production lines, two lines had already been sold till 31.03.2018 and negotiations are going on for sale of rest plant and machinery, land and building at Noida Plant.

The Company has identified the above as held for sale to optimise the capital allocation and focus on core business. The sale is envisaged through transfer of title for identified assets held for sale. The proposed sale are expected to be completed within 12 months from the respective reporting dates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

19. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
4,50,00,000 Equity Shares of ₹10/- each	4,500.00	4,500.00	4,500.00
Total	**4,500.00**	**4,500.00**	**4,500.00**
Issued, subscribed and fully paid-up shares			
4,35,00,000 Equity Shares of ₹10/- each fully paid (31st March 2017 : 4,35,00,000 equity shares of ₹10/- each fully paid, 1st April, 2016 : 3,20,00,000 equity shares of ₹10/- each fully paid)	4,350.00	4,350.00	3,200.00
Total	**4,350.00**	**4,350.00**	**3,200.00**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	₹in lakhs	No. of Shares	₹in lakhs	No. of Shares	₹in lakhs
At the beginning of the Period	43,500,000	4,350.00	32,000,000	3,200.00	32,000,000	3,200.00
Add: Shares issued during the Period	-	-	11,500,000	1,150.00	-	-
Outstanding at the end of the year	**43,500,000**	**4,350.00**	**43,500,000**	**4,350.00**	**32,000,000**	**3,200.00**

b. Terms / rights attached to equity shares

1. The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. the Company declares and pays dividend in Indian rupees.
2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Issue of convertible warrants and conversion into equity shares

1. During the year ended March 31, 2016 the Company had allotted 11,500,000 Convertible Warrants and received ₹1,293.75 lakhs as application money being 25% of the issue price on preferential basis to the promoter's group/others to be converted at the option of warrant holders in one or more tranches, within 18 months from the date of allotment (i.e. March 16, 2016) of warrants into equivalent number of fully paid equity shares of the Company of the face value of ₹10/- per share at an exercise price of ₹45/- per share (including premium of ₹35/- per share).

2. During the year ended March 31, 2017 the Company has received ₹3881.25 lakhs being 75% of the issue price and allotted 11,500,000 equity shares of face vale of ₹10/- per share at a premium of ₹35/- per share at its meeting held on July 30, 2016. The proceeds of the same have been utilised for the intended purpose of promoters contribution in the Company's expansion project.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of ₹10/- each fully paid up						
Madhu Sudhan Bhageria	3,754,693	8.63%	3,708,360	8.52%	3,708,360	11.59%
Purrshottam Bhaggeria	4,239,693	9.75%	4,193,359	9.64%	4,193,359	13.10%
Madhav Bhageria	4,277,293	9.83%	4,230,960	9.73%	4,230,960	13.22%
Azimuth Investments Ltd.	3,125,000	7.18%	3,125,000	7.18%	3,125,000	9.77%
Janus Infrastructure Projects Private Limited	2,700,000	6.21%	2,700,000	6.21%	-	0.00%
Nishit Fincap (P) Ltd	1,200,000	2.76%	2,408,000	5.54%	400,000	1.25%
Nouvelle Securities (P) Ltd.	1,989,016	4.57%	1,989,016	4.57%	1,989,016	6.22%
As per records of the Company including its register of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.						
e. Shares held by holding company or its subsidiaries/their Associates		**Nil**		**Nil**		**Nil**

20. Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Reserve	1,253.11	1,253.11	1,253.11
Capital Redemption Reserve	1,250.00	1,250.00	1,250.00
Securities Premium Reserve	9,734.30	9,734.30	5,709.30
General Reserve	350.43	350.43	350.43
Employee Stock Option Outstanding	61.34	32.60	3.86
Retained Earnings (Surplus/(deficit)	21,518.77	15,540.39	11,484.83
Total Reserve and Surplus	**34,167.95**	**28,160.83**	**20,051.53**
Money received against share warrants	-	-	**1,293.75**
Other Comprehensive Income (OCI)	**31.67**	**0.66**	-
Total	**34,199.62**	**28,161.49**	**21,345.28**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Nature and Purpose of Reserves

a) Capital Reserve
Capital Reserve was created under the previous GAAP on account of Capital profit in negotiation settlement with IDBI Bank and on redemption of certain preference shares.

b) Capital Redemption Reserve
Capital Redemption Reserve was created during redemption of Preference shares out of the profits of the Company in accordance with the requirements of Companies Act.

c) Security Premium Reserve
The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This can be utilized in accordance with the provisions of the Companies Act, 2013.

d) General Reserve
This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

e) Employee Stock Option Outstanding
The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

f) Retained Earnings
Retained earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

21. Non Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Secured						
From Banks						
(i) Term Loans						
- Rupee loans	16,928.48		13,325.15		6,102.85	
- Foreign currency loans	6,455.20		6,632.45		10,631.76	
- External Commercial Borrowing (ECB)	23,421.75		5,782.08		6,675.48	
(ii) Vehicle Loans	93.32		27.01		53.22	
Total	**46,898.75**		**25,766.69**		**23,463.31**	
Less : Current maturity (refer note 26)	6,548.48		5,350.52		4,315.77	
Net Long Term Borrowings (Banks)		**40,350.27**		**20,416.17**		**19,147.54**
(iii) Buyers credit for capital goods		2,941.32		1,182.84		164.70
(iv) From a non banking financial institution						
- Term Loan	3,372.86		3,325.41		998.00	
Less : Current maturity (refer note 26)	517.54		49.07		47.34	
Net Long Term Borrowings (NBFC)		**2,855.32**		**3,276.34**		**950.66**
Total Secured Borrowings		**46,146.91**		**24,875.35**		**20,262.90**
Unsecured						
(v) From body corporate		8,013.25		8,759.75		9,919.00
Total Unsecured Borrowings		**8,013.25**		**8,759.75**		**9,919.00**
Total		**54,160.16**		**33,635.10**		**30,181.90**

I. Term loans

a) From banks under consortium arrangement ₹23,383.68 Lakhs (net of transaction cost of ₹184.24 Lakhs) [previous Year ₹19,957.60 Lakhs (net of transaction cost of ₹114.54 lakhs)], are secured by equitable mortgage created/extended by way of deposit of title deeds on pari passu basis in respect of immovable properties and first charge by way of hypothecation of company's all movable assets (save & except vehicles, plant & machinery and equipment acquired through specific loans), pledge of 7,472,679 equity shares of the face value of ₹10/- each of the Company held by the promoters and promoter's group, mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party), personal guarantees of the promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) upto value of the mortgage property. These loans are further secured by second pari passu charge by way of hypothecation of inventory of raw material, finished goods, semi-finished goods, stores & spares, book debts and other receivables (both present and future) Rupee loan bear floating interest rate ranging from MCLR plus 2.10% - 4.25% p.a. while Foreign Currency Term Loan (FCTL) bear interest rate of 6 /12 Months Libor + 4.00% to 4.25% p.a. The loans are repayable in ballooning quarterly installments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

b) External Commercial Borrowings (ECB) From Foreign Consortium Banks

(i) ₹5,954.57 Lakhs (net of transaction cost ₹348.46 Lakhs) [previous Year ₹5,782.08 Lakhs (net of transaction cost ₹466.02 Lakhs)], are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipments thereof and personal guarantee of promoter directors. The loan is repayable in 16 half yearly equal installments that commenced from December 2016 and bear Interest at 6M Euribor + 1.55% p.a.

(ii) ₹17,467.18 Lakhs (net of transaction cost ₹1,546.11 Lakhs) (previous Year Rs. Nil), are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipments thereof and personal guarantee of promoter directors. The loan is repayable in 20 half yearly equal installments that will commence from September 2018 and bear Interest at 6M Euribor + 1.10% p.a.

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. The said loans carry interest rate which varies 8.25% to 10.50% and repayable in 36 - 60 Equated Monthly installments.

III. Buyers' Credit for capital goods amounting to ₹2,941.32 Lakhs (Previous Year ₹1,182.84 Lakhs) secured by Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) issued by consortium of banks. LOUs / LOCs facility is secured by equitable mortgage created by way of deposit of title deeds on pari passu basis in respect of immovable properties and first charge by way of hypothecation of company's all movable assets (save & except inventories, book debts, vehicles, plant & machinery acquired through specific loans), pledge of 7,472,679 equity shares of the face value of ₹10/- each of the Company held by the promoter directors and promoter group, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of the promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property on pari-passu basis. These loans are further secured by second pari passu basis charge by way of hypothecation of inventory of raw material, finished goods, semi-finished goods, stores & spares, book debts and other receivables (both present and future). The loan bears floating interest 6/12 Months Libor plus 0.72% - 2.30% p.a. & Euribor plus 0.12% - 0.40% p.a

IV. From a non banking financial institution

a) ₹889.04 Lakhs (net of transaction cost ₹4.10 Lakhs) [Previous year ₹950.66 Lakhs (net of transaction cost ₹5.02 Lakhs)] is collaterally secured by mortgage created by way of deposit of title deeds in respect of the immovable property belonging to promoters group, and are further secured by corporate guarantee of Azimuth Investment Limited, Promoter's group company (related party) restricted upto the value of property. The loan carries floating interest rate of RFRR - 9.20% i.e 11.00% p.a. presently and repayable in 120 equated monthly installments that started from May, 2016.

b) ₹2,483.82 lakhs (net of transaction cost ₹16.18 Lakhs) [previous year ₹2,374.75 lakhs (net of transaction cost ₹25.25 Lakhs)] is collaterally secured by mortgage created by way of deposit of tittle deeds in respect of immovable property belonging to Elevate Developers Private Limited, (Related party) and are further secured by pledge of 3,400,000 equity shares held by the promoter group companies. The loan carries floating interest rate of base rate plus 0.30% i.e 13.25% p.a presently and is repayable in 11 equal quarterly installments starting from October 2018 after a moratorium of 15 months."

V. Unsecured Loans - From body corporates carrying interest @ 9% - 14% p.a. and are payable after 15 months to 36 months from the date of receipt.

22. Non Current Financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dealer's Deposits Held	598.31	398.37	433.98
Deferred Payments	124.36	338.26	76.37
Total	**722.67**	**736.63**	**510.35**

23. Non Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Gratuity (refer note 48)	345.57	362.31	306.86
Provision for Leave Encashment	170.44	201.50	161.39
Total	**516.01**	**563.81**	**468.25**

24. Deferred tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
A. Components of Income Tax Expense		
I. Tax expense recognised to Statement of Profit & Loss		
a) Current Tax :		
- Current year	1,968.77	1,177.95
- Adjustment/(credits) related to previous years (net)	(0.60)	-
Total (a)	**1,968.17**	**1,177.95**
b) Deferred Tax		
- Relating to origination and reversal of Temporary differences	3,294.24	1,374.34
- Minimum Alternate Tax (MAT) credit entitlement	(1,968.77)	(1,177.95)
Total (b)	**1,325.47**	**196.39**
Income tax expense reported in the Statement of Profit & Loss (a+b)	**3,293.64**	**1,374.34**
II. Tax on other comprehensive income		
Deferred Tax		
- (Gain)/loss on remeasurement of net defined benefit plans	16.66	0.35
Total	**16.66**	**0.35**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Accounting Profit before income tax	9,272.02	5,429.90
India's statutory Income tax rate (%)	34.9440%	34.608%
Tax on accounting profit at above rate	3,240.01	1,879.18
Adjustments in respect of Current Income tax of Previous years	(0.60)	-
Non-deductible/(deductible) expenses for Tax purposes		
- Investment Allowance u/s 32AC of Income Tax Act, 1961	-	(511.70)
- CSR expenditure	22.18	6.71
- Depreciation on leasehold land	(7.29)	5.86
- Profit on sale of land	-	(15.32)
- Employee share based payment expense	10.04	9.95
- Reversal of Deferred tax liability on Fair valuation of land	1.40	(4.58)
- Effect of deferred tax balances due to the changes in Income tax rate from 34.608% to 34.9440%	48.81	-
- Other non-deductible expenses	(20.91)	4.24
Income tax expense reported in the statement of Profit & Loss	**3,293.64**	**1,374.34**

i) The tax rate used for calculating deferred tax for FY 2017-18 is 34.9440% and for FY 2016-17 is 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

ii) The Indian Companies have to pay taxes based on the higher of Income-tax profit of the Company or MAT at 21.3416% of book profit for the year 2017-18 and 2016-17.

C. Movement in Deferred Tax Assets and Liabilities

(₹ in Lakhs)

Particulars	As at April 01, 2016	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Comprehensive income	As at March 31, 2017	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Comprehensive income	As at March 31, 2018
a) Deferred tax liability							
- On property, plant and equipment	6,097.11	2,063.82	-	8,160.93	2,847.14	-	11,008.07
- On fair value gain/(loss) on Property, Plant & Equipment	1,525.51	(11.80)	-	1,513.71	3.71	-	1,517.42
Total deferred tax liabilities	**7,622.62**	**2,052.02**	**-**	**9,674.64**	**2,850.85**	**-**	**12,525.49**
b) Deferred tax assets							
- On Provision for Doubtful Debts and advances	143.48	-	-	143.48	1.39	-	144.87
- On provision for compensated absenses (Bonus & Leave encashment)	115.83	15.55	-	131.38	9.19	-	140.57
- On Gratuity and other Employee Benefits	125.44	26.08	-	151.52	19.44	-	170.96
- On fair valuation of forward contracts	21.07	(24.99)		(3.92)	3.92	-	0.00
- On exchnage variation on capital goods charged to P&L	-	-		-	16.24	-	16.24
- On unabsorbed depreciation	3,223.32	674.97		3,898.29	(901.44)	-	2,996.85
- On deferred Income	341.18	(14.27)		326.91	391.21	-	718.12
Total deferred tax assets before MAT credit entitlement	**3,970.32**	**677.34**	**-**	**4,647.66**	**(460.05)**	**-**	**4,187.61**
Total deferred tax liabilities (Net) before MAT credit entilement	3,652.30	1,374.68	-	5,026.98	3,310.90	-	8,337.88
Less: MAT Credit entitlement	1,073.33	1,177.95	-	2,251.28	1,968.77	-	4,220.05
Total deferred tax liabilities (Net)	**2,578.97**	**196.73**	**-**	**2,775.70**	**1,342.13**	**-**	**4,117.83**

D. Unabsorbed tax depreciation can be claimed for an infinite period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

25. Non Current Other liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Income - Govt. Grant (refer note 49)	1,966.06	902.52	944.16
Total	**1,966.06**	**902.52**	**944.16**

26. Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
From Banks (Secured)			
(i) Working Capital :			
- Rupee loans	4,742.65	1,672.60	5,185.47
- Foreign currency loans	4,036.85	5,305.50	6,373.06
(ii) Short Term borrowing	1,073.00	-	-
(iii) Buyer's credit for raw material	-	7,372.66	2,221.98
Total	**9,852.50**	**14,350.76**	**13,780.51**

I. Working capital loans from consortium member banks are secured by first charge by way of hypothecation of inventory of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) on pari passu basis and are further secured by way of second charge on block of fixed assets of the Company save & except vehicles and plant & machinery acquired out of specific loan(s). These facilities are further secured by pledge of 7,472,679 equity shares of the face value of ₹10/- each of the Company held by promoter and promoter group, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property i.e ₹434.00 lakhs on pari passu basis. These loans are repayable on demand. Rupee working capital loan carry an interest at MCLR plus 2.10% to 3.95% p.a and foreign currency working capital loan carry an interest at 6M libor + 3.50% to 3.65% p.a.

II. Short term borrowing
Short term borrowing obtained from Union Bank of India, on sole banking and is secured by first charge by way of hypothecation of inventory of raw materials, finished goods, semi finished goods, stores and spares, book debts, GST receivable and other receivables (both present and future) on pari passu basis and are further secured by way of second charge on block of fixed assets of the Company save & except vehicles and plant & machinery acquired out of specific loan(s). These facilities are further secured by pledge of 7,472,679 equity shares of the face value of ₹10/- each of the Company held by promoter and promoter group, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party), equitable mortgage of an immovable property owned by Ms Vrinda Bhageria (related party) and personal guarantees of promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property i.e ₹434.00 lakhs on pari passu basis and personal guarantee of Ms. Vrinda Bhageria (related party) to the extent of value of property i.e. ₹336.00 lakhs. These loans are repayable on demand. Rupee working capital loan carry an interest at MCLR plus 2.10% to 3.95% p.a and foreign currency working capital loan carry an interest at 6M libor + 3.50% to 3.65% p.a.

III. Bill Discounting: The above does not include bill discounting of ₹277.74 Lakhs (previous year ₹949.19 lakhs) from bank against confirmed letter of credit which has been reduced from Trade Receivables (refer note 12).

27. Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payable			
Dues of other than micro, small & medium enterprises			
- Acceptances - Foreign	10,964.07	9,355.93	4,349.36
- Acceptances - Domestic	2,713.97	1,523.81	7,485.33
- Others	8,389.40	249.67	141.74
Dues of micro, small & medium enterprises (refer note 44)	338.59	-	62.13
Total	**22,406.03**	**11,129.41**	**12,038.56**

28. Current Other Financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturity of long term borrowings			
From Banks (secured)			
(i) Term Loans			
- Rupee loans	5,006.28	4,601.37	3,444.19
- External Commercial Borrowings	1,516.03	733.18	838.63
(ii) Vehicle Loans	26.17	15.97	32.95
From a Non Banking Financial Institution (secured)			
- Rupee loans	517.54	49.07	47.34
Interest accrued but not due on borrowings	111.64	61.01	50.57
Dealer's Deposit	90.91	91.39	102.10
Unpaid dividend (To be transferred to Investor Education & Protection Fund as and when due)	4.30	4.30	5.21
Expense payable	548.27	700.26	439.37
Derivative Financial Liabilities (Foreign exchange forward contracts)	56.79	991.13	677.92
Capital Creditors	1,187.19	286.35	578.56
Payable other than trade	1,203.37	795.24	374.66
Total	**10,268.49**	**8,329.27**	**6,591.50**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

29. Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from customers	300.42	353.04	124.98
Deferred Income - Govt. grant (refer note 49)	88.03	41.64	41.64
Dues to statutory authorities	220.61	438.51	321.17
Total	**609.06**	**833.19**	**487.79**

30. Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Gratuity (refer note 48)	143.63	75.49	55.59
Provision for Leave Encashment	87.43	52.31	41.84
Total	**231.06**	**127.80**	**97.43**

31. Income Tax Liabilities (net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for tax (net of advance tax)	112.03	-	74.92
Total	**112.03**	**-**	**74.92**

32 Liabilities directly associated with assets classified as held for sale

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance received against asset held for sale	240.00	40.00	51.00
Total	**240.00**	**40.00**	**51.00**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

33. Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (Including excise duty)	193,113.27	165,750.74
Sale of traded goods	3,827.78	4,558.07
Job work	-	166.81
Other operating revenue	548.62	493.03
Total	**197,489.67**	**170,968.65**

Other operating revenue comprising the following:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Other operating revenue		
Sales of scrap	372.77	285.20
Government Grant (Refer note 49)	44.64	41.64
Export incentives earned	131.21	166.19
Total	**548.62**	**493.03**

34. Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on		
a) Financial assets held at amortised cost		
Fixed deposits with banks	107.42	104.14
Others	520.10	887.22
b) Others		
Interest on Income Tax refund	15.82	-
Dividend Income		
Dividend on current investment in mutual funds	46.99	1.62
Other non-operating Income		
Net gain on Fair Value changes at FVTPL on Investments	-	0.02
Net gain on foreign currency transaction and translation	347.26	191.72
Miscellaneous Income	2.23	2.90
Sundry balances written back	24.86	25.67
Total	**1,064.68**	**1,213.29**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

35. Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material	145,916.81	117,602.84
Packing Material	6,438.21	5,128.04
Consumables	629.88	535.95
Total	**152,984.90**	**123,266.83**

36. (Increase)/ decrease in inventories

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Closing stock		
- Finished goods	8,456.12	7,263.00
- Work- In- Progress	922.07	764.21
Total	**9,378.19**	**8,027.21**
Opening stock		
- Finished goods	7,263.00	3,162.90
- Work- In- Progress	764.21	323.55
Total	**8,027.21**	**3,486.45**
Total (increase)/decrease	**(1350.98)**	**(4540.76)**

37. Employee benefit expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	4,393.87	4,279.02
Contribution to provident & other funds	215.75	194.20
Employee Stock Option expense (refer note 50)	28.74	28.74
Gratuity (refer note 48)	89.87	69.76
Staff welfare expenses	146.51	125.05
Total	**4,874.74**	**4,696.77**

38. Finance Cost

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
- on term loans (refer note 49)	1,643.68	2,311.54
- on working capital & others	1,015.67	2,057.41
- on defined benefit Plan	31.52	27.18
Exchange difference regarded as an adjustment to borrowing Cost	883.78	736.72
Bank Charges	835.78	730.63
Total	**4,410.43**	**5,863.48**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

39. Other expenditure

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing Expenses		
Consumption of stores and spares	1,117.81	1,081.08
Power & Fuel	11,669.25	8,595.58
Increase/(decrease) in excise duty on finished goods inventory	(577.38)	245.37
Total manufacturing Expenses (A)	**12,209.68**	**9,922.03**
Selling Expenses		
Market Development Expenses	39.52	41.48
Freight outward	2,019.78	1,643.90
Commission on sales	1,080.88	643.86
Total selling expenses (B)	**3,140.18**	**2,329.24**
Administration and other expenses		
Rent	202.64	166.36
Repair & Maintenance - Machinery	186.62	142.48
- Building	72.95	42.73
- Others	136.50	87.34
Insurance	102.29	131.10
Rates & taxes	88.43	35.10
Auditor's remuneration (refer note 43)	17.57	15.40
Electricity & Water expenses	56.99	48.70
Printing & stationery	37.21	33.27
Postage, telephone & telegram	52.71	45.74
Travelling & conveyance	267.03	248.03
Vehicle running & maintenance	177.38	135.81
Legal & professional charges	153.73	139.47
Director's sitting fees	5.72	5.30
Security services	10.66	27.68
Expenditure towards Corporate Social Responsibility (refer note 42)	63.48	19.38
General expenses	83.55	81.44
Donation & charity (Other than Political Parties)	1.29	1.11
Advertisement & publicity	10.92	6.05
Membership & subscription	15.85	15.48
Loss on sale/discarding of Property, Plant & Equipment [Net of profit of Rs. 7.04 Lakhs (previous year Rs. 3.85 Lakhs)]	21.68	31.92
Bad Debts Written Off	-	841.69
Total administrative & other expenses (C)	**1,765.20**	**2,301.58**
Total (A + B + C)	**17,115.06**	**14,552.85**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

40. Earnings per share (EPS)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit/(loss) for calculation of basic/diluted EPS (Rs. In Lakhs)	5,978.38	4,055.56
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic EPS	**43,500,000**	**39,719,178**
Effect of Dilution:		
Effect of dilutive issue of share warrants convertible into equity shares	-	3,780,822
Effect of dilutive issue of stock option (ESOP)	681,832	122,941
Weighted average number of shares in calculating Diluted EPS	**44,181,832**	**43,622,941**
Nominal Value of each share	10	10
Earning per share:		
Basic (₹)	13.74	10.21
Diluted (₹)	13.53	9.30

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

41. Contingent liabilities and commitments (to the extent not provided for)

i) Contingent liabilities

(₹ in Lakhs)

Particulars			As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A.	**Claims against The Company not acknowledged as debts**				
	a)	Excise / Custom duty (Mainly relating to reversal of cenvat credit & valuation of texturised yarns)	764.83	777.31	1,202.31
	b)	Income Tax demand on account of :			
		- Penalty for the period AY 2001-02 to 2005-06	-	33.37	33.37
	c)	Amount of duty saved on import of plant & machinery under EPCG scheme on pending export obligations	2,732.06	310.13	1,848.96
	d)	Other Claims against The Company not acknowledged as debts	434.89	434.89	1,552.08
B.	**Guarantees**				
	a)	Letters of Credits	13,517.08	4,556.97	3,682.92
	b)	Unexpired Bank Guarantees	2,375.85	2,083.79	2,010.34
	c)	Export Bill Discounting	277.74	949.19	-
C. Other money for which The Company is contingently liable					

The Company does not expect any reimbursement in respect of the above contingent liabilities and it is not practicable to estimate the timings of the cash flows, if any. In respect of the matters pending resolution of the arbitration/ appellate proceedings and it is not probable that an outflow of resources will be required to settle the above obligations/ claims.

