

Audited Ind AS Financial Statements

Of

Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026.

For The Year Ended March 31, 2018

Auditors

D. R. Barve & Associates

Chartered Accountants

461/1, Sadashiv Peth, Tilak Road
Pune - 411030.



Independent Auditor's Report

To
The Members of Cipy Polyurethanes Private Limited

➤ **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Cipy Polyurethanes Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and 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 Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that 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 (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

➤ **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 31st March, 2018, and its Profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Without qualifying our opinion, we draw attention to:

Note no. 51 regarding valuation of inventory at the end of the year. The valuation of inventory is done on the basis of weighted average method at the end of year instead of FIFO method applied in the earlier years by the company. Had the company followed the same previous year method of valuing inventories, the value of inventory would have been less by Rs.8.98 Lakhs and consequently the profit for the year ended 31st March, 2018 would have been less by Rs.8.98 Lakhs. Further, previous year figures are not comparable to that extent.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on matters specified in paragraphs 3 & 4 of the Order.
 2. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors 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 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". Our report expresses and unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us: .
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1. The company has disclosed the impact of pending litigation on its financial position in its Ind AS financial statements - Refer note no. 39 to the Ind AS financial statements.
2. The Company did not have any Long term contracts including derivative contracts for which there were any material foreseeable losses.
3. The company is not required to transfer any amount to the Investor Education and Protection Fund.

**For D.R. Barve & Associates
Chartered Accountants
Firm Registration No. 122260W**



**CA. Shireesh N Agte
(Partner)
Membership No. 044641
Place: Pune
Date: 16th May, 2018.**



Annexure "A" to Independent Auditor's Report

**To
The Members of Cipy Polyurethanes Private Limited**

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

- i.**
 - a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) According to the information and explanations given to us, the Company has undertaken physical verification of all its property, plant and equipment during the year under report which in our opinion is reasonable having regard to the size of the company & nature of its property, plant and equipment. According to the information and explanations given to us, discrepancies observed on physical verification have been properly dealt with in the books of account.
 - c) According to the information and explanations given to us, the title deed comprising the immovable property of land which is freehold is held in the name of the company as at the balance sheet date. In respect of immovable property of land and building that have been taken on lease, the lease agreement is in the name of company where the company is lessee in the agreement.
 - ii.** As explained to us, the management has conducted physical verification of inventories at reasonable intervals. No material discrepancies have been noticed on physical verification of inventories as compared to book records.
 - iii.**
 - a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, our comments for reporting on whether terms and conditions of the grant of such loans are prejudicial to the interest of the company are not required.
 - b) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of
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the Companies Act, 2013. Hence, our comments for reporting on regularity for repayment of principal and payment of interest are not required.

- c) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, our comments for reporting whether reasonable steps are taken for recovery of overdue principal amount and interest for more than 90 days are not required.

- iv. According to the information and explanations given to us, the company has not granted any loan, made any investments, or provided any guarantee or security. Hence, our comments for reporting on compliance of provisions of Sections 185 and 186 of the Companies Act, 2013 are not required.

- v. According to the information and explanations given to us, the company has not accepted any loans or deposits which are 'deposits' within meaning of Rule 2(b) of Companies (Acceptance of Deposits) Rules, 2014. Hence, our comments for compliance of directives issued by the Reserve Bank of India or provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 or any rules made there under are not required.

- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the specified accounts & records have been made & maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year;

Further, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and any other undisputed statutory dues were outstanding

at the year end, for a period of more than six months from the date they became payable;

- b) According to the information and explanations given to us, there were no any dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess which have not been deposited in government account on account of any dispute, except following:

Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending	Amount deposited/ Bank Guarantee furnished (Rs. In Lakhs)
1	Income Tax Act, 1961	Penalty	0.77	F.Y.2008-09	ITAT	Nil
2	Income Tax Act, 1961	Tax	0.44	F.Y.2008-09	CIT Appeals	Nil
3	Income Tax Act, 1961	Tax	3.21	F.Y.2009-10	ITAT	Nil
4	Income Tax Act, 1961	Penalty	3.32	F.Y.2009-10	CIT Appeals	Nil
5	Central Excise Act, 1944	Tax	189.44	F.Y.2015-16	Commissioner	Nil
6	Central Excise Act, 1944	Tax	17.15	F.Y.2011-12	Commissioner	17.15
7	Finance Act, 1994	Tax	9.21	F.Y.2015-16	Commissioner	Nil

- viii. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, or banks. Further, company has neither taken any loan from Government nor issued any debentures.
- ix. According to the information and explanations given to us and based on records of the company, the company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments or term loans). Therefore, our reporting on, whether the proceeds of the Initial Public Offer or Further Public Offer or Term Loans taken by the company, are applied for the purpose for which the same were obtained, are not required.
- x. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no material fraud by the company nor any fraud on the company by its officers or employees been noticed or reported during the course of our audit.

- xi. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 197 read with Schedule V of the Companies Act, 2013 regarding managerial remuneration.
- xii. According to the information and explanations given to us, we are of opinion that the company is not a Nidhi company hence our comments regarding compliance of Nidhi Rules, 2014 are not required.
- xiii. Based upon the audit procedures performed and information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence, our comments regarding compliance of Section 42 of Companies Act, 2013 are not required.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, our comments regarding compliance of Section 192 of Companies Act, 2013 are not required.
- xvi. In our opinion and to the best of our information and according to the explanations given to us, Company is not Non-Banking Financial Company. Hence, our comments regarding obtaining registration under Section 45-IA of RBI Act, 1934 are not required.

For D.R. Barve & Associates
Chartered Accountants
Firm Registration No. 122260W



CA. Shireesh N. Agte
(Partner)
Membership No.044641
Place : Pune
Date: 16th May, 2018.



Annexure "B" to the Independent Auditor's Report

**To
The Members of Cipy Polyurethanes Private Limited**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Cipy Polyurethanes Private Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 D.R. Barve & Associates
Chartered Accountants
Firm Registration No. 122260W**



**CA. Shireesh N. Agte
(Partner)
Membership No. 044641
Place: Pune
Date: 16th May, 2018.**



Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

Statement of Profit and Loss for the year ended 31st March 2018

(Rs. In Lakhs)

Particulars	Note No	For the year ended 31st March 2018	For the year ended 31st March 2017
INCOME			
Revenue from Operations	28	12,238.66	12,223.66
Other Income	29	179.04	64.82
Total Income		12,417.70	12,288.47
EXPENSES			
Cost of Materials Consumed	30	7,800.88	6,637.00
Purchases of Stock-in-Trade (Traded goods)		26.22	-
Changes in inventories of Finished Goods	31	(265.86)	(180.29)
Work-in-Progress and Stock-in-Trade		-	-
Excise Duty on sale of goods		197.48	1,248.96
Employee Benefits Expense	32	841.46	766.38
Finance Costs	33	128.21	182.88
Depreciation and Amortization Expense	34	203.24	247.43
Direct Manpower and Site Expenses	35	628.27	542.48
Other Expenses	36	1,636.66	1,628.75
Total Expenses		11,196.56	11,073.58
Profit before Exceptional Items and Tax		1,221.14	1,214.89
Exceptional Items	37	415.30	(7.46)
Profit before Tax		1,636.44	1,207.43
Tax Expense			
Current Tax		462.95	459.08
Deferred Tax		137.90	(27.37)
Net Tax expense		600.85	431.71
Profit for the year		1,035.59	775.71
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan	38	(9.20)	(12.55)
Income tax relating to items that will not be reclassified to profit or loss		2.68	4.34
Total Comprehensive Income		1,029.07	767.51
Earnings per share			
Basic (Rs.)	41	1,099.75	823.77
Diluted (Rs.)		1,099.75	823.77
Face Value of Share (Rs.)		100.00	100.00

See accompanying notes to the financial statements

As per our attached report of even date

For D. R. Barve & Associates

Chartered Accountants
Registration No. 122260W

CA. Shireesh N. Agte

CA. Shireesh N. Agte

Partner

Membership No. : 44641

Place: Pune

Date: 16th May, 2018



For and On Behalf Of The Board Of Directors

Dr. Subash Cipy

Dr. Subash Cipy
Managing Director
DIN : 00608724

Sanjay Bahadur

Sanjay Bahadur
Director
DIN : 00032590

Rishu Goel

Rishu Goel
CFO



Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

Balance Sheet as at 31st March 2018

(Rs. In Lakhs)

Particulars	Note No	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
1 Non Current Assets				
(a) Property, Plant and Equipment	4	1,408.91	1,801.86	1,338.58
(b) Capital Work-In-Progress	4	-	-	260.41
(c) Goodwill		-	-	-
(d) Other Intangible Assets		-	-	-
(e) Financial Assets				
(i) Investments		-	-	-
(ii) Loans	6	11.13	14.18	9.00
(iii) Other Financial Assets	8	82.14	93.55	63.85
(f) Other Non-current Assets	14	95.33	122.34	186.29
(g) Deferred Tax Assets (net)	16	166.04	301.27	269.55
Total Non-Current Assets		1,763.56	2,333.20	2,127.68
2 Current Assets				
(a) Inventories	12	2,027.35	1,270.19	992.62
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	5	5,625.24	4,178.82	3,697.37
(iii) Cash and cash equivalents	10	54.00	35.21	85.44
(iv) Bank balances other than (iii) above	11	649.23	586.26	511.89
(v) Loans	7	12.53	20.81	21.76
(vi) Other Financial Assets	9	70.65	34.49	76.17
(c) Current Tax Assets (net)	13	49.94	26.38	22.16
(d) Other Current Assets	15	177.82	204.89	434.31
(e) Non Current Asset held for Sale	17	407.08	-	-
Total Current Assets		9,073.85	6,357.06	5,841.72
TOTAL ASSETS	TOTAL	10,837.41	8,690.25	7,969.40
EQUITY AND LIABILITIES				
3 EQUITY				
(a) Equity Share Capital	18	94.17	94.17	94.17
(b) Other Equity	19	4,557.35	4,015.63	3,248.13
Total Equity		4,651.52	4,109.80	3,342.29
4 LIABILITIES				
4 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	4.77	82.75	108.68
(ii) Trade payables		-	-	-
(iii) Other Financial Liabilities		-	-	-
(b) Provisions	25	58.07	55.16	46.37
(c) Deferred Tax Liabilities (net)		-	-	-
(d) Other Non Current Liabilities		-	-	-
Total Non-Current Liabilities		62.84	137.92	155.05
5 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	1,896.42	1,344.21	1,574.32
(ii) Trade Payables	22	2,992.98	1,815.72	1,610.72
(iii) Other Financial Liabilities	23	725.57	847.70	599.40
(b) Other Current Liabilities	26	487.36	264.30	553.19
(c) Provisions	24	20.72	8.07	9.50
(d) Current Tax Liabilities (net)	27	-	162.54	124.93
Total Current Liabilities		6,123.05	4,442.54	4,472.06
TOTAL LIABILITIES		6,185.89	4,580.46	4,627.11
TOTAL EQUITY AND LIABILITIES		10,837.41	8,690.25	7,969.40

See accompanying notes to the financial statements

As per our attached report of even date

For D. R. Barve & Associates

Chartered Accountants

Registration No. 122260W


CA. Shireesh N. Agte
(Partner)

Membership No.: 44641

Place: Pune


Date: 16th May, 2018



For and On Behalf Of The Board Of Directors


Dr. Subash Cipy
(Managing Director)
DIN : 00608724


Sanjay Bahadur
(Director)
DIN : 00032590


Rishu Goel
(CFO)



Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

Statement of Changes in Equity

For the year ended 31st March, 2018

a. Equity Share Capital

(Rs. In Lakhs)

	Amount
Balance as at 1st April, 2016	94.17
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	94.17
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	94.17

b. Other Equity

(Rs. In Lakhs)

Particulars	Reserves & Surplus			Other Items of OCI	Total
	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 1st April 2016	481.63	70.41	2,696.08	-	3,248.13
Profit for the year	-	-	775.71	-	775.71
Other Comprehensive Income for the year, net of income tax	-	-	-	(8.21)	(8.21)
Adjustment during the year	(27.33)	-	27.33	-	-
Balance as at 31st March 2017	454.30	70.41	3,499.13	(8.21)	4,015.63
Profit for the year	-	-	1,035.59	-	1,035.59
Other Comprehensive Income for the year, net of income tax	-	-	-	(6.52)	(6.52)
Payment of dividends	-	-	(404.91)	-	(404.91)
Payment of dividends distribution tax	-	-	(82.43)	-	(82.43)
Balance as at 31st March 2018	454.30	70.41	4,047.37	(14.73)	4,557.35

See accompanying notes to the financial statements

As per our attached report of even date

For D. R. Barve & Associates

Chartered Accountants
Registration No. 122260W



CA. Shireesh N. Agte

CA. Shireesh N. Agte
Partner
Membership No. : 44641
Place: Pune
Date: 16th May, 2018

For and On Behalf Of The Board Of Directors

Dr. Subash Cipy

Dr. Subash Cipy
Managing Director
DIN : 00608724

Sanjay Bahadur

Sanjay Bahadur
Director
DIN : 00032590

Rishu Goel

Rishu Goel
CFO



Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018


(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A. Cash flow from operating activities				
Profit before tax		1,636.44		1,207.43
Adjustments for:				
Depreciation and amortization expense	203.24		254.89	
Provision for employee benefits	(9.20)		(12.55)	
Interest income	(59.96)		(39.22)	
Allowance for Doubtful Debts	6.17		99.82	
Finance costs	128.21		182.88	
		268.45		485.82
Operating profit before working capital changes		1,904.89		1,693.25
Changes in working capital:				
(Increase) / decrease in operating assets:				
Inventories	(757.16)		(277.58)	
Trade receivables	(1,518.81)		(587.57)	
Loans - Non Current	3.04		(5.18)	
Loans - Current	8.28		0.94	
Other financial assets - Non Current	7.44		(16.77)	
Other financial assets - Current	34.03		35.06	
Other Non current assets	27.01		63.95	
Other Current Assets	27.06		229.43	
		(2,169.10)		(557.72)
Increase / (decrease) in operating liabilities:				
Trade payables	1,177.26		205.00	
Other Financial liabilities - Current	(122.13)		248.30	
Other Current Liabilities	223.06		(288.89)	
Provisions - Non Current	2.91		8.80	
Provisions - Current	12.66		(1.43)	
		1,293.75		171.79
Cash generated from operations		1,029.55		1,307.31
Tax paid		(649.05)		(425.70)
Net cash used in operating activities (A)		380.49		881.62
B. Cash flow from investing activities				
Payments for purchase of Property, Plant and Equipments	(252.35)		(470.13)	
Proceeds from disposal of Property, Plant and Equipments	34.98		12.36	
Interest received	59.96		39.22	
Dividend paid on equity shares	(487.34)		-	
		(644.76)		(418.54)
Net cash used in investing activities (B)		(644.76)		(418.54)
C. Cash flow from financing activities				
Net Proceeds from Issue of equity share capital	-		-	
Bank Balance other than C & CE	(62.96)		(74.38)	
Net Proceeds from Long term borrowings	(77.98)		(25.93)	
Net Proceeds from short-term borrowings	339.54		(167.96)	
Finance costs	(128.21)		(182.88)	
		70.39		(451.15)
Net cash generated from financing activities (C)		70.39		(451.15)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		(193.87)		11.92
Cash and cash equivalents at the beginning of the year		(1,208.06)		(1,219.98)
Cash and cash equivalents at the end of the year		(1,401.93)		(1,208.06)