Based on the discussion with the solicitors and as advised, The Company believes that there are fair chances of decisions in its favor (in respect of the items listed in A (a) to A (d) above). Hence, no provision is considered necessary against the same.

ii) Capital & other commitments

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Property, Plant and equipment	8,353.53	16,733.11	2,151.00

b) Other commitments :
Export obligation of ₹16,392.35 lakhs (previous year (₹1,860.78 lakhs) on account of duty saved on import of plant & machinery under EPCG scheme.

42. In light of Section 135 of the Companies Act, 2013, The Company has incurred expenses on Corporate Social responsibility (CSR) aggregating to ₹63.48 Lakhs (previous year ₹19.38 Lakhs).
Disclosure in respect of CSR expenditure is as follows:

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a)	Gross amount required to be spent by The Company during the year	63.28	19.23
b)	Amount spent during the year on the following:		
	1. Construction/acquisition of asset	22.13	4.19
	2. On purposes other than 1 above	41.35	15.19

43. Statutory Auditor's Remuneration
(Net of GST/Service tax)

(₹ in Lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
a)	Audit fees (including fees for limited review)	15.07	12.58
b)	Tax audit fees	2.00	1.80
c)	Certification charges	0.20	0.64
d)	Out of pocket expenses	0.30	0.38
Total		**17.57**	**15.40**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

44. Details of dues to Micro Small & Medium Enterprises Development (MSMED) Act, 2006

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i)	The principal amount & the interest due thereon remaining unpaid at the end of the year			
	Principal Amount	338.59	-	62.13
	Interest Due thereon	0.65	0.68	-
ii)	Payments made to suppliers beyond the appointed day during the year			
	Principal Amount	543.56	60.01	-
	Interest Due thereon	2.84	0.68	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of the year; and	3.49	0.68	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-	-

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with The Company and in cases of confirmation from vendors, interest for delayed payments has not been provided.

45. Segment Information

The Company is primarily engaged in manufacture and trading of synthetic yarn and textiles which is considered as the only reportable business segment. The Company's Chief Operating Decision Maker (CODM) is the Managing Director. He evaluates The Company's performance and allocates resources based on analysis of various performance indicators by geographical areas only.

INFORMATION ABOUT REPORTABLE SEGMENT

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
External revenue in the above reportable business segment	197,489.67	170,968.65

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

INFORMATION ABOUT GEOGRAPHICAL AREAS

a. Revenue from external customers

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Within India	160,233.42	144,059.14
Outside India	37,256.25	26,909.51
Total	**197,489.67**	**170,968.65**

b. Non current assets (other than financial instruments and tax assets)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Within India	96,053.70	66,330.91
Outside India	-	-
Total	**96,053.70**	**66,330.91**

c. Information about major customer :

There are no major customers contributing to more than 10% of the total revenue.

46. Related Party Disclosure:

(i)	Names of related parties and nature of relationships:		
	a)	**Key managerial personnel:**	
		i) Shri Madhu Sudhan Bhageria	(Chairman and Managing Director)
		ii) Shri Purrshottam Bhaggeria	(Joint Managing Director)
		iii) Shri Madhav Bhageria	(Joint Managing Director)
		iv) Shri Ashok Chauhan	(Whole time Director)
		v) Shri B.B Tandon	Independent - Non Executive Director
		vi) Shri S.C Parija	Independent - Non Executive Director
		vii) Shri S.P Setia	Independent - Non Executive Director
		viii) Smt. Pallavi Joshi Bakhru	Independent - Non Executive Director
		ix) Shri Rajender Prasad Gupta	(Chief Financial Officer)
		x) Shri Raman Jha	(Company Secretary)
	b)	**Relative of key managerial personnel:**	
		i) Smt. Anu Bhageria	(Wife of related party mentioned at a(i) above).
		i) Smt. Shefali Bhageria	(Wife of related party mentioned at a(ii) above).
		iii) Smt. Gunjan Bhageria	(wife of related party mentioned at a(iii) above).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

		iv) Ms. Vrinda Bhageria	(Daughter of related party mentioned at a(i) above).
		v) Mr. Yaduraj Bhageria	(Son of related party mentioned at a(ii) above).
		vi) Mr. Vedansh Bhageria	(Son of related party mentioned at a(iii) above).
	c)	**Subsidiary Company:**	
		a. Filatex Global PTE Ltd.	
	d)	**Enterprises owned or significantly influenced by key managerial personnel:**	
		i) Madhu Sudhan Bhageria (HUF)	
		ii) Purrshottam Bhaggeria Family Trust	
		iii) Nouvelle Securities Pvt Ltd	
		iv) SMC Yarns Pvt Ltd	
		v) Vrinda Farms Pvt. Ltd.	
		vi) Maan Softech Private Limited	
		vii) Azimuth Investment Private Limited	
		viii) Janus Infrastructure Projects Private Limited	
		ix) Fargo Estates Private Limited	
		x) Elevate Developer Private Limited	
		xi) Hill Estate Pvt. Ltd.	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) Transactions with related parties during the year :

(₹ in Lakhs)

Nature of Transactions		Nature of Relationship	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent paid				
Purrshottam Bhaggeria		Key Management Personnel	-	1.47
Vrinda Bhageria		Relative of Key Management Personnel	14.40	8.50
Vedansh Bhageria			9.60	8.83
Yaduraj Bhageria			9.60	8.83
Madhusudan Bhageria (HUF)		Enterprises owned or significantly influenced by Key Managerial Personnel	-	4.58
Nouvelle Securities (P) Ltd.			-	3.00
Vrinda Farms Private Limited			22.05	19.80
Maan Softech Private Limited			18.00	12.44
Purrshottam Bhaggeria Family Trust			21.60	17.50
Security service paid				
Hill Estate (P) Ltd.		Enterprises owned or significantly influenced by Key Managerial Personnel	3.12	6.98
Sale of Asset (vehicle)				
Ashok Chauhan		Key Management Personnel	4.28	-
Unsecured Loan taken, paid and interest paid				
Nouvelle Securities (P) Ltd.				
Unsecured Loan	Taken	Enterprises owned or significantly influenced by Key Managerial Personnel	3,325.00	1,200.00
	Repaid		2,250.00	50.00
Interest Paid			137.14	46.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Nature of Transactions	Nature of Relationship	For the year ended March 31, 2018	For the year ended March 31, 2017
Security Deposit Repaid			
Purrshottam Bhaggeria	Key Management Personnel	-	0.72
Money received against allotment of convertible warrants			
Anu Bhageria	Relative of Key Management Personnel	-	50.63
Vrinda Bhageria		-	50.63
Shefali Bhageria		-	50.63
Yaduraj Bhageria		-	50.63
Gunjan Bhageria		-	50.63
Vedansh Bhageria		-	50.63
Janus Infrastructure Projects Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	-	911.25
Fargo Estates Private Limited		-	540.00
Equity shares issued upon conversion of share warrants			
Anu Bhageria	Relative of Key Management Personnel	-	67.50
Vrinda Bhageria		-	67.50
Shefali Bhageria		-	67.50
Yaduraj Bhageria		-	67.50
Gunjan Bhageria		-	67.50
Vedansh Bhageria		-	67.50
Janus Infrastructure Projects Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	-	1,215.00
Fargo Estates Private Limited		-	720.00
Managerial Remuneration (Including Commission)			
Madhusudan Bhageria	Key Management Personnel		
- Short-term employee benefits		95.10	87.39
- Post-employment benefits		0.22	0.22
- Other long-term benefits		0.90	1.28
- Termination benefits		20.00	10.00
- Share-based payment		-	-
Purrshottam Bhaggeria			
- Short-term employee benefits		88.69	80.88
- Post-employment benefits		0.22	0.22
- Other long-term benefits		0.77	1.11

Nature of Transactions	Nature of Relationship	For the year ended March 31, 2018	For the year ended March 31, 2017
- Termination benefits		18.78	8.83
- Share-based payment		-	-
Madhav Bhageria			
- Short-term employee benefits		86.62	76.37
- Post-employment benefits		0.22	0.22
- Other long-term benefits		0.77	1.13
- Termination benefits		16.72	7.72
- Share-based payment		-	-
Ashok Chauhan			
- Short-term employee benefits		30.57	30.28
- Post-employment benefits		-	-
- Other long-term benefits		0.32	1.62
- Termination benefits		-	-
- Share-based payment		1.66	1.51
B.B Tandon			
- Director Sitting Fees		1.51	1.56
S.C Parija			
- Director Sitting Fees		1.40	1.32
S.P Setia			
- Director Sitting Fees		1.30	1.16
Pallavi Joshi Bakhru			
- Director Sitting Fees		1.51	1.26
Rajender Prasad Gupta			
- Short-term employee benefits		18.58	14.28
- Post-employment benefits		0.22	0.22
- Other long-term benefits		1.65	1.72
- Termination benefits		7.30	6.74
- Share-based payment		1.33	1.21
Raman Jha			
- Short-term employee benefits		6.85	6.52
- Post-employment benefits		0.22	0.22
- Other long-term benefits		0.57	0.05
- Termination benefits		1.00	0.03
- Share-based payment		0.50	0.45
Transaction with Subsidiary Company (Filatex Global PTE Ltd)			
Share Application money	Subsidiary Company	-	5.16
Investment in Share Capital		-	6.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Nature of Transaction	Nature of Relationship	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance outstanding				
Managerial Remuneration (net of TDS)				
Madhusudan Bhageria	Key Management Personnel	18.45	22.29	19.51
Purrshottam Bhageria		17.15	22.29	19.68
Madhav Bhageria		17.25	22.30	21.03
Unsecured Loan				
Nouvelle Securities (P) Ltd.	Enterprises owned or significantly influenced by Key Managerial Personnel	2,225.00	1,150.00	-
Balance with Subsidiary Company (Filatex Global PTE Ltd)				
Share Application money	Subsidiary Company	5.17	5.16	5.26
Investment in Share Capital		6.50	6.58	-
Security deposit (Rent)				
Vrinda Farms Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	3.60	3.60	3.60
Maan Softech Private Limited		3.00	3.00	3.00
Purrshottam Bhaggeria Family Trust		3.00	3.00	3.00
Immovable Property mortgaged/ Guarantee given against loan taken by The Company				
SMC Yarns Pvt. Ltd. (Realisable value of the property as per valuation report dated 06.01.2018 P.Y 05.07.2014)	Enterprises owned or significantly influenced by Key Managerial Personnel	336.00	434.70	434.70
Azimuth Investment Pvt Ltd (Realisable value of the property as per valuation report dated 14.04.2014)		527.00	527.00	527.00
Elevate Developer Private Limited (Realisable value of the property as per valuation report dated 24.03.2017)		3,018.00	3,018.00	-

Nature of Transaction	Nature of Relationship	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Satya Bhama Bhageria *	Relative of key Managerial Personnel	866.00	866.00	866.00
Anu Bhageria *				
Shefali Bhageria *				
Gunjan Bhageria *				
Vrinda Bhageria		786.30	-	-
Madhu Sudhan Bhageria #	Key Management Personnel	862.18	524.04	533.71
Purrshottam Bhaggeria #		930.46	808.52	754.67
Madhav Bhageria #		1,073.17	921.92	916.99

Net worth as on 31st March, 2017 (previous year as on 31st March, 2016)
*Property jointly held by related parties and valuation of property as per valuation report dated 14th April, 2014
Grant of stock options during the previous year to key managerial personnel namely, (1) Mr. Ashok Chauhan - 50,000 Shares, (2) Mr. R.P Gupta - 40,000 Share and (3) Mr. Raman Jha - 15,000 Share (refer note no. 50).
No amount has been written off or provided for in respect of transactions with related parties.

47. Leases

(a) Operating Lease: Company as a lessee

General Description of leasing agreements:
The Company has various operating leases under cancellable operating lease arrangements for plant and machinery, accommodation for employees and other assets which are renewable by mutual consent on mutually agreeable terms and range between 11 months to 10 years. The Company has given interest free refundable security deposit in accordance with the agreed terms. There are no restrictions imposed by these arrangements. There are no sub leases. The Company has not entered into any non cancellable lease.

Disclosures with respect to operating leases :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating lease payments recognised in the Statement of Profit and Loss under 'Rent'	202.64	166.36
- Contingent rents recognised as an expense	-	-

(b) Finance Lease:

The Company has entered into finance leases for leasehold land. These leases are generally for a period of 99 years. The land at Dahej, Gujrat can be extended for a further period of 99 years. No part of the land has been sub leased. Except for the initial payment, there are no material annual payments for the aforesaid leases. Refer Note 4 for carrying value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

48. Employee Benefits

Refer note 2.12 for accounting policy on Employee Benefits

A. Defined contribution plans
i. Provident Fund/Employees' Pension Fund
ii. Employees' State Insurance

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Included in contribution to Provident and Other Funds (Refer Note 37)		
Employer's contribution to Provident Fund/Employees' Pension Fund	213.55	192.55
Included in contribution to Provident and Other Funds (Refer Note 37)		
Contribution paid in respect of Employees' State Insurance Scheme	2.20	1.65

B. Defined Benefit Plan

Gratuity: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

(i) Balance Sheet
The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

(₹ in Lakhs)

Particulars	Defined Benefit Plan- Gratuity		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of obligation	489.20	437.80	362.45
Fair value of plan assets	-	-	-
(Asset)/Liability recognised in the Balance Sheet	489.20	437.80	362.45
Net liability-current (Refer Note 30)	143.63	75.49	55.59
Net liability-non-current (Refer Note 23)	345.57	362.31	306.86
	489.20	437.80	362.45

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

(₹ in Lakhs)

	Plan Assets	Plan Obligation	Total
As at 1st April, 2016	-	362.45	362.45
Current service cost	-	69.75	69.75
Past service cost	-	-	-
Interest cost	-	27.18	27.18
Interest income	-	-	-
Return on plan assets excluding interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	7.93	7.93
Actuarial (gain)/loss arising from experience adjustments	-	(8.94)	(8.94)
Employer contributions	-	-	-
Employee contributions	-	-	-
Assets acquired/ (settled)	-	-	-
Benefit payments	-	(20.58)	(20.58)
As at 31st March, 2017	**-**	**437.80**	**437.80**
As at 1st April, 2017	**-**	**437.80**	**437.80**
Current service cost	-	62.08	62.08
Past service cost	-	27.79	27.79
Interest cost	-	31.52	31.52
Interest income	-	-	-
Return on plan assets excluding interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(2.32)	(2.32)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(10.67)	(10.67)
Actuarial (gain)/loss arising from experience adjustments	-	(34.69)	(34.69)
Employer contributions	-	-	-
Employee contributions	-	-	-
Assets acquired/ (settled)*	-	-	-
Benefit payments	-	(22.31)	(22.31)
As at 31st March, 2018	**-**	**489.20**	**489.20**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises: (₹ in Lakhs)

	Defined Benefit Plan- Gratuity	
Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Expenses recognised in the Statement of Profit and Loss for the year		
Employee Benefit Expenses :		
Current service cost	62.08	69.75
Past service cost	27.79	-
Finance costs :		
Interest cost	31.52	27.18
Interest income	-	-
Net impact on profit (before tax)	**121.39**	**96.94**
Recognised in other comprehensive income for the year		
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	(2.32)	-
Actuarial (gain)/loss arising from changes in financial assumptions	(10.67)	7.93
Actuarial (gain)/loss arising from experience adjustments	(34.69)	(8.94)
Return (gain)/loss on plan assets excluding interest income	-	-
Net impact on other comprehensive income (before tax)	**(47.68)**	**(1.01)**

(iv) Assets

There are no plan assets at the Balance Sheet date for the defined benefit obligations as the plan is unfunded.

(v) Assumptions

	Defined Benefit Plan- Gratuity		
Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
Financial/Economic Assumptions			
Discount rate (per annum)	7.30%	7.20%	7.50%
Salary escalation rate (per annum)	7.00%	8.00%	8.00%
Demographic Assumptions			
Retirement age	58 years	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rates			
Ages (years)			
All ages	20.00%	10.00%	10.00%

Notes:-

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the inflation, seniority, promotion and other relevant factors on long term basis.

(vi) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the key assumptions are:

(₹ in Lakhs)

Particulars		Defined Benefit Plan- Gratuity			
		As at March 31, 2018		As at March 31, 2017	
		Change in assumption	Change in Defined Benefit Obligation	Change in assumption	Change in Defined Benefit Obligation
Discount rate (per annum)	- Increase	1.00%	(14.95)	1.00%	(25.35)
	- Decrease	1.00%	16.13	1.00%	28.67
Salary escalation rate (per annum)	- Increase	1.00%	15.47	1.00%	27.50
	- Decrease	1.00%	(14.59)	1.00%	(24.95)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(vii) Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Weighted average duration of the defined benefit obligation	5 years	10 years
Expected benefit payments within next-		
I year	143.63	75.49
II year	79.17	34.05
III year	57.40	38.25
IV year	52.88	35.24
V year	38.43	35.95
thereafter	117.69	218.82

C. Other long-term employee benefit obligations (Included as part of salaries and wages in Note 37 - Employee benefits expense) Includes long term compensated absences. (Refer Accounting policy 2.12)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

49. Government Grant
a. Related to or used for assets:
Deferred Revenue comprises Government grants: (Refer Note 2.14)
(i) Govt. Grant

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance	**944.16**	**985.80**
Add:- Grant received during the year	1,154.57	-
Less:- Grant released to Statement of Profit & Loss	44.64	41.64
Closing Balance	**2,054.09**	**944.16**
Current (refer note 29)	88.03	41.64
Non-Current (refer note 25)	1,966.06	902.52

Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, The Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, The Company would be required to pay the duty saved along with interest to the regulatory authorities.

Pending export obligations attached to above grant amounts to Rs 16,392.35 lakhs (previous year Rs. 1,860.78 lakhs)

b. Related to an expense item:
Grant on account of interest subvention amounting to Rs. 625.90 Lakhs (including Rs. 294.14 lakhs upto March 31, 2017 relating to previous years but recognised in the current year in accordance with the accounting policy) recognised during the year has been deducted from the related interest expense.

50. SHARE BASED PAYMENTS
(I) Employee Stock Option Plans (ESOP)
(Refer Note No 2.13 of accounting policy)
The Board of Directors of The Company had at its meeting held on February 12, 2016, Approved grant of 9,50,000 stock options ("options") to the eligible Employees of The Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015),at an exercise price of Rs. 37 per option (being the closing price at BSE on February 11,2016 i.e immediately preceding the grant date),each option being convertible in to one Equity Share of The Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

The terms and conditions of the grant as per the Filatex Employee Stock Option Scheme, 2015 (Filatex ESOS 2015) are as under:

A. Vesting period
On completion of 3 Years from the date of grant of options for 60%
On completion of 4 Years from the date of grant of options for 20%
On completion of 5 Years from the date of grant of options for remaining 20%

B. Exercise period
The exercise period will commence from the date of vesting itself and shall be exercised in such period as may be decided and communicated by the Nomination & Remuneration Committee. The options, which have been vested and not exercised within

such period, can be carried forward till the last vesting and can be exercised, either partially or wholly, within a period upto one year from last vesting or within such other period and at such time as may be decided and communicated by the Nomination and Remuneration committee, however, the options not so exercised with the period available for exercising of last vesting shall lapse and will not be available for exercise by the employee.

The details of the ESOP 2015 plan are:

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Number of Options	Weighted average Exercise Price (₹)	Number of Options	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	950,000	37.00	950,000	37.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	85,000	-	-	-
Outstanding at the end of the year	**865,000**	**37.00**	**950,000**	**37.00**
Excersiable at the end of the year	-	-	-	-
Weighted average fair value of options on the date of grant per share		₹11.601		₹11.601
The number of shares granted has face value of		₹10.00 each		₹10.00 each
The weighted average contractual life of the options outstanding is		1.6 years		2.6 Years

The following tables list the inputs to the models used for ESOS plan for the years ended March 31, 2018 and March 31, 2017 respectively :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend yield (%)	0.00%	0.00%
Expected volatility (%)	1 to 5	1 to 5
Risk–free interest rate (%)	7.524%	7.524%
Share Price (Rs.)	162.75	120.30
Exercise Price (Rs.)	37.00	37.00
Expected remaining life of options granted in year	3	4
Model used	Black Scholes	Black Scholes

The expected life of the Stock option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

During the year ended, The Company recorded an employee compensation expense of ₹28.74 Lakhs (PY ₹28.74 Lakhs) in the Statement of Profit & Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

51. Particulars of investment made/sold during the year as mandated by the provisions of the section 186 of the Companies Act, 2013:

Refer note 6 & 8 for the details of investments made by The Company as at the reporting dates.

52. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVES

I. Financial Instruments - Accounting classification, fair values and fair value hierarchy :

The category wise details as to the carrying value and fair value of The Company's financial assets and financial liabilities including their levels in the fair value hierarchy are as follows:

(₹ in Lakhs)

Particulars	Levels	Carrying values			Fair values		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1. Financial assets at							
a. Fair Value through profit & loss							
Quoted Equity Investments	Level 1	0.06	0.06	0.04	0.06	0.06	0.04
Unquoted Equity Investments *	Level 3	-	1.39	1.39	-	1.39	1.39
b. Fair value through other comprehensive income		-	-	-	-	-	-
c. Amortised cost							
Trade receivable	Level 2	17,052.31	19,944.87	21,221.13	17,052.31	19,944.87	21,221.13
Cash & cash equivalents	Level 1	889.39	58.06	160.04	889.39	58.06	160.04
Bank balances other than Cash & cash equivalents	Level 1	1,660.50	1,420.84	1,093.80	1,660.50	1,420.84	1,093.80
Loans	Level 2	125.18	121.54	140.59	125.18	121.54	140.59
Other financial assets	Level 2	426.65	98.65	74.71	426.65	98.65	74.71
2. Financial liabilities at							
a. Fair Value through profit & loss							
Derivatives - foreign exchange forward contracts (not designated as hedging instruments)	Level 2	56.79	991.13	677.92	56.79	991.13	677.92
b. Fair value through other comprehensive income		-	-	-	-	-	-
c. Amortised cost							
Borrowings - floating rate	Level 2	64,012.66	47,985.86	43,962.41	64,012.66	47,985.86	43,962.41
Trade payables	Level 2	22,406.03	11,129.41	12,038.56	22,406.03	11,129.41	12,038.56
Other financial liabilities	Level 2	10,934.37	8,074.77	6,423.93	10,934.37	8,074.77	6,423.93

* Other than investment in subsidiaries accounted at cost in accordance with Ind AS 27.

Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2017. The following methods / assumptions were used to estimate the fair values:

1. The carrying value of Cash and cash equivalents, trade receivables, trade payables, short-term borrowings, other current financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
2. The fair values of investment in quoted investment in equity shares is based on the quoted price in the active market of respective investment as at the Balance Sheet date.
3. Derivative financial instruments - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date using valuation techniques with inputs that are directly or indirectly observable in the marketplace. The derivatives are entered into with the banks/ counterparties with investment grade credit ratings.
4. Description of significant unobservable inputs to valuation (Level 3): The following tables shows the valuation techniques and inputs used for Non-current financial instruments that are not carried at fair value:
   a. Security deposits given against lease and finance lease obligations: Discounted cash flow method using appropriate discounting rate.
   b. Non-current Financial assets/liabilities other than above: Expected Cash Flow for the financial instruments
5. Unquoted equity instruments : where most recent information to measure fair value is insufficient and where the fair value of these investments cannot be reliably measured, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.
6. There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year and no transfer into and out of Level 3 fair value measurements.

II. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by The Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and The Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing The Company's risk assessment and management policies and processes.

The Company's financial risk management policy is set by the management. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company manages market risk which evaluates and exercises independent control over the entire process of market risk management. The management recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee.

a) Credit Risk

Credit risk is the risk of financial loss to The Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from The Company's receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which The Company grants credit terms in the normal course of business and through regular monitoring of conduct of accounts. The Company also holds security deposits for outstanding trade receivables which mitigate the credit risk to some extent.
An impairment analysis is performed at each reporting date on an individual basis for major customers. The history of trade receivables shows a negligible provision for bad and doubtful debts. The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, The Company's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.