See accompanying notes to the financial statements


As per our attached report of even date


For D. R. Barve & Associates
Chartered Accountants
Registration No. 122260W



CA. Shireesh N. Agte
Partner
Membership No.: 44641
Place: Pune
Date: 16th May, 2018



For and On Behalf Of The Board Of Directors


Dr. Subash Cipy
Managing Director
DIN : 00608724


Sanjay Bahadur
Director
DIN : 00032590


Rishu Goel
CFO



Cipy Polyurethanes Private Limited

T-127, MIDC, Bhosari, Pune - 411026

CIN : U24219PN1994PTC083328

Statement of Profit and Loss for the year ended 31st March 2018

(Rs. In Lakhs)

Particulars	Note No	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
INCOME				
Revenue from Operations	28	9,566.16	2,672.50	12,238.66
Other Income	29	170.94	8.10	179.04
Total Income		9,737.10	2,680.60	12,417.70
EXPENSES				
Cost of Materials Consumed	30	6,075.17	1,725.71	7,800.88
Purchases of Stock-in-Trade (Traded goods)		-	26.22	26.22
Changes in inventories of Finished Goods	31	(378.92)	113.06	(265.86)
Work-in-Progress and Stock-in-Trade		197.48	-	197.48
Excise Duty on sale of goods		748.09	93.37	841.46
Employee Benefits Expense	32	110.92	17.28	128.21
Finance Costs	33	181.83	21.41	203.24
Depreciation and Amortization Expense	34	411.52	216.75	628.27
Direct Manpower and Site Expenses	35	1,341.31	295.35	1,636.66
Other Expenses	36			
Total Expenses		8,687.40	2,509.16	11,196.56
Profit before Exceptional Items and Tax		1,049.70	171.45	1,221.14
Exceptional Items	37	415.30	-	415.30
Profit before Tax		1,465.00	171.45	1,636.44
Tax Expense				
Current Tax		358.28	104.68	462.95
Deferred Tax		175.60	(37.70)	137.90
Net Tax expense		533.88	66.97	600.85
Profit for the year		931.12	104.47	1,035.59
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurement of Defined Benefit Plan	38	(3.13)	(6.07)	(9.20)
Income tax relating to items that will not be reclassified to profit or loss		0.91	1.77	2.68
Total Comprehensive Income		928.89	100.17	1,029.07
Earnings per share				
Basic (Rs.)	41	988.80	110.94	1,099.75
Diluted (Rs.)		988.80	110.94	1,099.75
Face Value of Share (Rs.)		100.00	100.00	100.00

See accompanying notes to the financial statements

As per our attached report of even date

For D. R. Barve & Associates

Chartered Accountants
Registration No. 122260W



Shireesh N. Agte

CA. Shireesh N. Agte
Partner
Membership No. : 44641
Place: Pune
Date: 16th May, 2018

Dr. Subash Cipy

Dr. Subash Cipy
Managing Director
DIN : 00608724

Sanjay Bahadur

Sanjay Bahadur
Director
DIN : 00032590

Rishu Goel

Rishu Goel
CFO



CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

1 Corporate information

Cipy Polyurethanes Private Limited is a Private limited company located in India and incorporated under the Companies Act, 1956 on November 29, 1994. The company is engaged in Manufacturing of Polyurethane paints, varnishes and lacquers and execution of the projects in connection with application of the same.

The address of registered office and Principal place of business of the company is T-127, MIDC Bhosari Industrial Area, Bhosari, Pune - 411026.

Pidilite Industries Limited, along with its 100% subsidiary namely Fevicol Company Limited acquired 70% shares of the company on 08th February, 2018. Accordingly, the Company has become subsidiary of Pidilite Industries Limited from the above date.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of Indian GAAP, i.e. as per compliance with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with applicable rules and the relevant provisions of the Companies Act, 2013. These financial statements for the year ended March 31, 2018 are the Company's first financial statements under Ind AS and the same are prepared in accordance with Ind AS 101 on 'First-time adoption of Indian Accounting Standards' - Refer to note 2.14 for details of adoption of Ind AS.

The financial statements have been prepared under the historical cost convention except for the following items -

a. Certain Financial Assets / Liabilities (including derivative instruments) - at Fair value

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except otherwise indicated.

2.2 Research and development expenses

Revenue expenditure pertaining to research is charged to respective heads in the Statement of Profit and Loss in the year it is incurred. Property, Plant & Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant & Equipment .

2.3 Revenue Recognition

Revenue 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. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty collected but excluding other taxes or duties collected on behalf of the government.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.3.1 Sale of Goods / Services

Revenue from sale of goods/services is recognized upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales include excise duty but exclude sales tax/VAT/GST. It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

2.3.2 Interest income

Interest from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset. Claims / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

The Company's policy for recognition of revenue (rental income) from operating leases is described in note 2.4.1

2.4 Leasing

At the inception of an arrangement, it is determined whether the arrangement is or contains a 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.

2.4.1 Company as Lessor

Rental income from operating leases is recognised on a straight- line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue.

2.4.2 Company as Lessee

Payments made under operating leases are recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.5 Foreign Currencies

The functional currency of the Company is Indian Rupee. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses arising from these translations are recognised in the statement of Profit and Loss.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.6 Taxation

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

2.6.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

2.6.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

2.6.3 Current and Deferred Tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.7 Property, Plant and Equipment

2.7.1 Property, Plant and Equipment acquired separately

Freehold land is stated at cost and not depreciated.

Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of Property, Plant and Equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit & loss.

2.7.2 Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of Assets	Useful Life in Years
Buildings	30
Plant & Machinery	15
Vehicles	8
Furniture & Fixtures	10
Office Equipment	5

2.8 Impairment of Tangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.9 Inventories

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

Cost of inventories is determined on Weighted Average basis. Cost for this purpose includes cost of direct material, direct labour and appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for and valued at net realisable value.

2.10 Provisions (other than Employee Benefits)

A provision is recognised when as a result of past event, the Company has a present legal or constructive obligation can be reliably estimated, and, it is probable that an outflow of economic benefit will be required to settle the obligation.

Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but disclosed in the notes to the Financial Statements.

Contingent Assets are not recognised but disclosed in the notes to the Financial Statements, where an inflow of economic benefits is probable.

2.11 Financial Instruments

2.11.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets and financial liabilities are initially measured at fair value, except for trade receivables and payables which are measured at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

2.11.2 Subsequent measurement of Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method.

All other financial assets are measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.11.3 Impairment of Financial Assets

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at fair value through profit or loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix prepared on the basis of agewise analysis prepared.

2.11.4 Financial Liabilities & Equity Instruments

Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and 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 the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method at the end of reporting periods.

2.11.5 Derecognition of Financial Assets and Liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

The Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

2.11.6 Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to hedge its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value and changes are recognised in profit or loss.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.12 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank, cash in hand and short- term deposits with an original maturity of three months or less, as reduced by bank overdrafts.

2.13 Employee Benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences and Anniversary Awards.

2.13.1 Defined Contribution Plans

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

2.13.2 Defined Benefit Plans

For Defined Benefit Plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

2.13.3 Short Term and Other Long Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits, employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

2.14 First-time Adoption – Mandatory Exceptions, Optional Exemptions

2.14.1 Overall Principle

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company detailed below.

2.14.2 Deemed cost for Property, Plant and Equipment

The Company has measured all items of property, plant and equipment as of April 1, 2016 at retrospective carrying values calculated in accordance with Ind AS 16.

3. Critical Accounting Judgements and key sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management, to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may 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.

3.1 Key accounting judgements, assumptions and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

3.1.1 Income taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions (disclosed in Note 45).

CIPY POLYURETHANES PRIVATE LIMITED

Notes forming part of the financial statements

3.1.2 Property, Plant and Equipment

The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired. These estimates are reviewed annually by the management. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired. These estimates are reviewed annually by the management. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.1.3 Employee related provisions

The costs of long term and short term employee benefits are estimated using assumptions by the management. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates.

4 Property, Plant and Equipment and Capital Work-In-Progress

(Rs. In Lakhs)

Particulars	As at		As at	
	31st March 2018	08th Feb 2018	31st March	As at 1st April
Carrying amounts of:				
- Freehold Land	-	-	407.08	407.08
- Buildings	459.60	468.27	465.85	213.97
Plant and Equipment				
- Plant and Machinery	818.06	819.51	731.27	553.14
- Vehicles	84.57	86.51	141.91	108.27
- Furniture and Fixtures	29.95	29.74	35.80	36.51
- Office Equipment	16.73	17.43	19.96	19.60
Sub Total	1,408.91	1,421.46	1,801.86	1,338.58
Capital Work-In-Progress	-	-	-	260.41
Total	1,408.91	1,421.46	1,801.86	1,598.99

Particulars	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	Total
Deemed Cost							
Balance as at 1st April 2016	407.08	282.29	796.70	221.41	84.26	140.12	1,931.85
Additions	-	279.31	365.23	73.70	7.88	12.00	738.12
Disposals/ Adjustments	-	(7.93)	(7.75)	(23.30)	-	-	(38.98)
Balance as at 31st March 2017	407.08	553.67	1,154.18	271.81	92.14	152.12	2,630.99
Additions	-	18.06	205.55	-	2.28	4.77	230.65
Disposals/ Adjustments	(407.08)	-	(404.17)	(109.60)	(5.14)	(2.18)	(928.16)
Balance as at 8th February 18	-	571.72	955.56	162.21	89.28	154.72	1,933.48
Additions	-	-	7.93	-	0.45	0.48	8.86
Disposals/ Adjustments	-	-	-	-	-	-	-
Balance as at 31st March 2018	-	571.72	963.49	162.21	89.72	155.20	1,942.34

Accumulated Depreciation and Impairment

Balance as at 1st April 2016	-	(68.32)	(243.56)	(113.13)	(47.74)	(120.52)	(593.28)
Eliminated on disposal of assets	-	0.13	0.51	10.93	-	-	11.57
Depreciation expense	-	(19.62)	(179.86)	(27.70)	(8.60)	(11.64)	(247.43)
Balance as at 31st March 2017	-	(87.82)	(422.91)	(129.90)	(56.34)	(132.16)	(829.13)
Eliminated on disposal of assets	-	-	338.18	74.62	3.39	2.12	418.31
Depreciation expense	-	(15.63)	(51.31)	(20.42)	(6.59)	(7.25)	(101.20)
Balance as at 8th February 2018	-	(103.45)	(136.05)	(75.70)	(59.54)	(137.29)	(512.02)
Eliminated on disposal of assets	-	-	-	-	-	-	-
Depreciation expense	-	(8.68)	(9.38)	(1.94)	(0.23)	(1.18)	(21.41)
Balance as at 31st March 2018	-	(112.12)	(145.43)	(77.64)	(59.77)	(138.47)	(533.43)

Carrying Amount

Balance as at 1st April 2016	407.08	213.97	553.14	108.27	36.51	19.60	1,338.58
Additions	-	279.31	365.23	73.70	7.88	12.00	738.12
Disposals/ Adjustments	-	(7.93)	(7.75)	(23.30)	-	-	(38.98)
Depreciation expense	-	(19.62)	(179.86)	(27.70)	(8.60)	(11.64)	(247.43)
Depreciation Eliminated on	-	0.13	0.51	10.93	-	-	11.57
Balance as at 31st March 2017	407.08	465.85	731.27	141.91	35.80	19.96	1,801.86
Additions / Revaluation	-	18.06	205.55	-	2.28	4.77	230.65
Disposals/ Adjustments	(407.08)	-	(404.17)	(109.60)	(5.14)	(2.18)	(928.16)
Depreciation expense	-	(15.63)	(51.31)	(20.42)	(6.59)	(7.25)	(101.20)
Depreciation Eliminated on	-	-	338.18	74.62	3.39	2.12	418.31
Balance as at 8th February 18	-	468.27	819.51	86.51	29.74	17.43	1,421.46
Additions	-	-	7.93	-	0.45	0.48	8.86
Disposals/ Adjustments	-	-	-	-	-	-	-
Depreciation expense	-	(8.68)	(9.38)	(1.94)	(0.23)	(1.18)	(21.41)
Depreciation Eliminated on	-	-	-	-	-	-	-
Balance as at 31st March 2018	-	459.60	818.06	84.57	29.95	16.73	1,408.91

Note : On 08th February, 2018 i.e. on the date of Company becoming subsidiary, Freehold land is transferred to "Non Current Assets held for sale" and shown under current Assets.

5 Trade Receivables

(Rs. In Lakhs)

Particulars	As at		As at
	31st March 2018	31st March 2017	1st April 2016
- Secured, considered good	-	-	-
- Unsecured, considered good	5,625.24	4,178.82	3,697.37
- Considered doubtful	717.18	644.78	538.65
	6,342.41	4,823.60	4,236.02
Less: Provision for doubtful receivables	717.18	644.78	538.65
	5,625.24	4,178.82	3,697.37

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. 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 receivable days and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Ageing	Expected credit loss
Within the credit period (in days)	
00-90	0%
91-180	5%
181-365	10%
366-730	20%
731-1095	50%
>1095	100%

Movement in expected credit loss allowance	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Balance at beginning of the year	644.78	538.65
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	72.40	106.13
Balance at end of the year	717.18	644.78

A formal credit policy has been framed and credit facilities are given to dealers within the framework of the credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivables are identified based on criteria mentioned in the policy and provided for credit loss allowance.