In respect of Financial guarantees provided by The Company to banks & financial institutions, the maximum exposure which The Company is exposed to is the maximum amount which The Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, The Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

The movement in the loss allowance in respect of trade and other receivables during the year was as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 01, 2016
Opening Balance	414.58	414.58	414.58
Impairment loss recognised	-	841.69	637.75
Amount written off as Bad debts	-	(841.69)	(637.75)
Closing Balance	414.58	414.58	414.58

The credit risk on liquid funds such as banks in current and deposit accounts and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

b) Liquidity Risk
Liquidity risk is the risk that The Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of The Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and by monitoring rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that The Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at 31st March, 2018						
Borrowings and interest thereon *	71,078.68	21,587.67	26,124.58	15,964.26	25,286.00	88,962.51
Trade payables	22,406.03	22,406.03	-	-	-	22,406.03
Other financial liabilities (excluding current maturities of Long term borrowings)	3,868.35	3,145.68	722.67	-	-	3,868.35
Total Non-Derivative Liabilities	**97,353.06**	**47,139.38**	**26,847.25**	**15,964.26**	**25,286.00**	**115,236.89**
Derivatives						
Other Financial Liabilities	56.79	56.79	-	-	-	56.79
Total Derivative Liabilities	**56.79**	**56.79**	**-**	**-**	**-**	**56.79**
As at 31st March, 2017						
Borrowings and interest thereon *	53,385.45	21,860.73	19,761.71	12,250.19	11,611.74	65,484.37
Trade payables	11,129.41	11,129.41	-	-	-	11,129.41
Other financial liabilities (excluding current maturities of Long term borrowings)	2,675.18	1,938.55	736.63	-	-	2,675.18
Total Non-Derivative Liabilities	**67,190.04**	**34,928.69**	**20,498.34**	**12,250.19**	**11,611.74**	**79,288.96**
Derivatives						
Other Financial Liabilities	991.13	991.13	-	-	-	991.13
Total Derivative Liabilities	**991.13**	**991.13**	**-**	**-**	**-**	**991.13**
As at 1st April, 2016						
Borrowings and interest thereon *	48,325.52	17,576.08	17,777.77	15,741.16	7,529.11	58,624.12
Trade payables	12,038.56	12,038.56	-	-	-	12,038.56
Other financial liabilities (excluding current maturities of Long term borrowings)	2,060.82	1,550.47	510.35	-	-	2,060.82
Total Non-Derivative Liabilities	**62,424.90**	**31,165.11**	**18,288.12**	**15,741.16**	**7,529.11**	**72,723.50**
Derivatives						
Other Financial Liabilities	677.92	677.92	-	-	-	677.92
Total Derivative Liabilities	**677.92**	**677.92**	**-**	**-**	**-**	**677.92**

* The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company, if any. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period. Interest accrued but not due has been included in other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The above excludes any financial liabilities arising out of financial guarantee contract. In respect of Financial guarantees provided by The Company to banks & financial institutions, the maximum exposure which The Company is exposed to is the maximum amount which The Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, The Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Financing facilities:
The Company has access to financing facilities as described in below Note. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured bank loan facilities with various maturity dates through to 31st March, 2019 and which may be extended by mutual agreement:			
- amount used	49,840.07	26,949.53	23,628.01
- amount unused	1,053.00	10,600.00	8,526.00
	50,893.07	37,549.53	32,154.01
Unsecured loans from bodies corporate			
- amount used	8,013.25	8,759.75	9,919.00
- amount unused	-	-	-
	8,013.25	8,759.75	9,919.00
Secured bank overdraft facility:			
- amount used	9,852.50	6,978.10	11,558.53
- amount unused	4,147.50	7,021.90	2,441.47
	14,000.00	14,000.00	14,000.00

c) Market Risk
Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short term and long-term debt. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments, trade payables, trade receivables, derivative financial instruments and other financial instruments. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, The Company's exposure to market risk is a function of investing and borrowing activities.

i) Foreign exchange 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's foreign exchange risk arises from its foreign currency borrowings and trade receivables and trade payables denominated in foreign currencies. The results of The Company's operations can be affected as the rupee appreciates/depreciates against these currencies. The Company enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures The Company has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on The Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed below):

(₹ in Lakhs)

Foreign Currency Liabilities	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Foreign currency	Indian Rupees (₹ In Lakhs)	Foreign currency	Indian Rupees (₹ In Lakhs)	Foreign currency	Indian Rupees (₹ In Lakhs)
Currency						
Borrowings (including current maturities)						
USD	4,448,847	2,893.71	1,824,287	1,182.84	248,249	164.67
Euro	31,401,189	25,316.33	9,022,838	7,274.41	9,638,762	7,770.98
Interest payable						
USD	34,091	22.17	37,978	24.62	9,475	6.29
Euro	72,906	58.78	35,740	24.75	38,618	29.00
Trade Payables & other liabilities						
JPY	294,784	1.81	7,791,000	45.16	14,402,800	85.06
USD	16,507,443	10,737.12	14,378,015	9,322.50	7,367,724	4887.22
Euro	372,702	300.48	115,344	79.87	3,621	2.72

(₹ in Lakhs)

Foreign Currency Assets	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Foreign currency	Indian Rupees (₹ In Lakhs)	Foreign currency	Indian Rupees (₹ In Lakhs)	Foreign currency	Indian Rupees (₹ In Lakhs)
Currency						
Trade Receivables						
USD	5,830,437	3,792.36	4,408,352	2,858.31	608,014	403.31
Euro	-	-		-	43,426	32.61
Investments						
USD	10,000	6.50	10,000	6.48	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

a. Foreign currency sensitivity analysis:

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD, JPY and Euro with INR, with all other variables held constant. The impact on The Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)

Particulars	31-Mar-18 Effect on Profit before tax Gain/(Loss)		31-Mar-17 Effect on Profit before tax Gain/(Loss)	
5% movement	Strengthening of Foreign Currency	Weakening of Foreign Currency	Strengthening of Foreign Currency	Weakening of Foreign Currency
On Foreign Currency Liability (net) :				
JPY	0.09	(0.09)	2.26	(2.26)
USD	682.65	(682.65)	526.50	(526.50)
Euro	1,283.78	(1,283.78)	368.95	(368.95)

b. Derivative financial instruments :

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instruments are valued based on inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts:

(₹ in Lakhs)

Outstanding Contracts	Buy/ sell	As at March 31, 2018			As at March 31, 2017		
Other Derivatives		Foreign Currency	Nominal Value ₹ In Lakhs	Fair Value ₹ In Lakhs	Foreign Currency	Nominal Value ₹ In Lakhs	Fair Value ₹ In Lakhs
Forward contracts							
in USD	Buy	16,130,682		10,492.06	29,810,913		19,328.98

(₹ in Lakhs)

Outstanding Contracts	Buy/ sell				As at April 1, 2016		
Other Derivatives					Foreign Currency	Nominal Value Rs. In Lakhs	Fair Value Rs. In Lakhs
Forward contracts							
in USD	Buy				30,082,755		19,954.76

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to The Company's long-term debt obligations with floating interest rates.

The Company's investments in term deposits (i.e., margin money) with banks are for short durations, and therefore do not expose The Company to significant interest rates risk.

a. Interest rate risk exposure

The exposure of The Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Floating rate instruments:			
Borrowings	73,177.77	53,996.28	49,043.24

b. Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables, in particular foreign currency exchange rates, were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

(₹ in Lakhs)

Particulars	Impact on Profit before Tax	
	Year ended March 31, 2018	Year ended March 31, 2017
Floating rate instruments :		
50 basis points increase	(365.89)	(269.98)
50 basis points decrease	365.89	269.98

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

iii.) Price risk

The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, listed or unlisted equity shares, government securities and fixed deposits. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments, The Company diversifies its portfolio in accordance with the limits set by the risk management policies.

Capital Risk Management Policies and Objectives

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital and to maximise shareholders value. In

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

order to maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as interest bearing loans and borrowings less cash and cash equivalents.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Debt	71,078.68	53,385.45	48,325.52
Cash and Cash equivalents	889.39	58.06	160.04
Net debt	**70,189.29**	**53,327.39**	**48,165.48**
Total Equity	38,549.62	32,511.49	24,545.28
Capital and net debt	108,738.91	85,838.88	72,710.76
Gearing Ratio (%)	**64.55%**	**62.12%**	**66.24%**

In order to achieve this overall objective, The Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

IV Changes in liabilities arising from financing activities

With effect from 01.04.2017, the Company adopted the amendments to Ind AS 7 - Statement of cash flows. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. To the extent necessary to satisfy this requirement, an entity discloses the following changes in liabilities arising from financing activities:

- Changes from financing cash flows
- Changes arising from obtaining or losing control of subsidiaries or other businesses
- The effect of changes in foreign exchange rates
- Changes in fair values
- Other changes

Paragraph 44C of Ind AS 7 states that liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

The Company disclosed information about its interest-bearing loans and borrowings. There are no obligations under finance lease and hire purchase contracts.

The amendments suggest that the disclosure requirement may be met by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included

in the reconciliation to the statement of financial position and the statement of cash flows. The Company decided to provide information in a reconciliation format. The major changes in the Company's liabilities arising from financing activities are due to financing cash flows and accrual of financial liabilities. The Company did not acquire any liabilities arising from financing activities during business combinations effected in the current period or comparative period.

(₹ in Lakhs)

	01.04.2017 (opening balance of current year)	Cash Flows	Non-cash changes				31.03.2018 (closing balance of current year)
			Arising from obtaining or losing control of subsidiaries or other businesses	Foreign exchange movement	Fair value changes	Others	
i. Current interest bearing loans and borrowings (excluding items listed below)	14,350.76	(4,535.11)	-	36.85	-	-	9,852.50
ii. Current maturities of Long term borrowings	5,399.59	(5,399.59)	-	-	-	7,066.02	7,066.02
iii. Non-current interest-bearing loans and borrowings (excluding items listed below)	33,635.10	25,562.13	-	2,028.95	-	(7,066.02)	54,160.16
iv. Interest accrued on borrowings *	61.01	(3,554.25)	-	-	-	3,604.88	111.64
Total liabilities from financing activities	**53,446.46**	**12,073.18**	**-**	**2,065.80**	**-**	**3,604.88**	**71,190.32**

* Represents Interest expenses including interest capitalised as per IndAS 23 amounting Rs. 945.53 Lakhs

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

	01.04.2016 (opening balance of comparative period)	Cash Flows	Non-cash changes				31.03.2017 (closing balance of comparative period)
			Arising from obtaining or losing control of subsidiaries or other businesses	Foreign exchange movement	Fair value changes	Others	
i. Current interest bearing loans and borrowings (excluding items listed below)	13,780.51	1,012.24	-	(441.99)	-	-	14,350.76
ii. Current maturities of Long term borrowings	4,363.11	(4,363.11)	-	-	-	5,399.59	5,399.59
iii. Non-current interest-bearing loans and borrowings (excluding items listed below)	30,181.90	9,737.84	-	(885.05)	-	(5,399.59)	33,635.10
iv. Interest accrued on borrowings *	50.57	(4,518.64)	-	-	-	4,529.08	61.01
Total liabilities from financing activities	**48,376.09**	**1,868.33**	**-**	**(1,327.04)**	**-**	**4,529.08**	**53,446.46**

* Represents Interest expenses including interest capitalised as per IndAS 23 amounting ₹160.13 Lakhs

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings to current due to the passage of time, and the effect of accrued but not yet paid interest on interest bearing loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

53. Capitalisation of Expenditure

The Company has capitalised the following expenses of revenue nature to the cost of capital work in progress (CWIP)/ Property, Plant & Equipment (PPE). Consequently the expenses disclosed under the respective notes are net of amounts capitalised by The Company. The break-up of expenditure is as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw material consumed	6,803.91	-
Other material consumed	313.58	-
Power & Fuel	653.76	10.05
Sub total (A)	**7,771.25**	**10.05**
Payments and benefits to Employee		
Salaries & wages	300.54	55.97
Sub total (B)	**300.54**	**55.97**
Operating expenses :		
Insurance expenses	13.99	-
Travel and conveyance	62.37	20.63
Legal and professional	18.62	23.64
General expenses	15.77	1.79
Sub total (C)	**110.75**	**46.06**
Finance costs *		
Interest on term loan	945.53	160.13
Exchange difference regarded as adjustment to borrowing cost	1,052.94	-
Bank Charges	186.48	27.13
Sub total (D)	**2,184.95**	**187.26**
Less: Sale of finished goods produced during the trial run (E)	**5,246.92**	**-**
Less: Net realisable value of Inventory produced during the trail run (F)	**2,340.81**	
Total amount (A)+(B)+(C)+(D)-(E)-(F)	**2,779.76**	**299.34**
Add: Opening balance	183.83	36.66
Less: Amount capitalised to Property, Plant & Equipment	2,963.59	152.17
Balance to be carried forward	**-**	**183.83**

* Interest comprises of

1 ₹585.02 Lakhs (Previous year ₹Nil) on specific borrowings taken for Plant & machinery

2 ₹360.51 Lakhs (Previous year ₹78.03 Lakhs) on general borrowings taken for other qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

54. Use of estimates and judgements

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, historical experience and other factors, including expectations of future events that are believed to be reasonable, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to:

Leasehold land:

The Company has entered into several arrangements for lease of land from government entities and other parties. Significant judgment is involved in assessing whether such arrangements are in the nature of finance or operating lease. In making such an assessment, the Company considers various factors which includes whether the present value of minimum lease payments amount to at least substantially all of the fair value of lease assets, renewal terms, purchase option, sub-lease options etc. Based on evaluation of above factors, leases are evaluated on case to basis for the purpose of treating as in the nature of finance lease.

B. 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) Impairment of trade receivables:

The impairment provisions for trade receivables are based on based on lifetime expected credit loss based on a provision matrix. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

The Company uses judgment in making assumptions about risk of default and expected loss rates and selecting the inputs to the impairments calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) Fair value measurements of financial instruments:

In estimating the fair value of a financial asset or a financial liability, the Company uses market-observable data to the extent it is available. Where active market quotes are not available, the management applies valuation techniques to determine the fair value of financial instruments. This involves developing estimates, assumptions and judgements consistent with how market participants would price the instrument.

(iii) Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation viz. gratuity and other long-term employee benefit obligation viz. long term compensated absences to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iv) Claims, Provisions and Contingent Liabilities:
The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. These estimates could change substantially over time as new facts emerge and each dispute progresses. Information about such litigations is provided in notes to the financial statements.

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

(vi) Share-based payments
Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in notes to the financial statements.

(vii) Useful lives of property, plant and equipment and intangible assets:
As described in the significant accounting policies, the Company determines and also reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Such lives are dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

55. Exceptional item Nil (previous year loss of Rs. 344.43 Lakhs including profit of Rs. 92.47 lakhs on account of sale of land held for sale and a loss of Rs. 436.90 lakhs on account of settlement of dispute with a supplier).

56. These financial statements are The Company's first Ind AS financial statements. Accordingly the comparatives given in the financial statements have been complied after making necessary Ind AS adjustments to the respective audited financial statements under previous GAAP to give a true and fair view in accordance with Ind AS.

As per our report of even date
for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

Place: New Delhi
Date: May 07, 2018

R.P GUPTA
CHIEF FINANCIAL OFFICER

RAMAN KUMAR JHA
COMPANY SECRETARY

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FILATEX INDIA LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of FILATEX INDIA LIMITED ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income),the Consolidated Cash Flow Statement for the year then ended and the statement of changes in equity and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the 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 preparation of these Consolidated Ind AS Financial Statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in the Companies (Indian Accounting Standard) Rules, 2015 (as amended) under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for 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; the selection andapplication of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraudor 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the 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, issued by the Institute of Chartered Accountants of India, as 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditors' judgement, 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 and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us 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, 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 consolidated state of affairs of the Group as at March 31, 2018 and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flow and consolidated of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required bySection143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and

explanations which to the best of ourknowledge and belief were necessary for the purposesof 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;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on April 1, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's Companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary company incorporated in India, since the subsidiary company is not incorporated in India, no separate report on internal financial controls over financial reporting of the group is being issued;

(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 Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2018, on the consolidated financial position of the Group– Refer Note 41 to the Consolidated Ind AS Financial Statements.

ii. The group had made provision as at March 31, 2018, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the InvestorEducation and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary Company.

iv. The reporting on disclosure relating to Specified Bank notes is not applicable to the Group for the year ended March 31, 2018.

Other Matters

a. The accompanying Consolidated Ind AS Financial Statements include total assets of ₹6.03 lakhs as at 31st March, 2018, total revenue of ₹0.00 lakhs and total comprehensive loss ₹4.18 lakhs for the year ended March 31, 2018, in respect of Filatex Global PTE Limited (Singapore) (wholly owned subsidiary), whose unaudited financial statements and other unaudited financial information have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the group. Our opinion on the Consolidated Ind AS Financial Statements, and our report on other Legal and Regulatory Requirements above, is not modified in respect of the above matters and the financial statements and other financial information certified by the Management.

b. The previously issued consolidated financial information of the company for the year ended 31 March 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and audited by the predecessor statutory auditors of the company (vide their unmodified audit report dated 9 May 2017) have been restated to comply with the Indian Accounting Standards ("Ind AS") and included in this statement as corresponding financial information. Our opinion is not qualified in respect of this matter.

For Arun K Gupta & Associates
Chartered Accountants
Firm Registration No.000605N

Place: New Delhi
Dated: 07-05-2018

GIREESH KUMAR GOENKA
Partner
Membership No.-096655

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2018

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	4	94,446.40	62,837.95	54,912.04
Capital work in progress	4	641.37	572.74	1,801.64
Other Intangible assets	5	5.60	15.48	4.53
Intangible Assets under Development	5	36.00	-	-
Financial Assets				
Investments	6	0.06	1.45	1.43
Loans	7	65.63	74.95	92.84
Other Financial Assets	8	4.25	0.25	-
Income Tax Asset (net)	9	78.50	176.83	189.54
Other non-current assets	10	924.33	2,904.74	328.79
Total Non Current Assets		**96,202.14**	**66,584.39**	**57,330.81**
Current Assets				
Inventories	11	19,370.39	14,913.58	9,857.03
Financial Assets				
Trade receivables	12	17,052.31	19,944.87	21,221.13
Cash & Cash Equivalents	13	894.21	64.45	160.04
Bank balances (other than cash and cash equivalents)	14	1,660.50	1,420.84	1,093.80
Loans	15	59.55	46.59	47.75
Other Financial assets	16	417.23	93.24	69.45
Other current assets	17	6,749.43	2,170.29	2,490.59
Total Current Assets		**46,203.62**	**38,653.86**	**34,939.79**
Assets classified as held for sale	18	1,340.12	693.29	76.01
Total Assets		**143,745.88**	**105,931.54**	**92,346.61**
EQUITY & LIABILITIES				
EQUITY				
Equity Share Capital	19	4,350.00	4,350.00	3,200.00
Other Equity	20	34,186.69	28,152.67	21,339.92
Total Equity		**38,536.69**	**32,502.67**	**24,539.92**

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2018

(₹ in Lakhs)

LIABILITIES				
Non - Current Liabilities				
Financial Liabilities				
Borrowings	21	54,160.16	33,635.10	30,181.90
Other financial liabilities	22	722.67	736.63	510.35
Provisions	23	516.01	563.81	468.25
Deferred tax liabilities (Net)	24	4,117.83	2,775.70	2,578.97
Other non-current liabilities	25	1,966.06	902.52	944.16
Total Non Current Liabilities		**61,482.73**	**38,613.76**	**34,683.63**
Current Liabilities				
Financial Liabilities				
Borrowings	26	9,852.50	14,350.76	13,780.58
Trade Payables	27	22,406.03	11,129.41	12,038.56
Other financial liabilities	28	10,275.78	8,333.95	6,592.78
Other current liabilities	29	609.06	833.19	487.79
Provisions	30	231.06	127.80	97.43
Income Tax Liabilities (net)	31	112.03	-	74.92
Total Current Liabilities		**43,486.46**	**34,775.11**	**33,072.06**
Liabilities directly associated with assets classified as held for sale	32	240.00	40.00	51.00
Total Equity and Liabilities		**143,745.88**	**105,931.54**	**92,346.61**
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the consolidated finanacial statements.

As per our report of even date
for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

Place: New Delhi
Date: May 07, 2018

R.P GUPTA
CHIEF FINANCIAL OFFICER

RAMAN KUMAR JHA
COMPANY SECRETARY

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Notes	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Income:			
Revenue from operations	33	197,489.67	170,968.65
Other Income	34	1,064.68	1,213.29
Total Income (I)		**198,554.35**	**172,181.94**
Expenses:			
Cost of materials consumed	35	152,984.90	123,266.83
Purchases of stock-in-trade		3,479.84	3,804.17
(Increase)/decrease in Inventories of finished goods, work in progress & stock in trade	36	(1,350.98)	(4,540.76)
Excise Duty on sale of goods		4,685.87	15,867.86
Employee benefits expense	37	4,874.74	4,696.77
Finance cost	38	4,410.63	5,863.51
Depreciation & amortization expense	4	3,082.47	2,896.41
Other Expenses	39	17,119.04	14,556.29
Total Expenses (II)		**189,286.51**	**166,411.08**
Profit/(loss) before exceptional items & tax		**9,267.84**	**5,770.86**
Exceptional Items [Profit/(Loss)] (refer note 55)			(344.43)
Profit/(loss) before tax		9,267.84	5,426.43
Tax Expense:			
Current tax	24	1,968.17	1,177.95
Deferred tax	24	1,325.47	196.39
Total tax expense		**3,293.64**	**1,374.34**
Net profit/(loss) after tax		**5,974.20**	**4,052.09**
Other Comprehensive Income/ (loss)			
A (i) Items to be reclassified to profit or loss			
(ii) Income tax relating to items to be reclassified to profit or loss			
B (i)Items not to be reclassified to profit or loss			
Re-measurement of defined benefit plans		47.67	1.01
(ii) Income tax relating to items not to be reclassified to profit or loss		**(16.66)**	**(0.35)**
Total Comprehensive Income/ (Loss)		**6,005.21**	**4,052.75**
Earnings Per Share (EPS) in Rupees			
-Basic	40	13.73	10.20
-Diluted	40	13.52	9.29
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated finanacial statements.

As per our report of even date
for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

Place: New Delhi
Date: May 07, 2018

R.P GUPTA
CHIEF FINANCIAL OFFICER

RAMAN KUMAR JHA
COMPANY SECRETARY

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Cash flow from operating activities		
Net profit / (loss) before tax	9,267.84	5,426.43
Adjustments for:		
- Depreciation/amortization	3,082.47	2,896.41
- Loss/(profit) on Property, Plant & Equipment sold/discarded (net)	21.68	31.92
- Employee Stock Option expense	28.74	28.74
- Remeasurement of Employee Benefit Expenses	47.67	1.01
- Unrealised foreign exchange Loss/ (profit) (net)	114.63	16.36
- Unrealised Marked to Market (Gain)/Loss	56.79	(72.21)
- Forward contract Premium Amortised	-	167.97
- Foreign currency translation reserve on foreign operations	0.07	0.01
- Provisions/liabilities no longer required, written back	(24.86)	(25.67)
- Exceptional Items (Profit on sale of land)	-	(92.47)
- Bad Debts Written off	-	841.69
- Interest expense	2,659.35	4,368.95
- Interest income	(643.34)	(991.36)
- Dividend income	(46.99)	(1.62)
Operating profit before working capital changes	**14,564.05**	**12,596.16**
Movements in working capital :		
Decrease/ (increase) in trade receivables	2,976.94	423.44
Decrease/ (increase) loans and advances/other current assets	(4,811.86)	309.71
Decrease/ (increase) in inventories	(4,456.81)	(5,056.56)
Increase / (decrease) in trade & other payable / provisions	12,253.67	(374.01)
Cash generated from operations	**20,525.99**	**7,898.74**
Direct taxes paid	(1,757.81)	(1,240.16)
Net cash flow from operating activities (a)	**18,768.18**	**6,658.58**
Cash flow from investing activities		
Purchase of Property, Plant & Equipment (Including Capital Advances)	(31,274.85)	(13,356.12)
Proceeds from sale of Property, Plant & Equipment (Including advances received)	907.54	186.66
Purchase of Investment	1.39	(0.02)
(Increase)/Decrease in deposits	(239.66)	(327.95)
(Increase)/Decrease in unpaid Dividend Account	-	0.91
Interest received	546.99	991.21
Dividend received	46.99	1.62
Net cash flow from/(used in) investing activities (b)	**(30,011.60)**	**(12,503.69)**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018 AS AT MARCH 31, 2018

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Money received against share warrants	-	3,881.25
Proceeds from long-term borrowings from banks	27,907.56	8,667.12
Proceeds from long-term borrowings from others	100.00	2,400.00
Payment of transaction cost related to borrowings	(1,498.31)	(24.27)
Repayment of long term borrowings from Banks	(5,537.66)	(4,460.54)
Repayment of long term borrowings from others	(809.05)	(1,207.57)
Net Proceeds/ (repayment) from/of short-term borrowings	(4,535.11)	1,012.17
Interest paid	(3,554.25)	(4,518.64)
Net cash flow from/(used in) in financing activities (c)	**12,073.18**	**5,749.52**
Net increase/(decrease) in cash and cash equivalents (a + b + c)	829.76	(95.59)
Cash and cash equivalents at the beginning of the year	64.45	160.04
Cash and cash equivalents at the end of the year	**894.21**	**64.45**
Components of cash and cash equivalents		
Cash on hand	12.34	5.04
Balance with scheduled Banks :	381.87	59.41
- on deposit account	1,656.20	1,416.54
- unpaid dividend accounts*	4.30	4.30
- Cheques, draft on hand	500.00	-
Cash and Bank Balances	**2,554.71**	**1,485.29**
Less: Fixed Deposits not considered as cash and cash equivalents		
- Deposits pledged with banks	1,656.20	1,416.54
- Unpaid dividend account	4.30	4.30
Cash & Cash Equivalents	**894.21**	**64.45**

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liability.
The accompanying notes are an integral part of financial statement.

As per our report of even date
for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

Place: New Delhi
Date: May 07, 2018

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

R.P GUPTA
CHIEF FINANCIAL OFFICER

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

RAMAN KUMAR JHA
COMPANY SECRETARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2018

A. EQUITY SHARE CAPITAL (REFER NOTE-19)

(₹ in Lakhs)

Equity shares of Rs. 10/- each issued, subscribed and fully paid	Number of Shares	Amount
As at 1st April 2016	32,000,000	3,200
Increase/(decrease) during the year	11,500,000	1,150
As at 31st March 2017	**43,500,000**	**4,350**
Increase/(decrease) during the year	-	-
As at 31st March 2018	**43,500,000**	**4,350**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and Surplus						Foreign currency translation reserve	Money received against Share warrants	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Share based option out-standing	Retained Earnings			
Balance as on April 01, 2016	1,253.11	1,250.00	5,709.30	350.43	-	7,891.70	-	1,293.75	17,748.29
Changes in Accounting Policy (i)	-	-	-	-	3.86	3,587.77	-	-	3,591.63
Restated Balance as on April 01, 2016	**1,253.11**	**1,250.00**	**5,709.30**	**350.43**	**3.86**	**11,479.47**	**-**	**1,293.75**	**21,339.92**
Profit for the Year	-	-	-	-	-	4,052.09	-		4,052.09
Money received against share warrants					-	-	-	3,881.25	3,881.25
Preferential allotment of Equity shares	-	-	4,025.00	-	-	-	-	(5,175.00)	(1,150.00)
Share based compensation to employees	-	-	-	-	28.74	-	-	-	28.74
Foreign Currency Translation reserve on foreign operations	-	-	-	-	-	-	0.01	-	0.01
Other Comprehensive Income:									
Re-measurement of defined benefit plans	-	-	-	-	-	0.66	-	-	0.66
Total Comprehensive Income for the year	**-**	**-**	**4,025.00**	**-**	**28.74**	**4,052.75**	**0.01**	**(1,293.75)**	**6,812.75**
Balance as at March 31, 2017	**1,253.11**	**1,250.00**	**9,734.30**	**350.43**	**32.60**	**15,532.32**	**0.01**	**-**	**28,152.67**
Profit for the Year	-	-	-	-	-	5,974.20	-	-	5,974.20
Share based compensation to employees	-	-	-	-	28.74	-	-	-	28.74
Foreign Currency Translation Reserve as Foreign Exchange									
Other Comprehensive Income:							**0.07**		**0.07**
Re-measurement of defined benefit plans	-	-	-	-	-	31.01		-	31.01
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**28.74**	**6,005.21**	**0.07**	**-**	**6,034.02**
Balance as at March 31, 2018	**1,253.11**	**1,250.00**	**9,734.30**	**350.43**	**61.34**	**21,537.43**	**0.08**	**-**	**34,186.69**

i) Refer Note No. 3 - First Time Adoption - Reconciliation of Equity and Total Comprehensive Income. ii) Refer note 20 for nature and purpose of reserves

The accompanying notes are an integral part of the consolidated finanacial statements.

As per our report of even date

for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

GIREESH KUMAR GOENKA
Partner
Membership No. 096655
Place: New Delhi
Date: May 07, 2018

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934
R.P GUPTA
CHIEF FINANCIAL OFFICER

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608
RAMAN KUMAR JHA
COMPANY SECRETARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

1. CORPORATE INFORMATION

Filatex India Ltd. ('The Company') is a Public Limited Company incorporated in India. The address of its Corporate office and principal place of business is at 43, Community Centre, New Friends Colony, New Delhi - 110065, India. The main business of The Company is manufacturer of Polyester Chips, Polyester/Nylon/Polypropylene Multi & Mono Filament Yarn and Narrow Fabrics. The Company is listed on BSE Limited and National Stock Exchange of India Limited

Details of Subsidiary company which is considered in the consolidation and the parent company's holding therein are as under:

S.no	Name of the Subsidiary company	Country of incorporation	Extent of Holding % as on 31.03.2018	Extent of Holding % as on 31.03.2017	Extent of Holding % as on 01.04.2016
1	Filatex Global PTE Ltd	Singapore	100%	100%	100%

The Consolidated consolidated financial statements were authorised by the Board of Directors for issuing accordance with a resolution passed on May 07, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements and in preparing the opening IndAS balance sheet as at April 01, 2016 for the purpose of transition to IndAS, unless otherwise indicated.

2.1 Basis of preparation

a) Statement of compliance with Ind AS:

These consolidated consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all periods upto and including the year ended 31st March, 2017, The Group has prepared its consolidated financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

These consolidated financial statements for the year ended 31st March, 2018 are the first consolidated financial statements that The Group has prepared under Ind AS. The consolidated financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 (being the 'date of transition to Ind AS') have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on The Group's Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Statement of Cash Flows are provided in note 3.

b) Basis of measurement

These consolidated financial statements are prepared under the historical cost convention except for the following material items that have been measured at fair value as required by relevant Ind AS :

- certain financial assets (including derivative financial instruments) that are measured at fair value;
- share based payments;
- defined benefit plans - plan assets measured at fair value;
- certain property, plant and equipment measured at fair value (viz leasehold land and freehold land) which has been considered as deemed cost.

The fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.
Historical cost is generally based on the fair value of the consid-

eration given in exchange for assets.

Fair value measurement:

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to The Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Where required/appropriate, external valuers are involved.

All financial assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy established by Ind As 113, that categorises into three levels, the inputs to valuation techniques used to measure fair value. These are 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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity 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(i.e. as prices) or indirectly(i.e. derived from prices).

Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Group recognises transfers between levels of fair value hierarchy at the end of reporting period during which change has occurred.

c) Basis of consolidation

i) Subsidiary:

A subsidiary is an entity controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are fully consolidated from the date on which Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Where necessary, adjustments are made to the Consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

ii) Non-controlling interests:

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Profit or loss and other comprehensive income or loss are attributed to the controlling and non-controlling interests in proportion to their ownership interests. Total comprehensive income is attributed to the controlling and non-controlling interests even if this results in the non-controlling interests having a deficit balance.

iii) Changes in non-controlling interests:

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the Group's share of net assets in relation to the acquisition and the fair value of consideration paid is recognised directly in the Group's reserves.

iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

v) Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

d) Current non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle -
  Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/ non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

e) Functional and presentation currency

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 (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of The Group.

In translating the Financial statements of Foreign subsidiary for consolidation in the consolidated financial statements, the assets and liabilities both monetary and non monetary are translated at the closing exchnage rate, while income and expenses are translated at average exchange rates and all the resulting exchnage differences are accumulated in foreign currency transalation reserve.

f) Rounding of amounts:

All amounts disclosed in the consolidated financial statements and notes are in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.2 Use of estimates

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of the Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements, and the reported amounts of revenues, expenses and the results of operations during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an "ongoing basis".

Such estimates & assumptions are based on management evaluation of relevant facts & circumstances as on date of financial statements. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Revenue recognition

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which is mainly upon delivery and the amount of revenue can be measured reliably. The Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, value added tax, etc.

Revenue (other than sale)

Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to The Group and the revenue can be reliably measured.

Claim on insurance Group and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on "acceptance basis".

Export benefits/incentives constituting Duty Draw back, incentives under FPS/FMS/MEIS and duty free advance license scheme are accounted for on accrual basis where there is reasonable assurance that The Group will comply with the conditions attached to them and the export benefits will be received.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.

Dividend

Dividend income is recognized when The Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

2.4 Property, plant and equipment (PPE)

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. 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. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of an item of property, plant and equipment comprises –

i. its purchase price, including import duties and non – refundable purchase taxes (net of duty/ tax credit availed), after deducting trade discounts and rebates.
ii. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
iii. borrowing cost directly attributable to the qualifying asset in accordance with accounting policy on borrowing cost.
iv. the costs of dismantling, removing the item and restoring the site on which it is located.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes direct costs, related pre-operational expenses and for qualifying assets applicable borrowing costs to be capitalised in accordance with The Group's accounting policy. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not directly related to the project nor are incidental thereto, are expensed.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other items of PPE, commences when the assets are ready for their intended use.

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 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 recognised in the Statement of Profit and Loss.

The Group identifies and determines cost of each component/ part of the plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Machinery spares which meets the criteria of PPE is capitalized and depreciated over the useful life of the respective asset.

On transition to Ind AS:

Under the Previous GAAP, all property, plant and equipment were carried at in the Balance Sheet on basis of historical cost. In accordance with provisions of Ind AS 101 First time adoption of Indian Accounting Standards, The Group, for certain properties, has elected to adopt fair value and recognized as of April 1, 2016 as the deemed cost as of the transition date. The resulting adjustments have been directly recognized in retained earnings. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

Depreciation:

Depreciation on Property, Plant & Equipment (other than freehold land and capital work in progress) is provided on the straight line method, based on their respective estimate of useful lives, as given below. Estimated useful lives of assets are determined based on internal assessment estimated by the management of The Group and supported by technical advice wherever so required. The management believes that useful lives currently used, which is as prescribed under Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of Property, Plant & Equipment (considered at 5% of the original cost), though these lives in certain cases are different from lives prescribed under Schedule II.

Type of assets	Useful life in years
Leasehold Land	Over Lease Period i.e. 198 years
Buildings	
Factory Building	30 years
Non Factory Buildings	60 years
Leasehold Improvements	10 years
Plant and Machinery *	5 - 25 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 - 10 years
Computers	3 years

*Based on internal technical evaluation and external advised received, the management believes that the useful lives as considered for arriving at the depreciation rates, best represent the period over which management expect to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets individually costing Rs. 5000 or less are fully depreciated in the year of acquisition.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognised.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation methods, useful lives and residual values are reviewed periodically including at the end of each financial year. Any changes in depreciation method, useful lives and residual values are treated as a change in accounting estimate and applied/adjusted prospectively, if appropriate.

2.5 Intangible assets

Identifiable intangible assets are recognised when The Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to The Group and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets with finite useful lives are recognised at cost of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as 'intangible assets under development. This comprises expenditure on ERP software license fee and it's configuration and customization.

Intangible assets are derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.

Gains or losses arising from the retirement or disposal of an intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset are recognised as income or expense in the statement of profit and loss.

Deemed cost on transition to Ind AS:
Under the Previous GAAP, all Intangible assets were carried at in the Balance Sheet on basis of historical cost. The Group has elected to continue with the carrying value of all of its intangi-

ble assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Amortisation:
Intangible assets are amortised on a straight line basis over the estimated useful lives of respective assets from the date when the asset are available for use, on pro-rata basis. Estimated useful lives by major class of finite-life intangible assets are as follows:

Type of assets	Useful life in years
Computer software	5 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted prospectively.

2.6 Financial instruments

Financial Assets:
Initial recognition and measurement:

Financial assets are recognised when The Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, except for trade receivables which are initially measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are added to or deducted from the fair value of the financial assets.

Financial assets are subsequently classified and measured at

- amortised cost (if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding)

- fair value through profit and loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

Equity Instruments:
Investment in subsidiaries are measured at cost less impairment losses, if any.
All investments in equity instruments in scope of Ind AS 109 classified under financial assets are initially measured at fair value.
If the equity investment is not held for trading, The Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Equity Instruments which are held for trading are classified as measured at FVTPL.

Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless The Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

The Group does not have any equity investments designated at FVOCI.

Derivative financial instruments:

The Group uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks and interest rate risks. Such derivative financial instruments are recorded at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

Derecognition:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset:

In accordance with Ind AS 109, The Group applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Group follows 'simplified approach' for rec-

ognition of impairment loss allowance on trade receivables or contract revenue receivables. Simplified approach does not require The Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. This involves use of provision matrix constructed on the basis of historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.
For recognition of impairment loss on other financial assets and risk exposure, The Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL 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 (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

Financial Liabilities and equity instruments:

Classification as debt or equity
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 an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement:
Financial liabilities are recognised when The Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The fair value of a financial instrument at initial recognition is normally the transaction price. If The Group determines that the fair value at initial recognition differs from the transaction price, difference between the fair value at initial recognition and the transaction price shall be recognized as gain or loss unless it qualifies for recognition as an asset or liability. This normally depends on the relationship between the lender and borrower or the reason for providing the loan. Accordingly in case of interest-free loan from promoters to The Group, the difference between the loan amount and its fair value is treated as an equity contribution to The Group.

In accordance with Ind AS 113, the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

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

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss, unless and to the extent capitalised as part of costs of an asset.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables
For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Off setting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amount and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7 Impairment of Non-financial assets

The carrying amounts of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

2.8 Borrowing costs

Borrowing costs comprises interest expense on borrowings calculated using the effective interest method and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. EIR calculation does not include exchange differences.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are included in the cost of those assets. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.9 Foreign currency transactions

The consolidated financial statements are presented in Indian Rupees (INR), the functional currency of The Group. Items included in the consolidated financial statements of The

Group are recorded using the currency of the primary economic environment in which The Group operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Under Previous GAAP, The Group had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from the cost of the asset and should be depreciated over the balance life of the asset.

Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Group has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee
A lease is classified at the inception date as a finance lease or an operating lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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 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 recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with The Group's policy on borrowing cost. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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:
In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset or the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials, stores and spares: cost includes cost of purchase (viz. the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition and is net of trade discounts, rebates and other similar items) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving Weighted Average Method.

- Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Spare parts, which do not meet the definition of property, plant and equipment are classified as inventory.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.12 Employee benefits

Short- term employee benefits:
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, social security contributions, short term compensated absences (paid annual leaves) etc. are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled and are expensed in the period in which the employee renders the related service.

Post-employment benefits :

i) Defined contribution plan
The defined contribution plan is post employment benefit plan under which The Group contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund. The Group's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

ii) Defined benefit plan
The Group's obligation towards gratuity liability is a "defined benefit" obligation. The present value of the defined benefit obligations is determined on the basis of actuarial valuation using the projected unit credit method. The rate used to discount "defined benefit obligation" is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

The amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the current year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss).

The amount of net interest expense, calculated by applying the liability discount rate to the net defined benefit liability or asset, is charged or credited to 'Finance costs' in the Statement of Profit and Loss.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value of the defined benefit obligation resulting from experience adjustments and effects of changes in actuarial assumptions), the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) and is recognised immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss account in subsequent periods.

Other long-term employee benefit obligations:

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as 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. 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 the Statement of Profit and Loss. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit.

2.13 Share-Based Payments:

Employees of The Group receive remuneration in the form of share based payments in consideration of the services rendered (equity settled transactions).

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options on the grant date is calculated by an independent valuer on the basis of Black Scholes model.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity

revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. When the options are exercised, The Group issues fresh equity shares.

2.14 Government Grant:

Government grants are recognised only when there is reasonable assurance that The Group will comply with the conditions attaching to them and the grants will be received.
Government grants are recognised in profit or loss on a systematic basis over the periods in which The Group recognises as expenses the related costs for which the grants are intended to compensate.

Accordingly, government grants :

a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income in profit or loss on a systematic basis over the useful life of the assets."

b) related to an expense item is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed and presented as deduction from the related/relevant expense.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

2.15 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for "held for sale" is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

If the criteria for held for sale is no longer met, the asset ceases to be classified as held for sale and the asset shall be measured at the lower of :

(a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and
(b) its recoverable amount at the date of the subsequent decision not to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as "held for sale" are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

2.16 Taxation

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

Current income tax:
Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. 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.
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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 assets in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.17 Provisions and contingencies

Provisions:
Provisions are recognised when The Group has a present

obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pretax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where The Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Contingencies:
Contingent liabilities

A contingent liability is:

- a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Group, or

- a present obligation that arises from past events but is not recognised because :
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed unless the contingency is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Group.

Contingent assets are not recognised but are disclosed when the inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

2.18 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group is engaged in manufacture and trading of synthetic yarn and textiles which is considered as the only reportable business segment. The Group's Chief Operating Decision Maker (CODM) is the Managing Director. He evaluates The Group's performance and allocates resources based on analysis of various performance indicators by geographical areas only.

2.19 Related party

A related party is a person or entity that is related to the reporting entity and it includes :

(a) A person or a close member of that person's family if that person:
  (i) has control or joint control over the reporting entity;
  (ii) has significant influence over the reporting entity; or
  (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of the following conditions apply:
  (i) The entity and the reporting entity are members of the same Group.
  (ii) One entity is an associate or joint venture of the other entity.
  (iii) Both entities are joint ventures of the same third party.
  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
  (vi) The entity is controlled or jointly controlled by a person identified in (a).
  (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

  (a) that person's children, spouse or domestic partner, brother, sister, father and mother;
  (b) children of that person's spouse or domestic partner; and
  (c) dependents of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and

controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Related party transactions and outstanding balances disclosed in the consolidated financial statements are in accordance with the above definition as per Ind As 24.

2.20 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits/investments with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value. These exclude bank balances (including deposits) held as margin money or security against borrowings, guarantees etc. being not readily available for use by The Group.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits and exclude items which are not available for general use as on the date of Balance Sheet, as defined above, net of bank overdrafts which are repayable on demand where they form an integral part of an entity's cash management.

2.21 Cash Flow Statement

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method as set out in Ind AS 7 'Statement of Cash Flows', adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and
iii. all other items for which the cash effects are investing or financing cash flows.

2.22 Earnings per share

The Basic Earnings per equity share ('EPS') is computed by dividing the net profit or loss after tax before other comprehensive income for the year attributable to the equity shareholders of The Group by weighted average number of equity shares outstanding during the year. Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Contingently issuable shares are treated as outstanding and are included in the calculation of basic earnings per share only from the date when all necessary conditions are satisfied (i.e the events have occurred).

Diluted earnings per equity share are computed by dividing the net profit or loss before OCI attributable to equity holders of The Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares (including options and warrants). The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. Anti-dilutive effects are ignored.

2.23 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material.

2.24 Exceptional Items

An item of Income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of The Group is treated as an exceptional item and the same is disclosed in the consolidated financial statements.

2.25 Corporate Social Responsibility (CSR) expenditure

The Group charges its CSR expenditure during the year to the statement of profit & loss.

2.26 New and amended standards and interpretations: issued but not yet effective

The Group is still evaluating the applicability and relevance of certain new standards & interpretations to existing standards issued, but not yet effective, upto the date of issuance of The Group's consolidated financial statements, on The Group's operations and its impact on the consolidated financial statements of The Group in terms of results, presentation or disclosure. Those that may be relevant to The Group are set out below. The Group shall adopt them, if applicable, when they become effective.

Ind AS 115 'Revenue from Contracts with Customers'

Ind AS 115 establishes a five-step model to account for reve-

nue arising from contracts with customer. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard may supersede few revenue recognition practices under current Ind AS. The Group is in the process of analysing the impact of the proposed standard. This standard will come into force from accounting period commencing on or after April 1, 2018. The Group shall adopt the new standard on the required effective date.

Amendment to Ind AS 12 'Income Taxes'

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which may make deductions on reversal of deductible temporary differences (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognizing related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 112 'Disclosure of Interests in Other Entities'

The amendment to Ind AS 112 requires the entities that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, 'Non-Current Assets held for sale and discontinued operations'. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

3. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017 with a transition date of 1st April, 2016. These consolidated Financial statements for the year ended March 31, 2018, are The Group's first Ind AS consolidated Financial statements which have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, The Group prepared its consolidated Financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with relevant rules of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Group has prepared consolidated Financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognised assets and liabilities.

In preparing these Ind AS consolidated financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the consolidated Financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its consolidated Financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the consolidated Financial statements as at and for the year ended 31st March, 2017."

A. Ind AS Optional Exemptions from retrospective application

i) Deemed cost for a class of property, plant and equipment

The Group has elected to measure some items (viz. leasehold and freehold land) of property, plant and equipment at the date of transition to Ind AS at their fair value and use that fair value as its deemed cost at that date. The remaining items of property, plant and equipments are measured as per Ind AS at the date of transition.

ii) Long term Foreign Currency Monetary Items

Under Previous GAAP, The Group had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treat-

ment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from the cost of the asset and should be depreciated over the balance life of the asset. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the consolidated Financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Group has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

B. Mandatory Exceptions from retrospective application

i) De-recognition of financial assets and liabilities exception

Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

ii) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind ASs 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.

On an assessment of the estimates made under the Previous GAAP consolidated Financial statements, The Group has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by The Group for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Consolidated Balance sheet as previously reported under IGAAP to Ind AS as at 1st April, 2016 and 31st March, 2017
II. Reconciliation of Consolidated Statement of Profit and Loss as previously reported under IGAAP to Ind AS for the year ended 31st March, 2017
III. Reconciliation of Total Equity as at 1st April, 2016 and 31st March, 2017
IV. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017
V. Reconciliation of Consolidated Cash Flow Statement for the year ended 31st March, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence, Previous GAAP information have been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Consolidated Financial Statement of The Group prepared in accordance with Previous GAAP.