6 Loans - Non Current

Particulars	As at		As at
	31st March 2018	31st March 2017	1st April 2016
Loans and Advances to Employees & Others	11.13	14.18	9.00
	11.13	14.18	9.00

7 Loans - Current

Particulars	As at		As at
	31st March 2018	31st March 2017	1st April 2016
Loans and Advances to Employees & Others	12.53	20.81	21.76
	12.53	20.81	21.76

8 Other Financial Assets - Non-Current

Particulars	As at		As at
	31st March 2018	31st March 2017	1st April 2016
Security Deposit	31.84	57.83	33.38
Retention Money Receivable			
Unsecured, Considered good	50.30	35.72	30.48
Considered doubtful	7.05	3.09	16.02
	57.36	38.81	46.49
Less: provision for doubtful balances	7.05	3.09	16.02
	50.30	35.72	30.48
TOTAL	82.14	93.55	63.85

9 Other Financial Assets - Current

Particulars	(Rs. In Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security deposit			
Unsecured, Considered good	21.75	28.00	36.07
Considered doubtful	-	-	-
	<u>21.75</u>	<u>28.00</u>	<u>36.07</u>
Less: provision for doubtful balances	-	-	-
	<u>21.75</u>	<u>28.00</u>	<u>36.07</u>
Foreign Currency Forward Contract Assets	1.85	-	-
Retention Money Receivable			
Unsecured, Considered good	47.06	6.49	40.10
Considered doubtful	57.91	128.11	121.49
	<u>104.97</u>	<u>134.60</u>	<u>161.59</u>
Less: provision for doubtful balances	57.91	128.11	121.49
	<u>47.06</u>	<u>6.49</u>	<u>40.10</u>
TOTAL	<u>70.65</u>	<u>34.49</u>	<u>76.17</u>

10 Cash and Cash Equivalents

Particulars	As at		
	31st March 2018	31st March 2017	1st April 2016
Cash and Cash Equivalents			
Cash on Hand	0.26	0.12	0.58
Cheques on Hand	-	-	-
Balance with banks			
In Current Account	53.75	35.09	82.18
In EEFC Account	-	-	2.67
In Fixed Deposit Accounts with original maturity of 3 months or less	-	-	-
TOTAL	<u>54.00</u>	<u>35.21</u>	<u>85.44</u>
Cash and Cash Equivalents (As above)	54.00	35.21	85.44
Cash Credit Accounts	<u>(1,455.93)</u>	<u>(1,243.26)</u>	<u>(1,305.42)</u>
Cash and Cash Equivalents (As per Cash Flow Statements)	<u>(1,401.93)</u>	<u>(1,208.06)</u>	<u>(1,219.98)</u>

11 Bank Balances other than Cash and Cash Equivalents above

Particulars	As at		
	31st March 2018	31st March 2017	1st April 2016
Balance with banks			
In Current Account (balances with restriction on repatriation)	-	-	-
Other Bank Balance			
In Fixed Deposit Accounts with original maturity of more than 12 months	-	-	-
In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months	649.15	586.16	511.78
Earmarked Account			
Dividend Payment Bank Account	0.07	0.10	0.10
TOTAL	<u>649.23</u>	<u>586.26</u>	<u>511.89</u>

a. Includes Fixed Deposit under lien.

12 Inventories (At lower of cost and net realizable value)

Particulars	As at		
	31st March 2018	31st March 2017	1st April 2016
Raw Material and Packing Material	1,257.03	765.73	668.45
Work-in-Progress	445.71	214.52	123.64
Finished Goods	324.61	289.95	200.53
Stock in Trade (acquired for trading)	-	-	-
Stores and Spares	-	-	-
TOTAL	<u>2,027.35</u>	<u>1,270.19</u>	<u>992.62</u>

13 Current Tax Assets (net)

Particulars	(Rs. In Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance Payment of Taxes (Net of Provisions)	49.94	26.38	22.16
TOTAL	49.94	26.38	22.16

14 Other Non-Current Assets

Particulars	(Rs. In Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Advances	18.98	18.98	18.98
Prepaid Expenses - Leasehold Land	42.95	43.66	44.36
Balance with Government Authorities	33.39	59.70	122.94
TOTAL	95.33	122.34	186.29

15 Other Current Assets

Particulars	(Rs. In Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Export Benefits receivable			
Unsecured, Considered good	0.90	-	-
Considered doubtful	0.90	-	-
Less: provision for doubtful balances	0.90	-	-
Balances with Government Authorities			
Unsecured, Considered good	41.91	76.90	278.18
Considered doubtful	41.91	76.90	278.18
Less: provision for doubtful balances	41.91	76.90	278.18
Advances to vendors			
Unsecured, Considered good	107.76	102.05	132.06
Considered doubtful	107.76	102.05	132.06
Less: provision for doubtful balances	107.76	102.05	132.06
Others (Discount & Interest Receivable)	-	-	-
Prepaid Expenses	26.54	14.89	13.14
Prepaid Expenses - Leasehold Land	0.70	0.70	0.70
Prepaid Expenses - Processing Fees	-	10.34	10.23
TOTAL	177.82	204.89	434.31

16 Deferred Tax Assets (net)

Particulars	(Rs. In Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Tax effect of items constituting Deferred Tax Assets	166.04	301.27	269.55
Tax effect of items constituting Deferred Tax Liabilities	-	-	-
TOTAL	166.04	301.27	269.55

17 Non Current Asset held for Sale

Particulars	(Rs. In Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Freehold land at Shirwal	407.08	-	-
TOTAL	407.08	-	-

CIPY POLYURETHANES PRIVATE LIMITED

18 Equity Share Capital

Particulars	(Rs. In Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Authorised Capital:			
1,00,000 Equity Shares of Rs.100 each	100.00	100.00	100.00
(1,00,000 Equity Shares of Rs.100 each as at 31st March, 2017 and 1st April, 2016)			
TOTAL	100.00	100.00	100.00
Issued, Subscribed and Paid up Capital:			
94,166 Equity Shares of Rs. 100 each fully paid up	94.17	94.17	94.17
(94,166 Equity Shares of Rs.100 each as at 31st March, 2017 and 1st April, 2016)			
TOTAL	94.17	94.17	94.17

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

	Number of Shares	Amount in Rs.
Balance as at 1st April 2016		
Shares issued during the year	94,166	9,416,600
Balance as at 31st March 2017		
Shares issued during the year	94,166	9,416,600
Balance as at 31st March 2018	94,166	9,416,600

b. Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

During the year ended 31st March 2016, the Company paid the Interim Dividend of Rs.150 per equity share of 100 each for the financial year 2015-16.

During the year ended 31st March 2018, the Company had paid three Interim Dividends of Rs.430 (160+160+110) per equity share of 100 each for the financial year 2016-17.