I. RECONCILIATION OF CONSOLIDATED BALANCE SHEET AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS AS AT 31st MARCH, 2017 AND 1st APRIL, 2016

(₹ In Lakhs)

Particulars	Foot-note Ref-er-ence	As at March 31, 2017			As at April 01, 2016		
		Previous GAAP	Effect of transition to Ind-AS	Ind AS	Previous GAAP	'Effect of transition to Ind-AS	Ind AS
ASSETS							
Non - Current Assets							
Property, Plant and Equip-ment	1,2 &4	57,190.29	5,647.66	62,837.95	49,231.42	5,680.62	54,912.04
Capital work in progress	1	583.22	(10.48)	572.74	1,801.64	-	1,801.64
Intangible assets		15.48	-	15.48	4.53	-	4.53
Financial Assets							
Investments	6	1.42	0.03	1.45	1.42	0.01	1.43
Loans	5	70.04	4.91	74.95	92.84	-	92.84
Other Financial Assets		0.25	-	0.25	-	-	-
Income Tax Asset (net)		176.83	-	176.83	189.54	-	189.54
Other non-current assets	5	2,911.18	(6.44)	2,904.74	328.79	-	328.79
Total Non Current Assets		**60,948.71**	**5,635.68**	**66,584.39**	**51,650.18**	**5,680.63**	**57,330.81**
Current Assets							
Inventories		14,913.58	-	14,913.58	9,857.03	-	9,857.03
Financial Assets							
Trade receivables	3	20,359.45	(414.58)	19,944.87	21,635.71	(414.58)	21,221.13
Cash & Cash Equivalents		64.45	-	64.45	160.04	-	160.04
Bank balances (other than cash and cash equivalent)		1,420.84	-	1,420.84	1,093.80	-	1,093.80
Loans		46.59	-	46.59	47.75	-	47.75
Other Financial assets		93.24	-	93.24	69.45	-	69.45
Other current assets	1 & 5	2,193.78	(23.49)	2,170.29	2,490.59	-	2,490.59
Total Current Assets		**39,091.93**	**(438.07)**	**38,653.86**	**35,354.37**	**(414.58)**	**34,939.79**
Assets classified as held for sale		693.29	-	693.29	76.01	-	76.01
TOTAL ASSETS		**100,733.93**	**5,197.61**	**105,931.54**	**87,080.56**	**5,266.05**	**92,346.61**
EQUITY & LIABILITIES							
EQUITY:							
Equity Share Capital	Eq-uity Rec-oncil-iation	4,350.00	-	4,350.00	3,200.00	-	3,200.00
Other Equity		24,596.43	3,556.24	28,152.67	17,748.29	3,591.63	21,339.92
Total Equity		**28,946.43**	**3,556.24**	**32,502.67**	**20,948.29**	**3,591.63**	**24,539.92**

(₹ In Lakhs)

Particulars	Foot-note Ref-er-ence	As at March 31, 2017			As at April 01, 2016		
LIABILITIES:							
Non - Current Liabilities							
Financial Liability							
Borrowings	1	34,103.38	(468.28)	33,635.10	30,757.00	(575.10)	30,181.90
Other financial liabilities		736.63	-	736.63	510.35	-	510.35
Provisions		563.81	-	563.81	468.25	-	468.25
Deferred tax liability (Net)	10	1,456.33	1,319.37	2,775.70	1,233.51	1,345.46	2,578.97
Other Non current liabilities	4	-	902.52	902.52	-	944.16	944.16
Total Non Current Liabilities		**36,860.15**	**1,753.61**	**38,613.76**	**32,969.11**	**1,714.52**	**34,683.63**
Current Liabilities							
Financial Liabilities							
Borrowings		14,350.76	-	14,350.76	13,780.58	-	13,780.58
Trade Payables		11,129.41	-	11,129.41	12,038.56	-	12,038.56
Other financial liabilities	1 & 7	8,487.83	(153.88)	8,333.95	6,674.52	(81.74)	6,592.78
Other current liabilities	4	791.55	41.64	833.19	446.15	41.64	487.79
Provisions		127.80	-	127.80	97.43	-	97.43
Current Tax Liabilities (net)		-	-	-	74.92	-	74.92
Total Current Liabilities		**34,887.35**	**(112.24)**	**34,775.11**	**33,112.16**	**(40.10)**	**33,072.06**
Liabilities directly associated with assets classified as held for sale		40.00	-	40.00	51.00	-	51.00
TOTAL EQUITY & LIABILITIES		**100,733.93**	**5,197.61**	**105,931.54**	**87,080.56**	**5.266.05**	**92,346.61**

II. RECONCILIATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(₹ In Lakhs)

Particulars	Footnote Reference	For the year ended March 31, 2017		
		Previous GAAP	'Effect of transition to Ind-AS	Ind AS
Income:				
Revenue from operations	4	170,927.01	41.64	170,968.65
Other Income	5, 6 & 7	1,140.60	72.69	1,213.29
Total Income (I)		**172,067.61**	**114.33**	**172,181.94**
Expenses:				
Cost of materials consumed		123,266.83	-	123,266.83
Purchases of stock-in-trade		3,804.17	-	3,804.17
(Increase)/decrease in Inventories of finished goods, work in progress & stock in trade		(4,540.76)	-	(4,540.76)
Excise Duty on sale of goods		15,867.86	-	15,867.86
Employee benefits expense	8 & 9	4,694.20	2.57	4,696.77
Finance costs	1 & 9	5,694.35	169.16	5,863.51
Depreciation & amortization expense	1,2 & 4	2,863.45	32.96	2,896.41
Other Expenses	5	14,555.44	0.85	14,556.29
Total Expenses (II)		**166,205.54**	**205.54**	**166,411.08**
Profit/(loss) before exceptional items & tax		**5,862.07**	**(91.21)**	**5,770.86**
Exceptional Items [Profit/(Loss)]		(344.43)	-	(344.43)
Profit/(loss) before tax		**5,517.64**	**(91.21)**	**5,426.43**
Tax Expense:				
Current tax (MAT)		1,177.95	-	1,177.95
Deferred tax	10	222.82	(26.43)	196.39
Total tax expense		**1,400.77**	**(26.43)**	**1,374.34**
Net profit/(loss) after tax		**4,116.87**	**(64.78)**	**4,052.09**
Other Comprehensive Income/ (loss)				
A. (i) Items to be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items to be reclassified to profit or loss		-	-	-
B. (i) Items not to be reclassified to profit or loss	9			
Re-measurement gains/(losses) of post employment benefit plan		-	1.01	1.01
(ii) Income tax relating to items not to be reclassified to profit or loss	10	-	(0.35)	(0.35)
Total Comprehensive Income for the year		**4,116.87**	**(64.12)**	**4,052.75**

III.	Reconciliation of Total Equity as at April 1, 2016 and March 31, 2017 Reserve and Surplus			
				(₹ In Lakhs)
	Particulars	**Footnote Refer-ence**	**As at March 31, 2017 (end of last period presented under previous GAAP)**	**As at April 1, 2016 (Date of Transition)**
	Equity (Shareholders funds) as per Previous GAAP		28,946.43	20,948.30
	Add/ (Less) : Adjustments on account of transition to Ind AS:			
	Transaction costs on borrowings	1		
	Effect of accounting of transaction costs on borrowings as per EIR method		(157.23)	(44.79)
	Fair Valuation of certain properties	2		
	Fair valuation of certain properties considered as deemed cost and impact of additional amortisation related to fair value		5,436.47	5,457.33
	Impairment of Trade receivables	3		
	Provision for expected credit losses on Trade receivables		(414.58)	(414.58)
	Fair Valuation of Security Deposit as per Ind As-109	5	(0.40)	-
	Fair Valuation of Investments (at FVTPL)	6	0.03	0.01
	Fair valuation of Derivative Instruments - Foreign Exchange Forward Contracts	7	11.33	(60.88)
	Tax Adjustments on above	10	(1,319.37)	(1,345.46)
	Equity under Ind AS		**32,502.67**	**24,539.92**

IV.	Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017		
			(₹ In Lakhs)
	Particulars	Footnote Reference	For the year ended 31 March 2017
	Net Profit as per Previous GAAP		**4,116.87**
	Add/(Less): Adjustments on account of transition to Ind AS:		
	Finance Cost		
	Effect of accounting of transaction costs on borrowings as per Effective Interest rate (EIR) method	1	(141.98)
	Reclassification of finance costs on defined benefit plans from employee benefits	9	(27.18)
	Employee benefits expense		
	Employee share-based payment expense (Employee stock option scheme)	8	(28.74)
	Reclassification of actuarial gains and losses on defined benefit plans to Other Comprehensive Income	9	(1.01)
	Reclassification of finance costs on defined benefit plans to finance cost	9	27.18
	Depreciation and amortization expense		
	Reversal of depreciation on Transaction costs on borrowings capitalized under IGAAP	1	29.54
	Incremental Depreciation on PPE and amortisation related to fair value as deemed cost of certain properties	2	(20.86)
	Depreciation chargeable on import duty waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) scheme, now capitalised	4	(41.64)
	Other Expenses		
	Provision for expected credit losses on Trade receivables	3	-
	Rent	5	(0.85)
	Revenue from Operations		
	Import duty waivers for capital assets purchased under EPCG scheme are recorded as deferred revenue and recognized in Profit and Loss	4	41.64
	Other Income		
	Fair value gain on financial instruments at FVTPL	6	0.02
	Notional interest income on interest free security deposit	5	0.45
	Fair valuation of Derivative Instruments - Foreign Exchange Forward Contracts	7	72.21
	Tax on above adjustments	10	26.43
	(A) Net Profit as per Ind AS		**4,052.09**
	(B) Add: Other Comprehensive Income		
	Actuarial gain/ (loss) on defined benefit plans (net of tax)	9 & 10	0.66
	Total Comprehensive Income (A+B)		**4,052.75**
	Net change/ impact		

v.	Reconciliation of Consolidated Cash Flow Statement for the year ended 31st March, 2017			
				(₹ In Lakhs)
	Particulars	**Previous GAAP**	**Ind AS adjustments (Effect of transition to Ind AS)**	**Ind AS**
	Net Cash Flow from operating activities	7,516.06	(857.48)	6,658.58
	Net Cash Flow from investing activities	(12,470.31)	(33.38)	(12,503.69)
	Net Cash Flow from financing activities	4,858.66	890.86	5,749.52
	Net increase/(decrease) in cash and cash equivalents	**(95.59)**	**(0.00)**	**(95.59)**
	Cash & Cash Equivalent as at April 01, 2016	160.04	0.00	160.04
	Cash & Cash Equivalent as at March 31, 2017	**64.45**	**0.00**	**64.45**

Footnotes to the reconciliation of Total equity as at 1 April 2016 and 31 March 2017 and Consolidated Statement of Profit and Loss for the year ended 31 March 2017 :

1. Loan processing fees / transaction cost:

Under previous GAAP, transaction costs incurred towards origination of borrowings were capitalised to plant, property & equipment. Ind AS 109 requires these transaction costs to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Accordingly, the excess transaction costs capitalised in plant, property & equipment and corresponding depreciation charged is reversed (de-capitalised), and unamortised transaction costs have been shown as a deduction from loans.

				(₹ In Lakhs)
		Debit / (Credit)		
		Balance Sheet		**Statement of profit and loss**
	Particulars	**As at 1st April, 2016**	**As at 31st March, 2017**	**Year Ended 31st March, 2017**
	Equity:			
	Other equity (Retained earnings)	44.79	157.23	112.44
	Liability:			
	Borrowings (non-current portion)	575.10	468.28	
	Other financial liabilities (Current maturities of long-term borrowings)	142.60	142.55	
	Assets:			
	Property, plant and equipment	(762.51)	(732.97)	
	Capital Work-in-progress		(10.48)	
	Other current Assets		(24.62)	
	(Profit)/Loss:			
	Finance costs			141.48
	Depreciation and amortization expense			(29.54)

2. Fair Valuation of certain properties

The Group has in accordance with provisions of Ind AS 101 First time adoption of Indian Accounting Standards, considered fair value for a class of properties viz. Land as the deemed cost as on its Opening Balance Sheet on April 01, 2016 . Consequently, the impact on Freehold land and leasehold land being the difference of book value and fair value of these land properties have been credited in the retained earnings as on April 01, 2016. Consequently The Group has recognised additional depreciation/ amortization as applicable on aforesaid based on the fair value in subsequent year. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

(₹ In Lakhs)

		Debit / (Credit)		
		Balance Sheet		Statement of profit and loss
	Particulars	**As at 1st April, 2016**	**As at 31st March, 2017**	**Year Ended 31st March, 2017**
	Equity:			
	Other equity (Retained earnings)	(5,457.33)	(5,436.47)	20.86
	Assets:			
	Property, Plant and Equipment	5,457.33	5,436.47	
	(Profit)/Loss:			
	Depreciation and amortization expense			20.86

3. Trade Receivables - Expected Credit Losses

Under the Previous GAAP, provision for bad debt was recognised for the doubtful debtors on a case to case basis. However, under Ind AS, The Group assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the trade receivables by following simplified approach. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis.

Hence, trade receivables have been reduced and correspondingly impact for additional allowance for credit loss has been taken in Retained Earnings on the date of transition and in Statement of Profit & Loss for FY 2016-17.

(₹ In Lakhs)

	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
Particulars	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	414.58	414.58	-
Assets:			
Trade Receivables	(414.58)	(414.58)	
(Profit)/Loss:			
Other expenses (Provision for expected credit losses on Trade receivables)	-	-	-

4. Government Grant

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 Profit and Loss on a systematic basis over the periods of useful lives of the respective assets. 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.

(₹ In Lakhs)

	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
Particulars	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	-	-	-
Liability:			
Other non-current liabilities (Deferred Revenue)		(944.16)	(902.52)
Other current liabilities ((Deferred Revenue)		(41.64)	(41.64)
Assets:			
Property, plant and equipment		985.80	944.16
(Profit)/Loss:			
Depreciation and amortization expense			41.64
Other Operating Income (government grant)			(41.64)

5. Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, The Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased and the prepaid rent increased as at 31st March, 2017. The profit for the year and total equity as at 31st March, 2017 decreased due to amortisation of the prepaid rent which is partially off-set by the notional interest income recognised on security deposits.

(₹ In Lakhs)

	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
Particulars	**As at 1st April, 2016**	**As at 31st March, 2017**	**Year Ended 31st March, 2017**
Equity:			
Other equity (Retained earnings)	-	0.40	0.40
Assets:			
Other non-current financial assets - Loans	-	4.91	
Other non-current assets	-	(6.44)	
Other current assets	-	1.13	
(Profit)/Loss:			
Rent			0.85
Finance Income			(0.45)

6. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. As explained in accounting policy under Ind AS, such investments are measured/accounted for at fair value (FVTPL). The resultant impact as on April 01,2016 has been adjusted in retained earning and subsequent changes has been recorded in the Statement of Profit and loss.

(₹ In Lakhs)

	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
Particulars	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	(0.01)	(0.03)	(0.02)
Assets:			
Non-current investments	0.01	0.03	
(Profit)/Loss:			
Other Income			
Fair value gain on financial instruments at FVTPL			(0.02)

7. Fair value of Derivative Instruments - Foreign Exchange Forward Contracts

Under Indian GAAP, foreign exchange forward contracts were accounted for based on premium amortisation method and no fair valuation was required. However, under Ind AS, such derivative financial instruments are to be recognised at fair value (FVTPL). The resultant impact as on April 01, 2016 has been adjusted in retained earning and subsequent changes has been recorded in the Statement of Profit and loss.

(₹In Lakhs)

	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
Particulars	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
Equity:			
Other equity (Retained earnings)	60.88	(11.33)	(72.21)
Liability:			
Other current financial liabilities	(60.88)	11.33	
Assets:			
Other current financial assets			
(Profit)/Loss:			
Other Income			(72.21)

8. Employee share-based payments

Under the previous GAAP, the cost of equity-settled employee share-based plan is to be recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

(₹ In Lakhs)

		Debit / (Credit)		
		Balance Sheet		Statement of profit and loss
	Particulars	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
	Equity:			
	Other equity (Retained earnings)	3.86	32.60	28.74
	Other equity (Employee Stock Options Outstanding)	(3.86)	(32.60)	(28.74)
	(Profit)/Loss:			
	Employee benefits expense			28.74

9. Defined Benefit Plans

i. Actuarial gain/(loss) - Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in Statement of Profit and Loss. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.

ii. Net interest cost on defined benefit plans - Under Previous GAAP, the interest cost on defined benefit liability and expected return on plan assets was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, The Group has recognised the net interest cost on defined benefit plans as finance cost.

(₹ In Lakhs)

		Debit / (Credit)		
		Balance Sheet		Statement of profit and loss
	Particulars	As at 1st April, 2016	As at 31st March, 2017	Year Ended 31st March, 2017
	(Profit)/Loss:			
	Employee benefits expenses			(26.17)
	Finance costs			27.18
	Other Comprehensive Income (OCI):			
	Remeasurement (gain)/loss on net defined benefit plans			(1.01)

10. Deferred Taxes

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

(₹ In Lakhs)

	Debit / (Credit)		
	Balance Sheet		Statement of profit and loss
Particulars	**As at 1st April, 2016**	**As at 31st March, 2017**	**Year Ended 31st March, 2017**
Equity:			
Other equity (Retained earnings)	1,345.46	1,319.37	(26.08)
Liability:			
Deferred tax liabilities (net)	(1,345.46)	(1,319.37)	
(Profit)/Loss:			
Deferred tax charge/(credit)			(26.43)
Income tax relating to			
Remeasurement (gain)/loss on net defined benefit plans			0.35

4. PROPERTY, PLANT AND EQUIPMENT

(₹ In Lakhs)

Particulars	Land		Building	Lease Hold Improvements	Plant & Machinery [refer note (i) and (ii) below	Furniture & Fittings	Vehicles	Office Equipments	Computer	Total Property, Plant and Equipments	Capital Work in Progress		Total Capital Work in Progress
	Free Hold	Lease Hold									Building	Plant & Machinery	
Deemed Cost as at April 01, 2016	3,235.09	4,550.01	7,989.32	-	38,630.19	150.90	253.21	75.35	27.97	54,912.04	570.52	1,231.12	1,801.64
Additions	-	-	1,845.05	88.84	9,468.41	62.42	10.20	23.30	38.93	11,537.15	281.06	266.22	547.28
Sales/Adjustments	-	-	-	-	179.44	-	22.75	-	3.14	205.33	545.06	1,231.12	1,776.18
Reclassification to assets held for sale	428.45	-	317.93	-	-	-	-	-	-	746.38	-	-	-
Gross Carrying Value as at March 31, 2017	**2,806.64**	**4,550.01**	**9,516.44**	**88.84**	**47,919.16**	**213.32**	**240.66**	**98.65**	**63.76**	**65,497.48**	**306.52**	**266.22**	**572.74**
Additions	-	-	1,879.97	-	33,289.61	13.89	136.38	27.64	61.07	35,408.56	258.46	382.91	641.37
Sales/Adjustments	-	-	-	-	227.69	49.52	73.97	20.55	-	371.73	306.52	266.22	572.74
Reclassification to assets held for sale	-	**603.92**	**131.75**	-	**1,082.60**	-	-	-	-	**1,818.27**	-	-	-
Gross Carrying Value as at March 31, 2018	2,806.64	3,946.09	11,264.66	88.84	79,898.48	177.69	303.07	105.74	124.83	98,716.04	258.46	382.91	641.37

Description	Land		Building	Lease Hold Improvements	Plant & Machinery [refer note (i) and (ii) below	Furniture & Fittings	Vehicles	Office Equipments	Computer	Total Property, Plant and Equipments	Capital Work in Progress		Total Capital Work in Progress
	Free Hold	Lease Hold									Building	Plant & Machinery	
Depreciation Expenses	-	37.79	338.29	6.13	2,353.54	25.27	50.75	28.40	16.68	2,856.85	-	-	-
Deductions/Adjustments	-	-	-	-	127.97	-	13.12	-	3.14	144.23	-	-	-
Reclassification to assets held for sale	-	-	53.09	-	-	-	-	-	-	53.09			
Accumulated Depreciation as at March 31, 2017	**-**	**37.79**	**285.20**	**6.13**	**2,225.57**	**25.27**	**37.63**	**28.40**	**13.54**	**2,659.53**	**-**	**-**	**-**
Depreciation Expenses	-	23.95	379.67	8.46	2,534.68	27.21	51.04	22.49	23.39	3,070.89	-	-	-
Deductions/Adjustments	-	-	-	-	175.24	47.57	42.09	19.40	-	284.30	-	-	-
Reclassification to assets held for sale	-	18.27	87.77	-	1,070.44	-	-	-		1,176.48			
Accumulated Depreciation as at March 31, 2018	**-**	**43.47**	**577.10**	**14.59**	**3,514.57**	**4.91**	**46.58**	**31.49**	**36.93**	**4,269.64**	**-**	**-**	**-**
Net Carrying Value as at April 01, 2016	3,235.09	4,550.01	7,989.32	-	38,630.19	150.90	253.21	75.35	27.97	54,912.04	570.52	1,231.12	1,801.64
Net Carrying Value as at March 31, 2017	2,806.64	4,512.22	9,231.24	82.71	45,693.59	188.05	203.03	70.25	50.22	62,837.95	306.52	266.22	572.74
Net Carrying Value as at March 31, 2018	2,806.64	3,902.62	10,687.56	74.25	76,383.91	172.78	256.49	74.25	87.90	94,446.40	258.46	382.91	641.37

i) Plant & Machinery Includes cost of ₹342.93 Lakhs (previous year ₹342.93 Lakhs) of water supply connection from GIDC and ₹101.00 Lakhs (Previous Year ₹101.00 Lakhs) being cost of electricity transmission lines not owned by The Company being enabling assets.

ii) Foreign Exchange differences on long term foreign currency loans(as permitted by para. D13AA of Ind AS 101) aggregating loss of ₹937.92 Lakhs (Previous year gain ₹586.60 Lakhs) capitalised/ decapitalised during the year. The accumulated foreign exchange fluctuation capitalised is ₹4,814.25 Lakhs (Upto Previous year ₹3,876.33 lakhs).

iii) Expenditure incurred during construction period ₹673.47 Lakhs (previous year ₹33.41 Lakhs) and borrowing cost ₹2,290.12 Lakhs (previous year ₹118.76 Lakhs) has been capitalised. (Refer note 53)

iv) Capital work-in-progress includes expenditure incurred during construction period pending allocation aggregating Rs. Nil (P.Y. ₹78.67 lakhs) and borrowing cost Rs. Nil (P.Y. ₹105.16 lakhs) (Refer note 53)

v) The Company has in accordance with provisions of Ind AS-101 first time adoption of Indian Accounting Standards, considered fair value for certain properties viz. freehold and leasehold land as the deemed cost as on its opening balance sheet on April 01, 2016. Consequently , the impact on freehold land amounting ₹2,579.58 lakhs and leasehold land amounting ₹2,877.75 lakhs being the difference of book value and fair value of these land properties have been credited in the retained earnings as on April 01,2016. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

vi) Measurement of fair value

a) Fair value hierarchy:

The fair value of freehold and leasehold land has been determined by external, independent property valuers, having appropriate recognised professional qualifications and experience in the category of the property being valued. The fair value measurement has been categorised as level 2 fair value based on the inputs to the valuations technique used.

b) Valuation technique:

Value of the property has been arrived at using market approach using market corroborated inputs. Adjustments have been made for factors specific to the assets valued including location and condition of the assets, the extent to which input relate to items that are comparable to the assets and the volume or the level of activity in the markets within which the inputs are observed.

vii) Charge has been created against the aforesaid assets for the borrowings taken by The Company. (Refer note 21 and 26)

5. INTANGIBLE ASSETS

(₹ In Lakhs)

Particulars	Intangible Assets (Computer Software)	Intangible Assets under Development
Deemed Cost as at April 01, 2016	4.53	-
Additions	50.51	-
Disposals	-	-
Reclassification to assets held for sale	-	-
Gross Carrying Value as at March 31, 2017	**55.04**	**-**
Additions	1.70	36.00
Disposals	-	-
Reclassification to assets held for sale	-	-
Gross Carrying Value as at March 31, 2018	**56.74**	**36.00**
Description	**Intangible Assets (Computer Software)**	**Intangible Assets under Development**
Accumulated Depreciation as at April 01, 2016	-	-
Depreciation Expenses	39.56	-
Disposals	-	-
Reclassification to assets held for sale		-
Accumulated Depreciation as at March 31, 2017	**39.56**	**-**
Depreciation Expenses	11.58	
Disposals	-	
Reclassification to assets held for sale	-	
Accumulated Depreciation as at March 31, 2018	**51.14**	**-**
Net Carrying Value as at April 01, 2016	4.53	-
Net Carrying Value as at March 31, 2017	15.48	-
Net Carrying Value as at March 31, 2018	5.60	36.00

i) The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

ii) Intangible Assets under Development comprises of expenditure on computer ERP license fee and it's configuration and customization.

6. Non- Current Investments

(₹ In Lakhs)

Particulars	Face value per share	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
Investments in equity shares							
In Others (Quoted) at fair value through profit or loss (FVTPL)							
Tata Coffee Ltd.	₹1	50	0.06	50	0.06	50	0.04
In Others (Unquoted) at fair value through profit or loss (FVTPL)							
OPGS Power Gujrat Private Limited *	₹0.1	-	-	731,500	1.39	731,500	1.39
Total			**0.06**		**1.45**		**1.43**
Aggregate amount of quoted investments			0.06		0.06		0.04
Market value of quoted investments			0.06		0.06		0.04
Aggregate amount of unquoted investments			-		1.39		1.39
Aggregate amount of impairment in value of investments							
* Shares kept with Gita Power Ventures Limited, an escrow agent							

7. Non-Current Financial Assets - Loans

(Unsecured, considered good unless otherwise stated)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits	65.63	74.95	92.84
Total	**65.63**	**74.95**	**92.84**

8. Non Current Other Financial Assets

(Unsecured, considered good unless otherwise stated)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits with banks remaining maturity of more than 12 months (refer note 8)	4.25	0.25	-
Total	**4.25**	**0.25**	-

9. Income Tax Assets (net)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax recoverable (net of provisions)	78.50	176.83	189.54
Total	**78.50**	**176.8**	**189.54**

10. Other Non-Current Assets

(Unsecured, considered good unless otherwise stated)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances	876.34	2,854.19	283.99
Deposit with excise/sales tax department under protest	40.94	41.24	44.80
Prepaid expenses	7.05	9.31	-
Total	**924.33**	**2,904.74**	**328.79**

11. Inventories (at lower of cost or net realisable value)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials (includes Inventory in Transit ₹1,911.83 Lakhs, previous year ₹1,720.41 Lakhs)	8,327.26	5,301.31	4,699.18
Work In Progress	922.07	764.21	323.55
Finished Goods (Including goods sold in transit ₹713.38 Lakhs, previous year ₹558.95 Lakhs)	8,456.12	7,263.00	3,162.90
Packing Material	787.61	658.43	531.15
Stores, Spares & Consumables (includes Inventory in Transit Rs. NIL, previous year ₹159.92 Lakhs)	877.33	926.63	1,140.25
Total	**19,370.39**	**14,913.58**	**9,857.03**

Inventories have been pledged as security for borrowings, refer note 21 and note 26 for details

12. Trade receivables

(Unsecured, considered good unless otherwise stated)			
			(₹ In Lakhs)
Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Considered Good*	17,052.31	19,944.87	21,221.13
Considered Doubtful	414.58	414.58	414.58
Less: Provision for Doubtful Debts	414.58	414.58	414.58
Total	**17,052.31**	**19,944.87**	**21,221.13**

* Net of bill discounting ₹277.74 Lakhs (previous year ₹949.19 lakhs) under confirmed Letter of Credits (LC)

There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person. Also, there are no trade or other receivables which are due from firms or private companies, in which any director is a partner, a director or a member.

Trade Receivables have been pledged as security for borrowings, refer note 21 and note 26 for details

13. Cash and Cash equivalents

			(₹ In Lakhs)
Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Cash and cash equivalents			
Balances with Banks on Current accounts	381.87	59.41	140.68
Cash on hand	12.34	5.04	19.36
Cheques, draft on hand	500.00	-	-
Total	**894.21**	**64.45**	**160.04**

14. Bank Balances (other than Cash and Cash equivalent)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked balances with bank			
Unpaid dividend a/c *	4.30	4.30	5.21
Other Bank balances:-			
Deposits with original maturity of less than 3 months **	-	-	-
Deposits with original maturity for more than 3 months but upto 12 months **	1,656.20	1,412.54	927.36
Deposits with original maturity of more than 12 months **	4.25	4.25	161.23
Total (B)	**1,660.45**	**1,416.79**	**1,088.59**
Less: Amount disclosed under non current financial assets (refer note 8)	4.25	0.25	-
Total	**1,660.50**	**1,420.84**	**1,093.80**

* These balance are not available for the use by the Company as they represent corresponding unpaid dividend liabilities.
** Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/Letter of Credit's established by the bank

15. Current Financial Assets - Loans

(Unsecured, considered good unless otherwise stated)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to employees	59.55	46.59	47.75
Total	**59.55**	**46.59**	**47.75**

16. Other Current Financial assets

(Unsecured, considered good unless otherwise stated)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Insurance claims receivable	273.71	46.07	22.43
Interest Receivable	143.52	47.17	47.02
Total	**417.23**	**93.24**	**69.45**

17. Other current assets

(Unsecured, considered good unless otherwise stated)			
			(₹ In Lakhs)
Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Advance to suppliers	391.20	565.58	1,379.29
Deposit with related parties (refer note 46)	9.60	9.60	9.60
GST Refund claim with statutory authority	1,982.18	-	-
Balance with the statutory/ Government authorities	3,897.25	350.81	416.28
Export Incentive Receivable	71.65	809.52	378.26
Duty Credit Script/ MEIS in hand	60.83	91.90	16.58
Prepaid expenses	182.78	190.19	153.76
Others	153.94	152.69	136.82
Total	**6,749.43**	**2,170.29**	**2,490.59**

18. Assets held for sale

			(₹ In Lakhs)
Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Lands	1,019.15	428.45	76.01
Buildings	308.82	264.84	-
Plant & machinery	12.15	-	-
Total	**1,340.12**	**693.29**	**76.01**

LAND AND BUILDING AT NANI TAMBADI

The Company had acquired Land at Nani Tambadi for setting up of Multi Filament Yarns facility with continuous polymerasation plant. Due to problems created by local villagers and undue delay in statutory clearances, the project had to be shifted to Dahej, Gujarat. Consequent to this the Company has decided to sell the said land and building constructed thereon. The Company has entered into an agreement to sell the land & building and has received advance. On receipt of Pending approvals and NOC from concerned authority, the closure of the deal is likely to completed in FY 2018-19.

LAND, BUILDING & PLANT & MACHINERY AT NOIDA

Board of Directors in its Board Meeting held on 07.11.2017 decided to close down operations at its Noida Plant as the size of operations at Noida plant were very small as compared to the other two plants at Dahej and Dadra, also the products manufactured at Noida plant became unremunerative. Out of the three production lines, two lines had already been sold till 31.03.2018 and negotiations are going on for sale of rest plant and machinery, land and building at Noida Plant.

The Company has identified the above as held for sale to optimise the capital allocation and focus on core business. The sale is envisaged through transfer of title for identified assets held for sale. The proposed sale are expected to be completed within 12 months from the respective reporting dates.

19. Equity Share Capital

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised			
4,50,00,000 Equity Shares of ₹10/- each	4,500.00	4,500.00	4,500.00
Total	**4,500.00**	**4,500.00**	**4,500.00**
Issued, subscribed and fully paid-up shares			
4,35,00,000 Equity Shares of ₹10/- each fully paid (31st March 2017: 4,35,00,000 equity shares of ₹10/- each fully paid, 1st April, 2016: 3,20,00,000 equity shares of ₹10/- each fully paid)	4,350.00	4,350.00	3,200.00
Total	**4,350.00**	**4,350.00**	**3,200.00**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares						
Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at April 1, 2016**	
	No of Shares	**₹In Lakhs**	**No of Shares**	**₹In Lakhs**	**No of Shares**	**₹In Lakhs**
At the beginning of the Period	43,500,000	4,350.00	32,000,000	3,200.00	32,000,000	3,200.00
Add: Shares issued during the Period	-	-	11,500,000	1,150.00	-	-
Outstanding at the end of the year	**43,500,000**	**4,350.00**	**43,500,000**	**4,350.00**	**32,000,000**	**3,200.00**

b. Terms / rights attached to equity shares

1. the Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. the Company declares and pays dividend in Indian rupees.

2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Issue of convertible warrants and conversion into equity shares

1. During the year ended March 31, 2016 the Company had allotted 11,500,000 Convertible Warrants and received ₹1,293.75 lakhs as application money being 25% of the issue price on preferential basis to the promoter's group/others to be converted at the option of warrant holders in one or more tranches, within 18 months from the date of allotment (i.e. March 16, 2016) of warrants into equivalent number of fully paid equity shares of the Company of the face value of ₹10/- per share at an exercise price of ₹45/- per share (including premium of ₹35/- per share).

2. During the year ended March 31, 2017 the Company has received ₹3881.25 lakhs being 75% of the issue price and allotted 11,500,000 equity shares of face vale of ₹10/- per share at a premium of ₹35/- per share at its meeting held on July 30, 2016.

The proceeds of the same have been utilised for the intended purpose of promoters contribution in the Company's expansion project.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of ₹10/- each fully paid up						
Madhu Sudhan Bhageria	3,754,693	8.63%	3,708,360	8.52%	3,708,360	11.59%
Purrshottam Bhaggeria	4,239,693	9.75%	4,193,359	9.64%	4,193,359	13.10%
Madhav Bhageria	4,277,293	9.83%	4,230,960	9.73%	4,230,960	13.22%
Azimuth Investments Ltd.	3,125,000	7.18%	3,125,000	7.18%	3,125,000	9.77%
Janus Infrastructure Projects Private Limited	2,700,000	6.21%	2,700,000	6.21%	-	0.00%
Nishit Fincap (P) Ltd	1,200,000	2.76%	2,408,000	5.54%	400,000	1.25%
Nouvelle Securities (P) Ltd.	1,989,016	4.57%	1,989,016	4.57%	1,989,016	6.22%

As per records of the Company including its register of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

20. Other Equity

(₹In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve	1,253.11	1,253.11	1,253.11
Capital Redemption Reserve	1,250.00	1,250.00	1,250.00
Securities Premium Reserve	9,734.30	9,734.30	5,709.30
General Reserve	350.43	350.43	350.43
Employee Stock Option Outstanding	61.34	32.60	3.86
Retained Earnings (Surplus/(deficit)	21,505.76	15,531.56	11,479.47
Total Reserve and Surplus	**34,154.94**	**28,152.00**	**20,046.17**
Money received against share warrants	-	-	**1,293.75**
Other Comprehensive Income (OCI)	**31.67**	**0.66**	-
Foreign Currency Translation Reserve	**0.08**	**0.01**	
Total	**34,186.69**	**28,152.67**	**21,339.92**

Nature and Purpose of Reserves

a) Capital Reserve

Capital Reserve was created under the previous GAAP on account of Capital profit in negotiation settlement with IDBI Bank and on redemption of certain preference shares.

b) Capital Redemption Reserve

Capital Redemption Reserve was created during redemption of Preference shares out of the profits of the Company in accordance with the requirements of Companies Act.

c) Security Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This can be utilized in accordance with the provisions of the Companies Act, 2013.

d) General Reserve

This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of

Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

e) Employee Stock Option Outstanding

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

f) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

21. Non Current Borrowings

Equity shares						
Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at April 1, 2016**	
Secured						
From Banks						
(i) Term Loans						
- Rupee loans	16,928.48		13,325.15		6,102.85	
- Foreign currency loans	6,455.20		6,632.45		10,631.76	
- External Commercial Borrowing (ECB)	23,421.75		5,782.08		6,675.48	
(ii) Vehicle Loans	93.32		27.01		53.22	
Total	**46,898.75**		**25,766.69**		**23,463.31**	
Less : Current maturity (refer note 26)	6,548.48		5,350.52		4,315.77	
Net Long Term Borrowings (Banks)		**40,350.27**		**20,416.17**		**19,147.54**
(iii) Buyers credit for capital goods		2,941.32		1,182.84		164.70
(iv) From a non banking financial institution						
- Term Loan	3,372.86		3,325.41		998.00	
Less : Current maturity (refer note 26)	517.54		49.07		47.34	
Net Long Term Borrowings (NBFC)		**2,855.32**		**3,276.34**		**950.66**
Total Secured Borrowings		**46,146.91**		**24,875.35**		**20,262.90**
Unsecured						
(v) From body corporate		8,013.25		8,759.75		9,919.00
Total Unsecured Borrowings		**8,013.25**		**8,759.75**		**9,919.00**
Total		**54,160.16**		**33,635.10**		**30,181.90**

I. Term loans

a) From banks under consortium arrangement ₹23,383.68 Lakhs (net of transaction cost of ₹184.24 Lakhs) [previous Year ₹19,957.60 Lakhs (net of transaction cost of ₹114.54 lakhs)], are secured by equitable mortgage created/extended by way of deposit of title deeds on pari passu basis in respect of immovable properties and first charge by way of hypothecation of company's all movable assets (save & except vehicles, plant & machinery and equipment acquired through specific loans), pledge of 7,472,679 equity shares of the face value of ₹10/- each of the Company held by the promoters and promoter's group, mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party), personal guarantees of the promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) upto value of the mortgage property. These loans are further secured by second pari passu charge by way of hypothecation of inventory of raw material, finished goods, semi-finished goods, stores & spares, book debts and other receivables (both present and future) Rupee loan bear floating interest rate ranging from MCLR plus 2.10% - 4.25% p.a. while Foreign Currency Term Loan (FCTL) bear

interest rate of 6 /12 Months Libor + 4.00% to 4.25% p.a. The loans are repayable in ballooning quarterly installments.

b) External Commercial Borrowings (ECB) From Foreign Consortium Banks

(i) ₹5,954.57 Lakhs (net of transaction cost ₹348.46 Lakhs) [previous Year ₹5,782.08 Lakhs (net of transaction cost ₹466.02 Lakhs)], are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipments thereof and personal guarantee of promoter directors. The loan is repayable in 16 half yearly equal installments that commenced from December 2016 and bear Interest at 6M Euribor + 1.55% p.a.

(ii) ₹17,467.18 Lakhs (net of transaction cost ₹1,546.11 Lakhs) (previous Year Rs. Nil), are secured by first priority exclusive charge over Fully Drawn Yarn spinning machinery and equipments thereof and personal guarantee of promoter directors. The loan is repayable in 20 half yearly equal installments that will commence from September 2018 and bear Interest at 6M Euribor + 1.10% p.a."

II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. The said loans carry interest rate which varies 8.25% to 10.50% and repayable in 36 - 60 Equated Monthly installments.

III. Buyers' Credit for capital goods amounting to ₹2,941.32 Lakhs (Previous Year ₹1,182.84 Lakhs) secured by Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) issued by consortium of banks. LOUs / LOCs facility is secured by equitable mortgage created by way of deposit of title deeds on pari passu basis in respect of immovable properties and first charge by way of hypothecation of company's all movable assets (save & except inventories, book debts, vehicles, plant & machinery acquired through specific loans), pledge of 7,472,679 equity shares of the face value of ₹10/- each of the Company held by the promoter directors and promoter group, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of the promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property on pari-passu basis. These loans are further secured by second pari passu basis charge by way of hypothecation of inventory of raw material, finished goods, semi-finished goods, stores & spares, book debts and other receivables (both present and future). The loan bears floating interest 6/12 Months Libor plus 0.72% - 2.30% p.a. & Euribor plus 0.12% - 0.40%.

IV. From a non banking financial institution

a) ₹889.04 Lakhs (net of transaction cost ₹4.10 Lakhs) [Previous year ₹950.66 Lakhs (net of transaction cost ₹5.02 Lakhs)] is collaterally secured by mortgage created by way of deposit of title deeds in respect of the immovable property belonging to promoters group, and are further secured by corporate guarantee of Azimuth Investment Limited, Promoter's group company (related party) restricted upto the value of property. The loan carries floating interest rate of RFRR - 9.20% i.e 11.00% p.a. presently and repayable in 120 equated monthly installments that started from May, 2016.

b) ₹2,483.82 lakhs (net of transaction cost ₹16.18 Lakhs) [previous year ₹2,374.75 lakhs (net of transaction cost ₹25.25 Lakhs)] is collaterally secured by mortgage created by way of deposit of tittle deeds in respect of immovable property belonging to Elevate Developers Private Limited, (Related party) and are further secured by pledge of 3,400,000 equity shares held by the promoter group companies. The loan carries floating interest rate of base rate plus 0.30% i.e 13.25% p.a presently and is repayable in 11 equal quarterly installments starting from October 2018 after a moratorium of 15 months.

V. **Unsecured Loans** - From body corporates carrying interest @ 9% - 14% p.a. and are payable after 15 months to 36 months from the date of receipt.

22. Non Current Financial liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Dealer's Deposits Held	598.31	598.31	433.98
Deferred Payments	124.36	124.36	76.37
Total	**722.67**	**722.67**	**510.35**

23. Non Current Provisions

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Gratuity (refer note 48)	345.57	362.31	306.86
Provision for Leave Encashment	170.44	201.50	161.39
Total	**516.01**	**563.81**	**468.25**

24. Deferred tax liabilities (Net)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
A. Components of Income Tax Expense		
I. Tax expense recognised to Statement of Profit & Loss		
a) Current Tax :		
- Current year	1,968.77	1,177.95
- Adjustment/(credits) related to previous years (net)	(0.60)	-
Total (a)	**1,968.17**	**1,177.95**
b) Deferred Tax		
- Relating to origination and reversal of Temporary differences	3,293.35	1,374.34
- Minimum Alternate Tax (MAT) credit entitlement	(1,967.88)	(1,177.95)
Total (b)	**1,325.47**	**196.39**
Income tax expense reported in the Statement of Profit & Loss (a+b)	**3,293.64**	**1,374.34**
II. Tax on other comprehensive income		
Deferred Tax		
- (Gain)/loss on remeasurement of net defined benefit plans	16.66	0.35
Total	**16.66**	**0.35**
B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Accounting Profit before income tax	9,267.84	5,426.43
Less: Profit/(Loss) of Subsidiary	(4.18)	(3.47)
Net Accounting Profit before Income tax	9,272.02	5,429.90
India's statutory Income tax rate (%)	34.9440%	34.608%
Tax on accounting profit at above rate	3,240.01	1,879.18
Adjustments in respect of Current Income tax of Previous years	(0.60)	-
Non-deductible/(deductible) expenses for Tax purposes		
- Investment Allowance u/s 32AC of Income Tax Act, 1961	-	(511.70)
- CSR expenditure	22.18	6.71
- Depreciation on leasehold land	(7.29)	5.86
- Profit on sale of land	-	(15.32)
- Employee share based payment expense	10.04	9.95
- Reversal of Deferred tax liability on Fair valuation of land	1.40	(4.58)
- Effect of deferred tax balances due to the changes in Income tax rate from 34.608% to 34.9440%	48.81	-
- Other non-deductible expenses	(20.91)	4.24
Income tax expense reported in the statement of Profit & Loss	**3,293.64**	**1,374.34**

i) The tax rate used for calculating deferred tax for FY 2017-18 is 34.9440% and for FY 2016-17 is 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

ii) The Indian Companies have to pay taxes based on the higher of Income-tax profit of the Company or MAT at 21.3416% of book profit for the year 2017-18 and 2016-17.

C. Movement in Deferred Tax Assets and Liabilities

Particulars	As at April 01, 2016	Charge/ (Credit) in the statement of Profit and Loss	Charge/ (Credit) in other Compre-hensive income	As at March 31, 2017	Charge/ (Credit) in the state-ment of Profit and Loss	Charge/ (Credit) in other Compre-hensive income	As at March 31, 2018
a) Deferred tax liability							
- On property, plant and equipment	6,097.11	2,063.82	-	8,160.93	2,847.14	-	11,008.07
- On fair value gain/(loss) on Property, Plant & Equipment	1,525.51	(11.80)	-	1,513.71	3.71	-	1,517.42
Total deferred tax liabilities	**7,622.62**	**2,052.02**	**-**	**9,674.64**	**2,850.85**	**-**	**12,525.49**
b) Deferred tax assets							
- On Provision for Doubtful Debts and advances	143.48	-	-	143.48	1.39	-	144.87
- On provision for compensated absenses (Bonus & Leave en-cashment)	115.83	15.55	-	131.38	9.19	-	140.57
- On Gratuity and other Employee Benefits	125.44	26.08	-	151.52	19.44	-	170.96
- On fair valuation of forward contracts	21.07	(24.99)		(3.92)	3.92	-	0.00
- On exchnage variation on capital goods charged to P&L	-	-		-	16.24	-	16.24
- On unabsorbed depreciation	3,223.32	674.97		3,898.29	(901.44)	-	2,996.85
- On deferred Income	341.18	(14.27)		326.91	391.21	-	718.12
Total deferred tax assets before MAT credit entitlement	**3,970.32**	**677.34**	**-**	**4,647.66**	**(460.05)**	**-**	**4,187.61**
Total deferred tax liabilities (Net) before MAT credit entilement	**3652.30**	**1,374.68**	**-**	**5,026.98**	**3,310.90**	**-**	**8,337.88**
Less: MAT Credit entitlement	1,073.33	1,177.95	-	2,251.28	1,968.77	-	4,220.05
Total deferred tax liabilities (Net)	**2,578.97**	**196.73**	**-**	**2,775.70**	**1,342.13**	**-**	**4,117.83**
D. Unabsorbed tax depreciation can be claimed for an infinite period							

25. Non Current Other liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Income - Govt. Grant (refer note 49)	1,966.06	902.52	944.16
Total	**1,966.06**	**902.52**	**944.16**

26. Current Borrowings

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
From Banks (Secured)			
(i) Working Capital:			
- Rupee loans	4,742.65	1,672.60	5,185.47
- Foreign currency loans	4,036.85	5,305.50	6,373.13
(ii) Short Term borrowing	1,073.00	-	-
(iii) Buyer's credit for raw material	-	7,372.66	2,221.98
Total	**9,852.50**	**14,350.76**	**13,780.58**

I. Working capital loans from consortium member banks are secured by first charge by way of hypothecation of inventory of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) on pari passu basis and are further secured by way of second charge on block of fixed assets of the Company save & except vehicles and plant & machinery acquired out of specific loan(s). These facilities are further secured by pledge of 7,472,679 equity shares of the face value of ₹10/- each of the Company held by promoter and promoter group, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party) and personal guarantees of promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property i.e ₹434.00 lakhs on pari passu basis. These loans are repayable on demand. Rupee working capital loan carry an interest at MCLR plus 2.10% to 3.95% p.a and foreign currency working capital loan carry an interest at 6M libor + 3.50% to 3.65% p.a.

II. Short term borrowing

Short term borrowing obtained from Union Bank of India, on sole banking and is secured by first charge by way of hypothecation of inventory of raw materials, finished goods, semi finished goods, stores and spares, book debts, GST receivable and other receivables (both present and future) on pari passu basis and are further secured by way of second charge on block of fixed assets of the Company save & except vehicles and plant & machinery acquired out of specific loan(s). These facilities are further secured by pledge of 7,472,679 equity shares of the face value of ₹10/- each of the Company held by promoter and promoter group, equitable mortgage of an immovable property owned by SMC Yarns Pvt Ltd (related party), equitable mortgage of an immovable property owned by Ms Vrinda Bhageria (related party) and personal guarantees of promoter directors alongwith corporate guarantee of SMC Yarns Pvt Ltd (related party) to the extent of value of property i.e ₹434.00 lakhs on pari passu basis and personal guarantee of Ms. Vrinda Bhageria (related party) to the extent of value of property i.e.₹336.00 lakhs. These loans are repayable on demand. Rupee working capital loan carry an interest at MCLR plus 2.10% to 3.95% p.a and foreign currency working capital loan carry an interest at 6M libor + 3.50% to 3.65% p.a."

III. Bill Discounting: The above does not include bill discounting of ₹277.74 Lakhs (previous year ₹949.19 lakhs) from bank against confirmed letter of credit which has been reduced from Trade Receivables (refer note 12).