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

Name of Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Sabitha Cipy	11,797	12.53%	72,714	77.22%	72,714	77.22%
Dr. Subash Cipy	16,452	17.47%	21,452	22.78%	21,452	22.78%
Pidlilite Industries Ltd*	65,917	70.00%	-	-	-	-

* includes shares held by wholly owned subsidiary company of Pidilite Industries Limited viz. Fevicol Company Limited

19 Other Equity**(Rs. In Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Securities Premium Reserve	454.30	454.30	481.63
General Reserve	70.41	70.41	70.41
Retained Earnings	4,047.37	3,499.13	2,696.08
Other Items of OCI	(14.73)	(8.21)	-
TOTAL	4,557.35	4,015.63	3,248.13

20 Borrowings - Non Current

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Other Term loans			
Secured Loans			
From Banks	4.77	82.75	108.68
TOTAL	4.77	82.75	108.68

Term loans mentioned above are secured against hypothecation of underlying assets viz. vehicles

21 Borrowings - Current

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured Loans			
Loans repayable on demand from banks			
Cash Credit	1,455.93	1,243.26	1,305.42
Short Term Loans from Banks - Buyer's Credit	440.49	100.94	-
Unsecured Loans			
Short Term Loans from Banks - Buyer's Credit	-	-	162.62
Loans from Financial Institution	-	-	106.28
TOTAL	1,896.42	1,344.21	1,574.32

Loans classified under secured loans are secured against hypothecation of moveable fixed assets, stocks, debtors, mortgage of immovable fixed assets and guaranteed by director.

22 Trade Payables

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	177.35	74.35	23.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,815.63	1,741.37	1,587.21
TOTAL	2,992.98	1,815.72	1,610.72

23 Other Financial Liabilities - Current**(Rs. In Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current Maturities of Long Term Debts	29.52	62.91	129.56
Payable on Purchase of Fixed Assets	24.02	17.64	28.28
Liabilities for Expenses	537.69	625.91	321.88
Trade/Security Deposits Received	7.78	14.70	11.45
Employee Related Liabilities	77.90	73.27	60.60
Retention Money Payable	48.66	53.27	47.64
TOTAL	725.57	847.70	599.40

24 Provisions - Current

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Employee Benefits			
Gratuity	6.45	5.88	4.86
Compensated Absences	2.23	2.19	4.64
Provision for Warranty expenses	12.04	-	-
TOTAL	20.72	8.07	9.50

25 Provisions - Non Current

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Employee Benefits			
Gratuity	34.26	34.19	26.90
Compensated Absences	23.81	20.97	19.47
TOTAL	58.07	55.16	46.37

26 Other Current Liabilities

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Statutory remittances	94.00	120.00	75.26
Advance from customers	393.36	144.30	477.93
TOTAL	487.36	264.30	553.19

27 Current Tax Liabilities (net)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Tax (Net of Advance Tax) (Net of Advance Tax as at 31st March, 2018)	-	162.54	124.93
TOTAL	-	162.54	124.93

28 Revenue From Operations

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Revenue From Operations		
Sale of Products		
Finished Goods	11,114.15	11,614.91
Traded Goods	29.88	-
Sale of Services		
Job Work / Labour Charges	885.41	565.29
Uncertified revenue from Works Contract	109.75	-
TOTAL (A)	12,139.19	12,180.21
Other Operating Revenue		
Freight Charges & Transit Insurance	43.32	41.58
Testing Charges	2.84	1.78
Export Incentives	53.31	0.10
TOTAL (B)	99.47	43.45
Revenue from operations (A+B)	12,238.66	12,223.66

29 Other Income

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest on:		
Bank Deposit (at amortised cost)	58.67	38.03
Others	1.29	1.19
Other Non-Operating Income:		
Net Gain on foreign currency transaction and translation	-	24.52
Liabilities no longer required written back	115.90	-
Net Gain arising on Financial Assets designated at FVTPL	1.85	-
Rental income	1.08	0.92
Miscellaneous Income	0.26	0.15
TOTAL	179.04	64.82

30 Cost of Materials Consumed

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Inventory at the beginning of the year	765.73	668.45
Add : Purchases	8,292.19	6,734.28
	<u>9,057.92</u>	<u>7,402.73</u>
Less : Inventory at the end of the year	1,257.03	765.73
TOTAL	7,800.88	6,637.00

31 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Inventories at end of the year		
Finished Goods	324.61	289.95
Work-in-Progress	445.71	214.52
	-	-
(A)	<u>770.32</u>	<u>504.46</u>
Inventories at beginning of the year		
Finished Goods / Stock-in-Trade	289.95	200.53
Work-in-Progress	214.52	123.64
	-	-
(B)	<u>504.46</u>	<u>324.17</u>
(B)-(A)	<u>(265.86)</u>	<u>(180.29)</u>
Increase / (Decrease) of Excise Duty on inventory of FG		
TOTAL	<u>(265.86)</u>	<u>(180.29)</u>

32 Employee Benefits Expense

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and Wages	728.19	669.89
Contribution to Provident and Other Funds	85.15	59.49
Staff Welfare Expenses	28.12	37.01
	-	-
TOTAL	<u>841.46</u>	<u>766.38</u>

33 Finance Costs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest expense on:		
Borrowings	125.48	162.96
Interest on Income Tax	2.73	19.92
	-	-
TOTAL	<u>128.21</u>	<u>182.88</u>

34 Depreciation and Amortization Expense

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Depreciation on Property, Plant and Equipment	203.24	247.43
Amortization of Other Intangible Assets	-	-
	-	-
TOTAL	<u>203.24</u>	<u>247.43</u>

35 Direct Manpower and Site Expenses

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Labour Charges	459.62	478.16
Factory/Site Expenses	168.65	64.31
TOTAL	628.27	542.48

36 Other Expenses

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Consumption of Stores & Spares	50.11	29.40
Carriage	206.00	139.85
Clearing, Forwarding and Octroi Duty	158.24	182.74
Power and Fuel	58.89	48.16
Water Charges	1.92	2.96
Rent	74.18	70.56
Rates and Taxes	105.67	210.24
Insurance	9.62	10.73
Repairs Machinery	23.09	16.75
Repairs Others	58.04	39.52
Advertisement Publicity & Business Promotion Exp.	76.71	72.50
Legal, Professional and Consultancy fees	229.03	163.77
Communication Expenses	17.50	17.32
Printing and Stationery	7.46	8.11
Travelling and Conveyance Expenses	123.68	89.76
Bad Debts	101.13	85.70
Allowance for Doubtful Debts	68.78	99.82
Sales commission	114.20	197.58
Payments to Auditor	5.50	4.00
Donations	0.07	3.51
Corporate Social Responsibility Expenses	19.59	15.63
Net loss on foreign currency transactions and translation	37.72	-
Miscellaneous expenses	89.54	112.92
Pre-Operative Expenses (Building & Plant and Machinery)	-	7.22
TOTAL	1,636.66	1,628.75

37 Exceptional Items (net)

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit / (Loss) on Sale of Assets	415.30	(7.46)
TOTAL	415.30	(7.46)

38 Other Comprehensive Income

Particulars	(Rs. In Lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Actuarial Gains/losses	(9.20)	(12.55)
Tax effect on Other Comprehensive Income	2.68	4.34
TOTAL	(6.52)	(8.21)

CIPY POLYURETHANES PRIVATE LIMITED

39 Contingent Liabilities and Commitments

(Rs. In Lakhs)

Sr. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A)	Contingent liabilities not provided for			
1	Claims against the company not acknowledged as debts comprise of:			
	- Income tax demand against the Company not provided for and relating to issues of deduction and allowances in respect of which the Company is in appeal	7.75	4.43	14.54
	- Excise duty claims disputed by the Company relating to issues of classifications	189.44	189.44	189.44
	- Service tax claims disputed by the Company relating to issues of classifications	9.21	9.21	-
	- Sales tax claims disputed by the Company relating to issues of declarations forms and classifications'	-	-	58.20
	- Other Matters	-	-	-
2	Guarantees given by Banks in favour of customers	1,040.57	1,428.82	783.37
	Total	1,246.97	1,631.90	1,045.53
B)	Commitments			
(a)	Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of property, plant and equipment and not provided for	22.49	50.70	17.38
(b)	Other Commitments - Non Cancellable Operating Leases	-	-	-
	Total	22.49	50.70	17.38

40 Segment information

The Company is primarily engaged in a single segment i.e. business of manufacturing of paints, varnishes, etc. and accordingly, this is the only reportable segment. The entire operation is governed by the same set of risk and returns and, hence, the same has been considered as representing a single primary segment. The same treatment is in accordance with the requirements of Indian Accounting Standard 108 - 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

41 Earnings Per Share (EPS)

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

Particulars	As at 31st March 2018	As at 31st March 2017
Basic:		
Profit for the year (Rs. In Lakhs)	1,035.59	775.71
Weighted average number of equity shares in calculating	94,166	94,166
Par value per share (Rs.)	100.00	100.00
Earning per share (Basic) (Rs.)	1,099.75	823.77
Diluted:		
Profit for the year (Rs. In Lakhs)	1,035.59	775.71
Weighted average number of equity shares in calculating	94,166	94,166
Par value per share (Rs.)	100.00	100.00
Earning per share (Diluted) (Rs.)	1,099.75	823.77

CIPY POLYURETHANES PRIVATE LIMITED

42 Related Party Disclosures

List of Related Parties

Relationship

(i) **Holding Company**
Pidilite Industries Ltd

Holding Company

(ii) **Key Management Personnel**

- a. Dr. Mr. C.P. Subash
b. Mr. Madhukar Parekh (From 09.02.18)
c. Mr. Sanjay Bahadur (From 09.02.18)

Managing Director
Director
Director

(iii) **Close Member of Key Management Personnel**

- a. Mrs. Sabitha Subash
b. Mr. Roshan Cipy
c. Ms. Ritu Cipy
d. Mr. Subhash Cipy (HUF)

Wife of Managing Director
Son of Managing Director
Daughter of Managing Director
Karta of HUF of Managing Director

(iii) **Significant influence by Holding Company/Director of the Company**

- a. Riturosh Creative Works Private Limited
(Formerly known as Cipy Page1 Private Limited)

Significant Influence of Managing Director

(v) i) **Transactions with Related Parties for the year ended March 31, 2018 are as follows:**

(Rs. In Lakhs)

Sr. No.	Nature of Transaction	Dr. Mr. C.P. Subash	Mrs. Sabitha Subash	Mr. Roshan Cipy	Ms. Ritu Cipy	Dr. Mr. C.P. Subash (HUF)	Riturosh Creative Works Pvt. Ltd.
a	Sales/Works Contact Income	-	-	-	-	-	- (9.77)
b	Purchases and Other Services	-	-	-	-	-	36.43 (296.39)
c	Purchase of Fixed Assets	-	-	-	-	-	- (29.05)
d	Remuneration to Directors	115.45 (120.15)	14.65 (15.15)	-	-	-	- -
e	Rent Paid	5.34 (6.60)	-	-	-	20.24 (24.80)	- -
f	Vehicle Hiring charges	15.43 (18.00)	-	-	-	-	- -
g	Salary paid	-	-	5.85 -	13.69 (12.00)	-	- -
h	Outstanding Balances:						
	- Debtors Including advances	-	-	-	-	-	- (0.37)
	- Creditors	-	-	-	-	-	29.00 -

Figures in bracket indicate previous year's figures

CIPY POLYURETHANES PRIVATE LIMITED

43 Employee Benefits

The Company has classified various employee benefits as under:

(A) Defined Contribution Plans

- (i) Provident Fund
- (ii) State Defined Contribution Plans :
 - Employers' Contribution to Employees' State Insurance

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and loss:

(Rs. In Lakhs)

Sr. No.	Particulars	March 31, 2018	March 31, 2017
1	Contribution to Provident Fund	38.82	41.41
2	Contribution to Employees' State Insurance Scheme	5.12	2.85
	Total	43.94	44.25

(B) Defined Benefit Plans

- (I) Gratuity
- (II) Compensated Absences

General description of defined benefit plans:

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Actuarial risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

Market risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Defined benefit plans (Gratuity) – as per actuarial valuation

(Rs. In Lakhs)

Sr.No.	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Change in the present value of defined benefit obligation				
1	Present value of defined benefit obligation at the beginning of the year	52.87	39.49	17.50
2	Obligation as per BTA	-	-	-
3	Current service cost	5.88	4.86	4.51
4	Interest cost	3.63	2.91	1.29
5	Remeasurements (gains)/ losses included in OCI	-	-	-
	Actuarial (gains)/ losses arising from changes in demographic assumption	(1.75)	2.50	-
	Actuarial (gains)/ losses arising from changes in financial assumption	3.99	8.75	17.93
6	Past Service cost	0.07	-	-
7	Benefits paid	(2.99)	(5.65)	(1.73)
	Present value of defined benefit obligation at the end of the year	61.70	52.87	39.49

Sr.No.	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Change in fair value of plan assets during the year				
1	Fair value of plan assets at the beginning of the year	12.80	7.73	2.40
2	Interest income	0.93	0.64	0.39
3	Contribution by employer	10.00	10.00	6.99
4	Benefits paid	(2.99)	(5.65)	(1.73)
5	Remeasurements (gains)/ losses included in OCI	-	-	-
6	Return on plan assets excluding amounts including in interest income	0.25	0.08	(0.31)
	Fair value of plan assets at the beginning of the year	20.99	12.80	7.73

Net Asset/(Liability) recognised in the Balance Sheet as at		March 31, 2018	March 31, 2017	April 1, 2016
1	Present value of defined benefit obligation as at 31st March	61.70	52.87	39.49
2	Fair value of plan assets as at 31st March	20.99	12.80	7.73
3	Net Asset/(Liability)	(40.71)	(40.07)	(31.76)
4	Current portion of the above	6.45	5.88	4.86
5	Non current portion of the above	34.26	34.19	26.90

Actuarial assumptions		March 31, 2018	March 31, 2017	April 1, 2016
1	Discount rate	7.55%	7.25%	7.75%
2	Withdrawal rate	up to 5.00%	up to 5.00%	up to 5.00%
3	Salary growth rate	5.00%	5.00%	5.00%

Quantitative sensitivity analysis for significant assumption is as below		March 31, 2018	March 31, 2017	April 1, 2016
1	Discount rate:			
	- Varied by +0.5%	58.95	50.36	37.73
	- Varied by -0.5%	64.67	55.57	41.39
2	Salary Growth rate:			
	- Varied by +0.5%	64.73	55.50	41.43
	- Varied by -0.5%	58.87	50.15	37.68
3	Withdrawal rate:			
	- Varied by +10%	62.01	53.13	39.71
	- Varied by -10%	61.39	52.59	39.26

Expense recognised in the Statement of Profit and Loss for the year		March 31, 2018	March 31, 2017	April 1, 2016
1	Current service cost	5.88	4.86	4.51
2	Interest cost on benefit obligation (Net)	2.69	2.27	0.90
3	Past service cost	0.07	-	-
	Total expenses included in employee benefits expense	8.64	7.14	5.41

Recognised in other comprehensive income for the year		March 31, 2018	March 31, 2017	April 1, 2016
1	Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	-
2	Actuarial (gains)/ losses arising from changes in financial assumption	(1.75)	2.50	-
3	Actuarial (gains)/ losses arising from changes in experience adjustments	3.99	8.75	17.93
4	Return on plan asset excluding amounts including in interest income	(0.25)	(0.08)	0.31
	Recognised in other comprehensive income	2.00	11.17	18.23

CIPY POLYURETHANES PRIVATE LIMITED

44 Financial Instrument

1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debts and total equity of the Company. The company is not subject to any externally imposed capital requirements.