27. Trade payables

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables			
Dues of other than micro, small & medium enterprises			
- Acceptances - Foreign	10,964.07	9,355.93	4,349.36
- Acceptances - Domestic	2,713.97	1,523.81	7,485.33
- Others	8,389.40	249.67	141.74
Dues of micro, small & medium enterprises (refer note 44)	338.59	-	62.13
Total	**22,406.03**	**11,129.41**	**12,038.56**

28. Current Other Financial liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturity of long term borrowings			
From Banks (secured)			
(i) Term Loans			
- Rupee loans	5,006.28	4,601.37	3,444.19
- External Commercial Borrowings	1,516.03	733.18	838.63
(ii) Vehicle Loans	26.17	15.97	32.95
From a Non Banking Financial Institution (secured)			
- Rupee loans	517.54	49.07	47.34
Interest accrued but not due on borrowings	111.64	61.01	50.57
Dealer's Deposit	90.91	91.39	102.10
Unpaid dividend (To be transferred to Investor Education & Protection Fund as and when due)	4.30	4.30	5.21
Expense payable	555.56	700.26	439.37
Derivative Financial Liabilities (Foreign exchange forward contracts)	56.79	991.13	677.92
Capital Creditors	1,187.19	286.35	578.56
Payable other than trade	1,203.37	799.92	375.94
Total	**10,275.78**	**8,333.95**	**6,592.78**

29. Other current liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from customers	300.42	353.04	124.98
Deferred Income - Govt. grant (refer note 49)	88.03	41.64	41.64
Dues to statutory authorities	220.61	438.51	321.17
Total	**609.06**	**833.19**	**487.79**

30. Current Provisions

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Gratuity (refer note 48)	143.63	75.49	55.59
Provision for Leave Encashment	87.43	52.31	41.84
Total	**231.06**	**127.80**	**97.43**

31. Income Tax Liabilities (net)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for tax (net of advance tax)	112.03	-	74.92
Total	**112.03**	**-**	**74.92**

32. Liabilities directly associated with assets classified as held for sale

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance received against asset held for sale	240.00	40.00	51.00
Total	**240.00**	**40.00**	**51.00**

33. Revenue from operations

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sale of products (Including excise duty)	193,113.27	165,750.74
Sale of traded goods	3,827.78	4,558.07
Job work	-	166.81
Other operating revenue	548.62	493.03
Total	**197,489.67**	**170,968.65**

Other operating revenue comprising the following:

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sales of scrap	372.77	285.20
Government Grant (Refer note 49)	44.64	41.64
Export incentives earned	131.21	166.19
Total	**548.62**	**493.03**

34. Other Income

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income on		
a) Financial assets held at amortised cost		
Fixed deposits with banks	107.42	104.14
Others	520.10	887.22
b) Others		
Interest on Income Tax refund	15.82	-
Dividend Income		
Dividend on current investment in mutual funds	46.99	1.62
Other non-operating Income		
Net gain on Fair Value changes at FVTPL on Investments	-	0.02
Net gain on foreign currency transaction and translation	347.26	191.72
Miscellaneous Income	2.23	2.90
Sundry balances written back	24.86	25.67
Total	**1064.68**	**1213.29**

35. Cost of materials consumed

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Raw Material	145,916.81	117,602.84
Packing Material	6,438.21	5,128.04
Consumables	629.88	535.95
Total	**152,984.90**	**123,266.83**

36. (Increase)/ decrease in inventories)

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Closing stock		
- Finished goods	8,456.12	7,263.00
- Work- In- Progress	922.07	764.21
Total	**9,378.19**	**8,027.21**
Opening stock		
- Finished goods	7,263.00	3,162.90
- Work- In- Progress	764.21	323.55
Total	**8,027.21**	**3,486.45**
- Total (increase)/decrease	**(1,350.98)**	**(4,540.76)**

37. Employee benefit expenses

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries, wages and bonus	4,393.87	4,279.02
Contribution to provident & other funds	215.75	194.20
Employee Stock Option expense (refer note 50)	28.74	28.74
Gratuity (refer note 48)	89.87	69.76
Staff welfare expenses	146.51	125.05
Total	**4,874.74**	**4,696.77**

38. Finance Cost

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest		
- on term loans (refer note 49)	1,643.68	2,311.54
- on working capital & others	1,015.67	2,057.41
- on defined benefit Plan	31.52	27.18
Exchange difference regarded as an adjustment to borrowing Cost	883.78	736.72
Bank Charges	835.98	730.66
Total	**4,410.63**	**5,863.51**

39. Other expenditure

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Manufacturing Expenses		
Consumption of stores and spares	1,117.81	1,081.08
Power & Fuel	11,669.25	8,595.58
Increase/(decrease) in excise duty on finished goods inventory	(577.38)	245.37
Total manufacturing Expenses (A)	**12,209.68**	**9,922.03**
Selling Expenses		
Market Development Expenses	39.52	41.48
Freight outward	2,019.78	1,643.90
Commission on sales	1,080.88	643.86
Total selling expenses (B)	**3,140.18**	**2,329.24**
Administration and other expenses		
Rent	202.83	166.55
Repair & Maintenance - Machinery	186.62	142.48
- Building	72.95	42.73
- Others	136.50	87.34
Insurance	102.29	131.10
Rates & taxes	88.49	35.10
Auditor's remuneration (refer note 43)	18.59	16.71
Electricity & Water expenses	56.99	48.70
Printing & stationery	37.25	33.35
Postage, telephone & telegram	52.71	45.74
Travelling & conveyance	267.03	248.03
Vehicle running & maintenance	177.38	135.81
Legal & professional charges	156.40	141.33
Director's sitting fees	5.72	5.30
Security services	10.66	27.68
Expenditure towards Corporate Social Responsibility (refer note 42)	63.48	19.38
General expenses	83.55	81.44
Donation & charity (Other than Political Parties)	1.29	1.11
Advertisement & publicity	10.92	6.05
Membership & subscription	15.85	15.48
Loss on sale/discarding of Property, Plant & Equipment [Net of profit of Rs. 7.04 Lakhs (previous year Rs. 3.85 Lakhs)]	21.68	31.92
Bad Debts Written Off	-	841.69
Total administrative & other expenses (C)	**1,769.18**	**2,305.02**
Total (A + B + C)	**17,119.04**	**14,556.29**

40. Earnings per share (EPS)

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net profit/(loss) for calculation of basic/diluted EPS (₹ In Lakhs)	5,974.20	4,052.09
Reconciliation of number of shares		
Weighted average number of shares in calculating Basic EPS	**43,500,000**	**39,719,178**
Effect of Dilution:		
Effect of dilutive issue of share warrants convertible into equity shares	-	3,780,822
Effect of dilutive issue of stock option (ESOP)	681,832	122,941
Weighted average number of shares in calculating Diluted EPS	**44,181,832**	**43,622,941**
Nominal Value of each share	10	10
Earning per share:		
Basic (₹)	13.73	10.20
Diluted (₹)	13.52	9.29

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

41. Contingent liabilities and commitments (to the extent not provided for)

i) Contingent liabilities

(₹ In Lakhs)

Particulars			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A.	**Claims against The Company not acknowledged as debts**				
	a)	Excise / Custom duty (Mainly relating to reversal of cenvat credit & valuation of texturised yarns)	764.83	777.31	1,202.31
	b)	Income Tax demand on account of :			
		- Penalty for the period AY 2001-02 to 2005-06	-	33.37	33.37
	c)	Amount of duty saved on import of plant & machinery under EPCG scheme on pending export obligations	2,732.06	310.13	1,848.96
	d)	Other Claims against The Company not acknowledged as debts	434.89	434.89	1,552.08
B	**Guarantees**				
	a)	Letters of Credits	13,517.08	4,556.97	3,682.92
	b)	Unexpired Bank Guarantees	2,375.85	2,083.79	2,010.34
	c)	Export Bill Discounting	277.74	949.19	-
C	**Other money for which The Company is contingently liable**				

The Company does not expect any reimbursement in respect of the above contingent liabilities and it is not practicable to estimate the timings of the cash flows, if any. In respect of the matters pending resolution of the arbitration/ appellate proceedings and it is not probable that an outflow of resources will be required to settle the above obligations/ claims.

Based on the discussion with the solicitors and as advised, The Company believes that there are fair chances of decisions in its favor (in respect of the items listed in A (a) to A (d) above). Hence, no provision is considered necessary against the same.

ii)	**Capital & other commitments**				
	a)	Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:			
					(₹ In Lakhs)
Particulars			**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
		Property, Plant and equipment	8,353.53	16,733.11	2,151.00
	b)	**Other commitments :**			
		Export obligation of ₹16,392.35 lakhs (previous year (₹ 1,860.78 lakhs) on account of duty saved on import of plant & machinery under EPCG scheme.			

42. In light of Section 135 of the Companies Act, 2013, The Company has incurred expenses on Corporate Social responsibility (CSR) aggregating to ₹63.48 Lakhs (previous year ₹19.38 Lakhs)

i)	Disclosure in respect of CSR expenditure is as follows:			
				(₹ In Lakhs)
Particulars			**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
	a)	Gross amount required to be spent by The Company during the year	63.28	19.23
	b)	Amount spent during the year on the following:		
		1. Construction/acquisition of asset	22.13	4.19
		2. On purposes other than 1 above	41.35	15.19

43. Statutory Auditor's Remuneration
(Net of GST/Service tax)

				(₹ In Lakhs)
Particulars			**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
	a)	Audit fees (including fees for limited review)	15.07	12.58
	b)	Tax audit fees	2.00	1.80
	c)	Certification charges	0.20	0.64
	d)	Out of pocket expenses	1.31	0.38
Total			**18.58**	**15.40**

44. Details of dues to Micro Small & Medium Enterprises Development (MSME) Act, 2006

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i)	The principal amount & the interest due thereon remaining unpaid at the end of the year			
	Principal Amount	338.59	-	62.13
	Interest Due thereon	0.65	0.68	-
ii)	Payments made to suppliers beyond the appointed day during the year			
	Principal Amount	543.56	60.01	-
	Interest Due thereon	2.84	0.68	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of the year; and	3.49	0.68	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-		

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with The Company and in cases of confirmation from vendors, interest for delayed payments has not been provided.

45. Segment Information

The Company is primarily engaged in manufacture and trading of synthetic yarn and textiles which is considered as the only reportable business segment. The Company's Chief Operating Decision Maker (CODM) is the Managing Director. He evaluates The Company's performance and allocates resources based on analysis of various performance indicators by geographical areas only.

INFORMATION ABOUT REPORTABLE SEGMENT

(₹ In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
External revenue in the above reportable business segment	197,489.67	170,968.65

INFORMATION ABOUT GEOGRAPHICAL AREAS		
a.	**Revenue from external customers**	
		(₹ In Lakhs)
	For the year ended March 31, 2018	**For the year ended March 31, 2017**
Within India	160,233.42	144,059.14
Outside India	37,256.25	26,909.51
Total	**197,489.67**	**170,968.65**

b.	**Non current assets (other than financial instruments and tax assets)**	
		(₹ In Lakhs)
Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Within India	96,053.70	66,330.91
Outside India	-	-
Total	**96,053.70**	**66,330.91**

c. Information about major customer:

There are no major customers contributing to more than 10% of the total revenue.

46	**Related Party Disclosure:**		
	(i)		Names of related parties and nature of relationships:
		(a)	**Key managerial personnel:**
			i) Shri Madhu Sudhan Bhageria (Chairman and Managing Director)
			ii) Shri Purrshottam Bhaggeria (Joint Managing Director)
			iii) Shri Madhav Bhageria (Joint Managing Director)
			iv) Shri Ashok Chauhan (Whole time Director)
			v) Shri B.B Tandon Independent - Non Executive Director
			vi) Shri S.C Parija Independent - Non Executive Director
			vii) Shri S.P Setia Independent - Non Executive Director
			viii) Smt. Pallavi Joshi Bakhru Independent - Non Executive Director
			ix) Shri Rajender Prasad Gupta (Chief Financial Officer)
			x) Shri Raman Jha (Company Secretary)
		b)	**Relative of key managerial personnel:**
			i) Smt. Anu Bhageria (Wife of related party mentioned at a(i) above).
			ii) Smt. Shefali Bhageria (Wife of related party mentioned at a(ii) above).
			iii) Smt. Gunjan Bhageria (wife of related party mentioned at a(iii) above).
			iv) Ms. Vrinda Bhageria (Daughter of related party mentioned at a(i) above).
			v) Mr. Yaduraj Bhageria (Son of related party mentioned at a(ii) above).
			vi) Mr. Vedansh Bhageria (Son of related party mentioned at a(iii) above).

		c)	**Enterprises owned or significantly influenced by key managerial personnel:**
			i) Madhu Sudhan Bhageria (HUF)
			ii) Purrshottam Bhaggeria Family Trust
			iii) Nouvelle Securities Pvt Ltd
			iv) SMC Yarns Pvt Ltd
			v) Vrinda Farms Pvt. Ltd.
			vi) Maan Softech Private Limited
			vii) Azimuth Investment Private Limited
			viii) Janus Infrastructure Projects Private Limited
			ix) Fargo Estates Private Limited
			x) Elevate Developer Private Limited
			xi) Hill Estate Pvt. Ltd.

(ii) Transactions with related parties during the year:

(₹ In Lakhs)

Nature of Transactions	Nature of Relationship	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent paid			
Purrshottam Bhaggeria	**Key Management Personnel**	-	1.47
Vrinda Bhageria	**Relative of Key Management Personnel**	14.40	8.50
Vedansh Bhageria		9.60	8.83
Yaduraj Bhageria		9.60	8.83
Madhusudan Bhageria (HUF)	**Enterprises owned or significantly influenced by Key Managerial Personnel**	-	4.58
Nouvelle Securities (P) Ltd.		-	3.00
Vrinda Farms Private Limited		22.05	19.80
Maan Softech Private Limited		18.00	12.44
Purrshottam Bhaggeria Family Trust		21.60	17.50
Security service paid			
Hill Estate (P) Ltd.	**Enterprises owned or significantly influenced by Key Managerial Personnel**	3.12	6.98
Sale of Asset (vehicle)			
Ashok Chauhan	**Key Management Personnel**	4.28	-

Unsecured Loan taken, paid and interest paid				
Nouvelle Securities (P) Ltd.				
Unsecured Loan	Taken	Enterprises owned or significantly influenced by Key Managerial Personnel	3,325.00	1,200.00
	Repaid		2,250.00	50.00
Interest Paid			137.14	46.03
Security Deposit Repaid				
Purrshottam Bhaggeria	Key Management Personnel	-		0.72
Money received against allotment of convertible warrants				
Anu Bhageria	Relative of Key Management Personnel	-		50.63
Vrinda Bhageria		-		50.63
Shefali Bhageria		-		50.63
Yaduraj Bhageria		-		50.63
Gunjan Bhageria		-		50.63
Vedansh Bhageria		-		50.63
Janus Infrastructure Projects Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	-		911.25
Fargo Estates Private Limited		-		540.00
Equity shares issued upon conversion of share warrants				
Anu Bhageria	Relative of Key Management Personnel	-		67.50
Vrinda Bhageria		-		67.50
Shefali Bhageria		-		67.50
Yaduraj Bhageria		-		67.50
Gunjan Bhageria		-		67.50
Vedansh Bhageria		-		67.50
Janus Infrastructure Projects Private Limited	Enterprises owned or significantly influenced by Key Managerial Personnel	-		1,215.00
Fargo Estates Private Limited		-		720.00

Managerial Remuneration (Including Commission)			
Madhusudan Bhageria			
- Short-term employee benefits		95.10	87.39
- Post-employment benefits		0.22	0.22
- Other long-term benefits		0.90	1.28
- Termination benefits		20.00	10.00
- Share-based payment		-	-
Purrshottam Bhaggeria			
- Short-term employee benefits		88.69	80.88
- Post-employment benefits		0.22	0.22
- Other long-term benefits		0.77	1.11
- Termination benefits		18.78	8.83
- Share-based payment		-	-
Madhav Bhageria			
- Short-term employee benefits		86.62	76.37
- Post-employment benefits		0.22	0.22
- Other long-term benefits		0.77	1.13
- Termination benefits		16.72	7.72
- Share-based payment	**Key Management Personnel**	-	-
Ashok Chauhan			
- Short-term employee benefits		30.57	30.28
- Post-employment benefits		-	-
- Other long-term benefits		0.32	1.62
- Termination benefits		-	-
- Share-based payment		1.66	1.51
B.B Tandon			
- Director Sitting Fees		1.51	1.56
S.C Parija			
- Director Sitting Fees		1.40	1.32
S.P Setia			
- Director Sitting Fees		1.30	1.16
Pallavi Joshi Bakhru			
- Director Sitting Fees		1.51	1.26
Rajender Prasad Gupta			
- Short-term employee benefits		18.58	14.28
- Post-employment benefits		0.22	0.22
- Other long-term benefits		1.65	1.72

- Termination benefits	Key Management Personnel	7.30	6.74
- Share-based payment		1.33	1.21
Raman Jha			
- Short-term employee benefits		6.85	6.52
- Post-employment benefits		0.22	0.22
- Other long-term benefits		0.57	0.05
- Termination benefits		1.00	0.03
- Share-based payment		0.50	0.45

(₹ In Lakhs)

Balance outstanding	Nature of Relationship	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Managerial Remuneration (net of TDS)				
Madhusudan Bhageria	Key Management Personnel	18.45	22.29	19.51
Purrshottam Bhageria		17.15	22.29	19.68
Madhav Bhageria		17.25	22.30	21.03
Unsecured Loan				
Nouvelle Securities (P) Ltd.	Enterprises owned or significantly influenced by Key Managerial Personnel	2,225.00	1,150.00	-
Security deposit (Rent)	Enterprises owned or significantly influenced by Key Managerial Personnel			
Vrinda Farms Private Limited		3.60	3.60	3.60
Maan Softech Private Limited		3.00	3.00	3.00
Purrshottam Bhaggeria Family Trust		3.00	3.00	3.00
Immovable Property mortgaged/Guarantee given against loan taken by The Company				
SMC Yarns Pvt. Ltd. (Realisable value of the property as per valuation report dated 06.01.2018 P.Y 05.07.2014)	Enterprises owned or significantly influenced by Key Managerial Personnel	336.00	434.70	434.70
Azimuth Investment Pvt Ltd (Realisable value of the property as per valuation report dated 14.04.2014)		527.00	527.00	527.00
Elevate Developer Private Limited (Realisable value of the property as per valuation report dated 24.03.2017)		3,018.00	3,018.00	-

Satya Bhama Bhageria *	Relative of key Managerial Personnel	866.00	866.00	866.00
Anu Bhageria *				
Shefali Bhageria *				
Gunjan Bhageria *				
Vrinda Bhageria		786.30	-	-
Madhu Sudhan Bhageria #	Key Management Personnel	862.18	524.04	533.71
Purrshottam Bhaggeria #		930.46	808.52	754.67
Madhav Bhageria #		1,073.17	921.92	916.99

Net worth as on 31st March, 2017 (previous year as on 31st March, 2016)

*Property jointly held by related parties and valuation of property as per valuation report dated 14th April, 2014 Grant of stock options during the previous year to key managerial personnel namely, (1) Mr. Ashok Chauhan - 50,000 Shares, (2) Mr. R.P Gupta - 40,000 Share and (3) Mr. Raman Jha - 15,000 Share (refer note no. 50). No amount has been written off or provided for in respect of transactions with related parties.

47	**Leases:**	
(a)	**Operating Lease: Company as a lessee**	
	General Description of leasing agreements:	
	The Company has various operating leases under cancellable operating lease arrangements for plant and machinery, accommodation for employees and other assets which are renewable by mutual consent on mutually agreeable terms and range between 11 months to 10 years. The Company has given interest free refundable security deposit in accordance with the agreed terms. There are no restrictions imposed by these arrangements. There are no sub leases. The Company has not entered into any non cancellable lease.	
	Disclosures with respect to operating leases :	

(₹ In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating lease payments recognised in the Statement of Profit and Loss under 'Rent'	202.83	166.55
- Contingent rents recognised as an expense	-	-

(b)	**Finance Lease:**	
	TThe Company has entered into finance leases for leasehold land. These leases are generally for a period of 99 years. The land at Dahej, Gujrat can be extended for a further period of 99 years. No part of the land has been sub leased. Except for the initial payment, there are no material annual payments for the aforesaid leases. Refer Note 4 for carrying value.	

48.	**Employee Benefits**	
	Refer note 2.12 for accounting policy on Employee Benefits	
A	**Defined contribution plans**	
	i. Provident Fund/Employees' Pension Fund	
	ii. Employees' State Insurance	
	The Company has recognised following amounts as expense in the Statement of Profit and Loss :	

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Included in contribution to Provident and Other Funds (Refer Note 37)		
Employer's contribution to Provident Fund/Employees' Pension Fund	213.55	192.55
Included in contribution to Provident and Other Funds (Refer Note 37)		
Contribution paid in respect of Employees' State Insurance Scheme	2.20	1.65

B	**Defined Benefit Plan**
	Gratuity: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

(i)	**Balance Sheet**			
	The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:			
				(₹ In Lakhs)
	Particulars	**Defined Benefit Plan- Gratuity**		
		As at March 31, 2018	**As at March 31, 2017**	**As at April 01, 2016**
	Present value of obligation	489.20	437.80	362.45
	Fair value of plan assets	-	-	-
	(Asset)/Liability recognised in the Balance Sheet	**489.20**	**437.80**	**362.45**
	Net liability-current (Refer Note 30)	143.63	75.49	55.59
	Net liability-non-current (Refer Note 23)	345.57	362.31	306.86
		489.20	**437.80**	**362.45**

(II)	**Movements in Present Value of Obligation and Fair Value of Plan Assets**			
		Plan Assets	**Plan Obligation**	**Total**
	As at 1st April, 2016	-	362.45	362.45
	Current service cost	-	69.75	69.75
	Past service cost	-	-	-
	Interest cost	-	27.18	27.18
	Interest income	-	-	-
	Return on plan assets excluding interest income	-	-	-
	Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
	Actuarial (gain)/loss arising from changes in financial assumptions	-	7.93	7.93
	Actuarial (gain)/loss arising from experience adjustments	-	(8.94)	(8.94)
	Employer contributions	-	-	-
	Employee contributions	-	-	-
	Assets acquired/ (settled)	-	-	-
	Benefit payments	-	(20.58)	(20.58)
	As at 31st March, 2017	**-**	**437.80**	**437.80**

		Plan Assets	Plan Obligation	Total
	As at 1st April, 2017	-	437.80	437.80
	Current service cost	-	62.08	62.08
	Past service cost	-	27.79	27.79
	Interest cost	-	31.52	31.52
	Interest income	-	-	-
	Return on plan assets excluding interest income	-	-	-
	Actuarial (gain)/loss arising from changes in demographic assumptions	-	(2.32)	(2.32)
	Actuarial (gain)/loss arising from changes in financial assumptions	-	(10.67)	(10.67)
	Actuarial (gain)/loss arising from experience adjustments	-	(34.69)	(34.69)
	Employer contributions	-	-	-
	Employee contributions	-	-	-
	Assets acquired/ (settled)*	-	-	-
	Benefit payments	-	(22.31)	(22.31)
	As at 31st March, 2018	**-**	**489.20**	**489.20**

(iii)	**Statement of Profit and Loss**		
	The charge to the Statement of Profit and Loss comprises:		
			(₹ In Lakhs)
	Particulars	**Defined Benefit Plan- Gratuity**	
		Year ended March 31, 2018	**Year ended March 31, 2017**
	Expenses recognised in the Statement of Profit and Loss for the year		
	Employee Benefit Expenses :		
	Current service cost	62.08	69.75
	Past service cost	27.79	-
	Finance costs :		
	Interest cost	31.52	27.18
	Interest income	-	-
	Net impact on profit (before tax)	**121.39**	**96.94**
	Recognised in other comprehensive income for the year		
	Remeasurement of the net defined benefit plans:		
	Actuarial (gain)/loss arising from changes in demographic assumptions	(2.32)	-
	Actuarial (gain)/loss arising from changes in financial assumptions	(10.67)	7.93
	Actuarial (gain)/loss arising from experience adjustments	(34.69)	(8.94)
	Return (gain)/loss on plan assets excluding interest income	-	-
	Net impact on other comprehensive income (before tax)	**(47.68)**	**(1.01)**

(iv)	**Assets**
	There are no plan assets at the Balance Sheet date for the defined benefit obligations as the plan is unfunded.

(v) Assumptions

(₹ In Lakhs)

Particulars	Defined Benefit Plan- Gratuity		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial/Economic Assumptions			
Discount rate (per annum)	7.30%	7.20%	7.50%
Salary escalation rate (per annum)	7.00%	8.00%	8.00%
Demographic Assumptions			
Retirement age	58 years	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rates			
Ages (years)			
All ages	20.00%	10.00%	10.00%

Notes:-

(i)	The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
(ii)	Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
(iii)	The salary escalation rate is arrived after taking into consideration the inflation, seniority, promotion and other relevant factors on long term basis.

(vi) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the key assumptions are:

Particulars		Defined Benefit Plan- Gratuity			
		As at March 31, 2018		As at March 31, 2017	
		Change in assumption	Change in Defined Benefit Obligation	Change in assumption	Change in Defined Benefit Obligation
Discount rate (per annum)	- Increase	1.00%	(14.95)	1.00%	(25.35)
	- Decrease	1.00%	16.13	1.00%	28.67
Salary escalation rate (per annum)	- Increase	1.00%	15.47	1.00%	27.50
	- Decrease	1.00%	(14.59)	1.00%	(24.95)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(vii)	**Maturity profile of defined benefit obligation**		
			(₹ In Lakhs)
	Particulars	**As at March 31, 2018**	**As at March 31, 2017**
	Weighted average duration of the defined benefit obligation	**5 years**	**10 years**
	Expected benefit payments within next-		
	I year	143.63	75.49
	II year	79.17	34.05
	III year	57.40	38.25
	IV year	52.88	35.24
	V year	38.43	35.95
	thereafter	117.69	218.82
C	**Other long-term employee benefit obligations** (Included as part of salaries and wages in Note 37 - Employee benefits expense) Includes long term compensated absences. (Refer Accounting policy 2.12)		

49.	**Government Grant**		
a.	**Related to or used for assets:**		
	Deferred Revenue comprises Government grants: (Refer Note 2.14)		
(i)	**Govt. Grant**		
			(₹ In Lakhs)
	Particulars	**For the Year ended on March 31, 2018**	**For the Year ended on March 31, 2017**
	Opening Balance	944.16	985.80
	Add:- Grant received during the year	1,154.57	-
	Less:- Grant released to Statement of Profit & Loss	44.64	41.64
	Closing Balance	**2,054.09**	**944.16**
	Current (refer note 29)	88.03	41.64
	Non-Current (refer note 25)	1,966.06	902.52
	Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, The Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, The Company would be required to pay the duty saved along with interest to the regulatory authorities.		
	Pending export obligations attached to above grant amounts to ₹16,392.35 lakhs (previous year ₹1,860.78 lakhs)		

b.	Related to an expense item :
	Grant on account of interest subvention amounting to Rs. 625.90 Lakhs (including Rs. 294.14 lakhs upto March 31, 2017 relating to previous years but recognised in the current year in accordance with the accounting policy) recognised during the year has been deducted from the related interest expense.

50. SHARE BASED PAYMENTS

(I) Employee Stock Option Plans (ESOP)

(Refer Note No 2.13 of accounting policy)

The Board of Directors of The Company had at its meeting held on February 12, 2016, Approved grant of 9,50,000 stock options ("options") to the eligible Employees of The Company under the Filatex Employee Stock Option Scheme 2015 (Filatex ESOS -2015),at an exercise price of ₹37 per option (being the closing price at BSE on February 11,2016 i.e. immediately preceding the grant date),each option being convertible in to one Equity Share of The Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the Filatex ESOS 2015.

The terms and conditions of the grant as per the Filatex Employee Stock Option Scheme, 2015 (Filatex ESOS 2015) are as under:

A. Vesting period

On completion of 3 Years from the date of grant of options for 60%

On completion of 4 Years from the date of grant of options for 20%

On completion of 5 Years from the date of grant of options for remaining 20%

B. Exercise period

The exercise period will commence from the date of vesting itself and shall be exercised in such period as may be decided and communicated by the Nomination & Remuneration Committee. The options, which have been vested and not exercised within such period, can be carried forward till the last vesting and can be exercised, either partially or wholly, within a period upto one year from last vesting or within such other period and at such time as may be decided and communicated by the Nomination and Remuneration committee, however, the options not so exercised with the period available for exercising of last vesting shall lapse and will not be available for exercise by the employee.

The details of the ESOP 2015 plan are:

	For the Year ended on March 31, 2018		For the Year ended on March 31, 2017	
Particulars	**Number of Options**	**Weighted average Exercise Price (₹)**	**Number of Options**	**Weighted average Exercise Price (₹)**
Outstanding at the beginning of the year	950,000	37.00	950,000.00	37.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	85,000	-	-	-

	Outstanding at the end of the year	**865,000**	**37.00**	**950,000**	**37.00**
	Excersiable at the end of the year	-	-	-	-
	Weighted average fair value of options on the date of grant per share		₹11.601		₹11.601
	The number of shares granted has face value of		₹10.00 each		₹10.00 each
	The weighted average contractual life of the options outstanding is		1.6 years		2.6 Years

	The following tables list the inputs to the models used for ESOS plan for the years ended March 31, 2018 and March 31, 2017 respectively:

	Particulars	**For the Year ended on March 31, 2018**	**For the Year ended on March 31, 2017**
	Dividend yield (%)	0.00%	0.00%
	Expected volatility (%)	1 to 5	1 to 5
	Risk–free interest rate (%)	7.524%	7.524%
	Share Price (₹)	162.75	120.30
	Exercise Price (₹)	37.00	37.00
	Expected remaining life of options granted in year	3	4
	Model used	Black Scholes	Black Scholes

	The expected life of the Stock option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. During the year ended, The Company recorded an employee compensation expense of ₹28.74 Lakhs (PY ₹28.74 Lakhs) in the Statement of Profit & Loss.

51.	**Particulars of investment made/sold during the year as mandated by the provisions of the section 186 of the Companies Act, 2013:**
	Refer note 6 for the details of investments made by the Group as at the reporting dates.

52. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVES

I. Financial Instruments - Accounting classification, fair values and fair value hierarchy:

The category wise details as to the carrying value and fair value of The Group's financial assets and financial liabilities including their levels in the fair value hierarchy are as follows:

(₹ In Lakhs)

Particulars	Levels	Carrying values			Fair values		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1. Financial assets at							
a. Fair Value through profit & loss							
Quoted Equity Investments	Level 1	0.06	0.06	0.04	0.06	0.06	0.04
Unquoted Equity Investments	Level 3	-	1.39	1.39	-	1.39	1.39
b. Fair value through other comprehensive income		-	-	-	-	-	-
c. Amortised cost							
Trade receivable	Level 2	17,052.31	19,944.87	21,221.13	17,052.31	19,944.87	21,221.13
Cash & cash equivalents	Level 1	894.21	64.45	160.04	894.21	64.45	160.04
Bank balances other than Cash & cash equivalents	Level 1	1,660.50	1,420.84	1,093.80	1,660.50	1,420.84	1,093.80
Loans	Level 2	125.18	121.54	140.59	125.18	121.54	140.59
Other financial assets	Level 2	421.48	93.49	69.45	421.48	93.49	69.45
2. Financial liabilities at							
a. Fair Value through profit & loss							
Derivatives - foreign exchange forward contracts (not designated as hedging instruments)	Level 2	56.79	991.13	677.92	56.79	991.13	677.92
b. Fair value through other comprehensive income		-	-	-	-	-	-
c. Amortised cost							
Borrowings - floating rate	Level 2	64,012.66	47,985.86	43,962.48	64,012.66	47,985.86	43,962.48
Trade payables	Level 2	22,406.03	11,129.41	12,038.56	22,406.03	11,129.41	12,038.56
Other financial liabilities	Level 2	10,941.66	8,079.45	6,425.21	10,941.66	8,079.45	6,425.21

Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2017. The following methods / assumptions were used to estimate the fair values:

1. The carrying value of Cash and cash equivalents, trade receivables, trade payables, short-term borrowings, other current financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments.

2.	The fair values of investment in quoted investment in equity shares is based on the quoted price in the active market of respective investment as at the Balance Sheet date.
3.	**Derivative financial instruments** - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date using valuation techniques with inputs that are directly or indirectly observable in the marketplace. The derivatives are entered into with the banks/ counterparties with investment grade credit ratings.
4.	Description of significant unobservable inputs to valuation (Level 3): The following table shows the valuation techniques and inputs used for Non-current financial instruments that are not carried at fair value:
	a. Security deposits given against lease and finance lease obligations : Discounted cash flow method using appropriate discounting rate.
	b. Non-current Financial assets/liabilities other than above : Expected Cash Flow for the financial instruments
5.	Unquoted equity instruments : where most recent information to measure fair value is insufficient and where the fair value of these investments cannot be reliably measured, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.
6.	There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year and no transfer into and out of Level 3 fair value measurements.
II.	**Financial Risk Management Objectives and Policies**
	The Group's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyze the risks faced by The Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.
	Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and The Group's activities. The Board of Directors and the Audit Committee is responsible for overseeing The Group's risk assessment and management policies and processes.
	The Group's financial risk management policy is set by the management. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Group manages market risk which evaluates and exercises independent control over the entire process of market risk management. The management recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee.
a.	**Credit Risk**
Credit risk is the risk of financial loss to The Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from The Group's receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.	

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which The Group grants credit terms in the normal course of business and through regular monitoring of conduct of accounts. The Group also holds security deposits for outstanding trade receivables which mitigate the credit risk to some extent.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The history of trade receivables shows a negligible provision for bad and doubtful debts. The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, The Group's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.
In respect of Financial guarantees provided by The Group to banks & financial institutions, the maximum exposure which The Group is exposed to is the maximum amount which The Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, The Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.
The movement in the loss allowance in respect of trade and other receivables during the year was as follows:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Balance	414.58	414.58	414.58
Impairment loss recognised	-	841.69	637.75
Amount written off as Bad debts	-	(841.69)	(637.75)
Closing Balance	414.58	414.58	414.58

The credit risk on liquid funds such as banks in current and deposit accounts and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

b)	**Liquidity Risk**
	Liquidity risk is the risk that The Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.
	Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of The Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and by monitoring rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that The Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
	The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments based on contractual undiscounted payments.

(₹ In Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at 31st March, 2018						
Borrowings and interest thereon *	71,078.68	21,587.67	26,124.58	15,964.26	25,286.00	88,962.51
Trade payables	22,406.03	22,406.03	-	-	-	22,406.03
Other financial liabilities (excluding current maturities of Long term borrowings)	3,875.64	3,152.97	722.67	-	-	3,875.64
Total Non-Derivative Liabilities	**97,360.35**	**47,146.67**	**26,847.25**	**15,964.26**	**25,286.00**	**115,244.18**
Derivatives						
Other Financial Liabilities	56.79	56.79	-	-	-	56.79
Total Derivative Liabilities	**56.79**	**56.79**	**-**	**-**	**-**	**56.79**

(₹ In Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at 31st March, 2017						
Borrowings and interest thereon *	53,385.45	21,860.73	19,761.71	12,250.19	11,611.74	65,484.37
Trade payables	11,129.41	11,129.41	-	-	-	11,129.41
Other financial liabilities (excluding current maturities of Long term borrowings)	2,679.86	1,943.23	736.63	-	-	2,679.86
Total Non-Derivative Liabilities	**67,194.72**	**34,933.37**	**20,498.34**	**12,250.19**	**11,611.74**	**79,293.64**
Derivatives						
Other Financial Liabilities	991.13	991.13	-	-	-	991.13
Total Derivative Liabilities	**991.13**	**991.13**	**-**	**-**	**-**	**991.13**

(₹ In Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
As at 1st April, 2016						
Borrowings and interest thereon *	48,325.59	17,576.08	17,777.77	15,741.16	7,529.11	58,624.12
Trade payables	12,038.56	12,038.56	-	-	-	12,038.56
Other financial liabilities (excluding current maturities of Long term borrowings)	2,062.10	1,551.75	510.35	-	-	2,062.10
Total Non-Derivative Liabilities	**62,426.25**	**31,166.39**	**18,288.12**	**15,741.16**	**7,529.11**	**72,724.78**
Derivatives						
Other Financial Liabilities	677.92	677.92	-	-	-	677.92
Total Derivative Liabilities	**677.92**	**677.92**	**-**	**-**	**-**	**677.92**

* The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Group, if any. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period. Interest accrued but not due has been included in other financial liabilities.

The above excludes any financial liabilities arising out of financial guarantee contract.
In respect of Financial guarantees provided by The Group to banks & financial institutions, the maximum exposure which The Group is exposed to is the maximum amount which The Group would have to pay if the guarantee is called upon.
Based on the expectation at the end of the reporting period, The Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Financing facilities:

The Group has access to financing facilities as described in below Note. The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured bank loan facilities with various maturity dates through to 31st March, 2019 and which may be extended by mutual agreement:			
- amount used	49,840.07	26,949.53	23,628.01
- amount unused	1,053.00	10,600.00	8,526.00
	50,893.07	37,549.53	32,154.01
Unsecured loans from bodies corporate			
- amount used	8,013.25	8,759.75	9,919.00
- amount unused	-	-	-
	8,013.25	8,759.75	9,919.00
Secured bank overdraft facility :			
- amount used	9,852.50	6,978.10	11,558.60
- amount unused	4,147.50	7,021.90	2,441.40
	14,000.00	14,000.00	14,000.00

(c) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short term and long-term debt. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments, trade payables, trade receivables, derivative financial instruments and other financial instruments. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, The Group's exposure to market risk is a function of investing and borrowing activities.

i) Foreign exchange 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's foreign exchange risk arises from its foreign currency borrowings and trade receivables and trade payables denominated in foreign currencies. The results of The Group's operations can be affected as the rupee appreciates/depreciates against these currencies. The Group enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures The Group has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on The Group.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed below):

Foreign Currency Liabilities	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Foreign currency	Indian Rupees (Rs. In Lakhs)	Foreign currency	Indian Rupees (Rs. In Lakhs)	Foreign currency	Indian Rupees (Rs. In Lakhs)
Currency						
Borrowings (including current maturities)						
USD	4,448,847	2,893.71	1,824,287	1,182.84	248,249	164.67
Euro	31,401,189	25,316.33	9,022,838	7,274.41	9,638,762	7,770.98
Interest payable						
USD	34,091	22.17	37,978	24.62	9,475	6.29
Euro	72,906	58.78	35,740	24.75	38,618	29.00
Trade Payables & other liabilities						
JPY	294,784	1.81	7,791,000	45.16	14,402,800	85.06
USD	16,507,443	10,737.12	14,378,015	9,322.50	7,367,724	4,887.22
Euro	372,702	300.48	115,344	79.87	3,621	2.72

Foreign Currency Assets	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Foreign currency	Indian Rupees (Rs. In Lakhs)	Foreign currency	Indian Rupees (Rs. In Lakhs)	Foreign currency	Indian Rupees (Rs. In Lakhs)
Currency						
Trade Receivables						
USD	5,830,437	3,792.36	4,408,352	2,858.31	608,014	403.31
Euro	-	-		-	43,426	32.61
Investments						
USD	10,000	6.50	10,000	6.48	-	-

a. Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD, JPY and Euro with INR, with all other variables held constant. The impact on The Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

(₹ In Lakhs)

Particulars	31-Mar-18		31-Mar-17	
	Effect on Profit before tax Gain/(Loss)		Effect on Profit before tax Gain/(Loss)	
5% movement	Strengthening of Foreign Currency	Weakening of Foreign Currency	Strengthening of Foreign Currency	Weakening of Foreign Currency
On Foreign Currency Liability (net) :				
JPY	0.09	(0.09)	2.26	(2.26)
USD	682.65	(682.65)	526.50	(526.50)
Euro	1,283.78	(1,283.78)	368.95	(368.95)

b. Derivative financial instruments :

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instruments are valued based on inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Outstanding Contracts Other Derivatives	Buy/sell	As at March 31, 2018			As at March 31, 2017		
		Foreign Currency	Nominal Value	Fair Value	Foreign Currency	Nominal Value	Fair Value
			Rs. In Lakhs	Rs. In Lakhs		Rs. In Lakhs	Rs. In Lakhs
Forward contracts							
in USD	Buy	16,130,682		10,492.06	29,810,913		19,328.98

Outstanding contracts Other Derivatives	Buy/sell	As at April 2016		
		Foreign Currency	Nominal Value	Fair Value
			Rs. In Lakhs	Rs. In Lakhs
Forward contracts				
in USD	Buy	30,082,755		19,954.76

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates.

The Group's investments in term deposits (i.e., margin money) with banks are for short durations, and therefore do not expose The Group to significant interest rates risk.

a. Interest rate risk exposure

The exposure of The Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Floating rate instruments :			
Borrowings	73,177.77	53,996.28	49,043.31

b. Interest rate sensitivity :

The sensitivity analysis below have been determined based on exposure to interest rates for borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables, in particular foreign currency exchange rates, were held constant, the effect on Interest expense for the respective financial years and consequent effect on Group's profit in that financial year would have been as below:

(₹ In Lakhs)

Particulars	Impact on Profit before Tax	
	Year ended March 31, 2018	Year ended March 31, 2017
Floating rate instruments :		
50 basis points increase	(3,658.89)	(2,699.81)
50 basis points decrease	3,658.89	2,699.81

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

iii.) Price risk

The Group invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, listed or unlisted equity shares, government securities and fixed deposits. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments, The Group diversifies its portfolio in accordance with the limits set by the risk management policies.

III. Capital Risk Management Policies and Objectives

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital and to maximise shareholders value. In order to maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt, etc.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as interest bearing loans and borrowings less cash and cash equivalents.

The gearing ratio at the end of the reporting period was as follows:

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt	71,078.68	53,385.45	48,325.59
Cash and Cash equivalents	894.21	64.45	160.04
Net debt	**70,184.47**	**53,321.00**	**48,165.55**
Total Equity	38,536.69	32,502.67	24,539.92
Capital and net debt	108,721.16	85,823.67	72,705.47
Gearing Ratio (%)	**64.55%**	**62.13%**	**66.25%**

In order to achieve this overall objective, The Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

IV. Changes in liabilities arising from financing activities

With effect from 01.04.2017, The Group adopted the amendments to Ind AS 7 - Conslidated Statement of cash flows. The amendments require entities to provide disclosures that enable users of Consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. To the extent necessary to satisfy this requirement, an entity discloses the following changes in liabilities arising from financing activities:

- Changes from financing cash flows
- Changes arising from obtaining or losing control of subsidiaries or other businesses
- The effect of changes in foreign exchange rates
- Changes in fair values
- Other changes

Paragraph 44C of Ind AS 7 states that liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

The Group disclosed information about its interest-bearing loans and borrowings. There are no obligations under finance lease and hire purchase contracts.

The amendments suggest that the disclosure requirement may be met by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the Consolidated financial statements to link items included in the reconciliation to the statement of financial position and the consolidated statement of cash flows. The Group decided to provide information in a reconciliation format. The major changes in The Group's liabilities arising from financing activities are due to financing cash flows and accrual of financial liabilities. The Group did not acquire any liabilities arising from financing activities during business combinations effected in the current period or comparative period.

(₹ In Lakhs)

	01.04.2017 (opening balance of current year)	Cash Flows	Non-cash changes				31.03.2018 (closing balance of current year)
			Arising from obtaining or losing control of subsidiaries or other businesses	Foreign exchange movement	Fair value changes	Others	
i. Current interest bearing loans and borrowings (excluding items listed below)	14,350.76	(4,535.11)	-	36.85	-	-	9,852.50
ii. Current maturities of Long term borrowings	5,399.59	(5,399.59)	-	-	-	7,066.02	7,066.02
iii. Non-current interest-bearing loans and borrowings (excluding items listed below)	33,635.10	25,562.13	-	2,028.95	-	(7,066.02)	54,160.16
iv. Interest accrued on borrowings *	61.01	(3,554.25)	-	-	-	3,604.88	111.64
Total liabilities from financing activities	**53,446.46**	**12,073.18**	**-**	**2,065.80**	**-**	**3,604.88**	**71,190.32**

* Represents Interest expenses including interest capitalised as per IndAS 23 amounting ₹945.53 Lakhs

(₹ In Lakhs)

	01.04.2016 (opening balance of comparative period)	Cash Flows	Non-cash changes				31.03.2017 (closing balance of current year)
			Arising from obtaining or losing control of subsidiaries or other businesses	Foreign exchange movement	Fair value changes	Others	
i. Current interest bearing loans and borrowings (excluding items listed below)	13,780.58	1,012.17	-	(441.99)	-	-	14,350.76
ii. Current maturities of Long term borrowings	4,363.11	(4,363.11)	-	-	-	5,399.59	5,399.59
iii. Non-current interest-bearing loans and borrowings (excluding items listed below)	30,181.90	9,737.84	-	(885.05)	-	(5,399.59)	33,635.10
iv. Interest accrued on borrowings *	50.57	(4,518.64)	-	-	-	4,529.08	61.01
Total liabilities from financing activities	**48,376.16**	**1,868.26**	**-**	**(1,327.04)**	**-**	**4,529.08**	**53,446.46**

* Represents Interest expenses including interest capitalised as per IndAS 23 amounting ₹160.13 Lakhs

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings to current due to the passage of time, and the effect of accrued but not yet paid interest on interest bearing loans and borrowings.

53. Capitalisation of Expenditure

The Company has capitalised the following expenses of revenue nature to the cost of capital work in progress (CWIP)/ Property, Plant & Equipment (PPE). Consequently the expenses disclosed under the respective notes are net of amounts capitalised by The Company. The break-up of expenditure is as follows:

(₹ In Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Raw material consumed	6,803.91	-
Other material consumed	313.58	-
Power & Fuel	653.76	10.05
Sub total (A)	**7,771.25**	**10.05**
Payments and benefits to Employee		
Salaries & wages	300.54	55.97
Sub total (B)	**300.54**	**55.97**
Operating expenses :		
Insurance expenses	13.99	-
Travel and conveyance	62.37	20.63
Legal and professional	18.62	23.64
General expenses	15.77	1.79
Sub total (C)	**110.75**	**46.06**
Finance costs *		
Interest on term loan	945.53	160.13
Exchange difference regarded as adjustment to borrowing cost	1,052.94	-
Bank Charges	186.48	27.13
Sub total (D)	**2,184.95**	**187.26**
Less: Sale of finished goods produced during the trial run (E)	**5,246.92**	**-**
Less: Net realisable value of Inventory produced during the trail run (F)	**2,340.81**	
Total amount (A)+(B)+(C)+(D)-(E)-(F)	**2,779.76**	**299.34**
Add: Opening balance	**183.83**	**36.66**
Less: Amount capitalised to Property, Plant & Equipment	**2,963.59**	**152.17**
Balance to be carried forward	**-**	**183.83**

*** Interest comprises of**

1	₹585.02 Lakhs (Previous year ₹Nil) on specific borrowings taken for Plant & machinery
2	₹360.51 Lakhs (Previous year ₹78.03 Lakhs) on general borrowings taken for other qualifying assets.

54. Use of estimates and judgements

The preparation of consolidated Financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated Financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, historical experience and other factors, including expectations of future events that are believed to be reasonable, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these consolidated Financial statements pertain to :

Leasehold land:

The Company has entered into several arrangements for lease of land from government entities and other parties. Significant judgment is involved in assessing whether such arrangements are in the nature of finance or operating lease. In making such an assessment, the Company considers various factors which includes whether the present value of minimum lease payments amount to at least substantially all of the fair value of lease assets, renewal terms, purchase option, sub-lease options etc. Based on evaluation of above factors, leases are evaluated on case to basis for the purpose of treating as in the nature of finance lease.

B. 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) Impairment of trade receivables:

The impairment provisions for trade receivables are based on based on lifetime expected credit loss based on a provision matrix. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

The Company uses judgment in making assumptions about risk of default and expected loss rates and selecting the inputs to the impairments calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) Fair value measurements of financial instruments:

In estimating the fair value of a financial asset or a financial liability, the Company uses market-observable data to the extent it is available. Where active market quotes are not available, the management applies valuation techniques to determine the fair value of financial instruments. This involves developing estimates, assumptions and judgements consistent with how market participants would price the instrument.

(iii) Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation viz. gratuity and other long-term employee benefit obligation viz. long term compensated absences to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the consolidated Financial statements.

(iv) Claims, Provisions and Contingent Liabilities:

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. These estimates could change substantially over time as new facts emerge and each dispute progresses. Information about such litigations is provided in notes to the consolidated Financial statements.

(v) Income Taxes

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

(vi) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in notes to the consolidated Financial statements.

(vii) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company determines and also reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Such lives are dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

55.	Exceptional item Nil (previous year loss of ₹344.43 Lakhs including profit of ₹92.47 lakhs on account of sale of land held for sale and a loss of ₹436.90 lakhs on account of settlement of dispute with a supplier).

56. Share of Parent Company and subsidiaries in net assets and profit & loss as required in schedule III of Companies Act 2013.

(₹ In Lakhs)

Name of Entity	Net Assets i.e Total Assets - Total Liabilities					
	As at March 31, 2018	As % of Consolidated Net Assets	As at March 31, 2017	As % of Consolidated Net Assets	As at April 01, 2016	As % of Consolidated Net Assets
Parent Company :						
Filatex India Limited	38,549.62	100.02%	32,511.49	100.01%	24,545.28	100.00%
Subsidiary :						
Filatex Global Pte Ltd	(6.43)	-0.02%	(2.24)	-0.01%	(0.10)	0.00%
Minority Interest in Subsidiary	-	-	-	-	-	-
Total	**38,543.19**	**100.00%**	**32,509.25**	**100.00%**	**24,545.18**	**100.00%**

Name of Entity	Share in Profit or Loss			
	Year ended March 31, 2018	As % of Consolidated Net Assets	Year ended March 31, 2017	As % of Consolidated Net Assets
Parent Company :				
Filatex India Limited	6,009.39	100.07%	4,056.22	100.09%
Subsidiary :				
Filatex Global Pte Ltd	(4.18)	-0.07%	(3.47)	-0.09%
Minority Interest in Subsidiary	-	-	-	-
Total	**6,005.21**	**100.00%**	**4,052.75**	**100.00%**

57. These Consolidated financial statements are the Group's first Ind AS financial statements. Accordingly the comparatives given in the Consolidated financial statements have been complied after making necessary Ind AS adjustments to the respective audited financial statements under previous GAAP to give a true and fair view in accordance with Ind AS.

As per our report of even date attached
for ARUN K. GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants

For and on behalf of the Board of Directors of
FILATEX INDIA LIMITED

GIREESH KUMAR GOENKA
Partner
Membership No. 096655

MADHU SUDHAN BHAGERIA
CHAIRMAN & MANAGING DIRECTOR
DIN: 00021934

S.C. PARIJA
INDEPENDENT DIRECTOR
DIN: 00363608

Place: New Delhi
Date: May 07, 2018

R.P GUPTA
CHIEF FINANCIAL OFFICER

RAMAN KUMAR JHA
COMPANY SECRETARY

Notes

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