2 Categories of financial instruments

Particulars	(Rs. In Lakhs)		
	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets			
Measured at amortised cost			
Trade Receivables	5,625.24	4,178.82	3,697.37
Cash and cash equivalents	54.00	35.21	85.44
Bank balance other than above	649.23	586.26	511.89
Loans	23.67	20.81	21.76
Other financial assets	152.80	128.04	140.02
Total Financial Assets	6,504.93	4,949.15	4,456.48
Financial liabilities			
Measured at amortised cost			
Borrowings	1,901.19	1,426.96	1,683.01
Trade Payables	2,992.98	1,815.72	1,610.72
Other financial liabilities	725.57	847.70	599.40
Total Financial Liabilities	5,619.74	4,090.38	3,893.12

3 Financial risk management objectives

Liquidity risk management

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company's financial liabilities as on March 31, 2018 is Rs. 5,619.74 lakhs. Significant portion of the Company's financial assets as on March 31, 2018 is Rs. 6,504.93 lakhs comprise of cash and cash equivalents aggregating to Rs. 54.00 lakhs

Credit risk management

Credit risk refers to risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has big reputed corporate as customer base due to which credit risk is very less. Significant portion of the Company's financial assets as at 31st March 2018 comprise of trade receivable, retention money receivable and unbilled revenue which are held with reputed and credit worthy reputed corporate customers.

4 Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into forward foreign exchange contracts to manage its exposure to foreign currency risk of imports.

CIPY POLYURETHANES PRIVATE LIMITED

45 Taxes

1 Deferred Tax

	(Rs. In Lakhs)			
	As at 31st March, 2018	As at 8th February, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Assets	166.04	126.58	301.27	269.55
Deferred Tax Liabilities	-	-	-	-
Total	166.04	126.58	301.27	269.55

a 2017-18

Deferred Tax Assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit or loss	Recognised in other Comprehensive Income	Closing balance
Property, Plant and Equipment	7.14	(119.44)	-	(112.30)
Allowance for doubtful debts	268.55	(40.79)	-	227.76
Defined Benefit Obligation	18.30	(1.54)	2.68	19.44
Other Provisions	7.28	23.87	-	31.15
Total	301.27	(137.90)	2.68	166.04

b 2016-17

Deferred Tax Assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit or loss	Recognised in other Comprehensive Income	Closing balance
Property, Plant and Equipment	9.66	(2.52)	-	7.14
Allowance for doubtful debts	234.00	34.55	-	268.55
Defined Benefit Obligation	19.33	(5.38)	4.34	18.30
Other Provisions	6.55	0.72	-	7.28
Total	269.55	27.37	4.34	301.27

2 Income Taxes relating to continuing operations

a Income Tax recognised in Profit or Loss

	For the Year Ended 31st March, 2018	For the Period 09th Feb to 31st March	For the Period Ended 08th February, 2018	For the Year Ended 31st March, 2017
Current Tax				
In respect of the year	462.95	104.68	358.28	459.08
In respect of prior years	-	-	-	-
Total	462.95	104.68	358.28	459.08
Deferred Tax				
In respect of the current year	137.90	(37.70)	175.60	(27.37)
Total	137.90	(37.70)	175.60	(27.37)
Total Income Tax expense recognised in the current year relating to continuing operations	600.85	66.97	533.88	431.71

b The Income Tax expense for the year can be reconciled to the accounting profit as follows.

	(Rs. In Lakhs)			
	For the Year Ended 31st March, 2018	For the Period 09th Feb to 31st March	For the Period Ended 08th February, 2018	For the Year Ended 31st March, 2017
Profit Before Tax	1,636.44	171.45	1,465.00	1,207.43
Income Tax Rate (%)	34.608	34.608	34.608	34.608
Income Tax expense	566.34	59.33	507.01	417.87
Effect of income that is exempt from taxation	(7.72)	(1.08)	(6.64)	-
Effect of expenses that are not deductible in determining taxable profit	11.57	1.61	9.96	13.85
Effect of concessions (research & development, other allowances and deductions)	-	-	-	-
Others	30.66	7.11	23.56	-
Total	600.85	66.97	533.88	431.71
Adjustments recognised in the current year in relation to the current tax of prior years	-	-	-	-
Income Tax expense recognised in profit or loss (relating to continuing operations)	600.85	66.97	533.88	431.71

Income Tax recognised in Other Comprehensive Income

	For the Year Ended 31st March, 2018	For the Period 09th Feb to 31st March	For the Period Ended 08th February, 2018	For the Year Ended 31st March, 2017
Tax arising on income and expenses recognised in OCI				
Re-measurement of Defined Benefit Obligation	(2.68)	(1.77)	(0.91)	(4.34)
Total income tax recognised in other Comprehensive Income	(2.68)	(1.77)	(0.91)	(4.34)

CIPY POLYURETHANES PRIVATE LIMITED

46 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1	Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	177.35	74.35	23.51
2	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
4	The amount of interest due and payable for the year	-	-	-
5	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-
	Total	177.35	74.35	23.51

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. This has been relied upon by the auditors.

47 Details of Payments to Auditor

Sr. No.	Particulars	For the year ended March 31, 2018	For the Period 09th Feb to 31st March	For the period ended 08th February, 2018	For the year ended March 31, 2017
1	Audit fees	4.00	0.58	3.42	4.00
2	Other Services: Others	1.50	1.50	-	-
	Total	5.50	2.08	3.42	4.00

48 Operating Lease

a) Operating lease payment (minimum lease payments) has been recognised in Statement of Profit and Loss under heading Rent under other expenses amounting to **Rs. 51.47** (Rs. 49.84 for the period from 1st April, 2017 to 8th February, 2018 and Rs. 1.63 for the period from 9th February, 2018 to 31st March, 2018)

b) General description of the leasing arrangement:

i) Leased Assets : Factory space

ii) Future lease rentals are determined on the basis of agreed terms.

iii) At the expiry of the lease term, the Company has an option either to vacate the asset or extend the term by giving notice in writing.

The Company has entered into operating lease arrangements for certain facilities. The lease is non-cancellable for a period of 3 years and may be renewed for a further period based on mutual agreement of the parties.

Non cancellable operating lease commitments.

Future minimum lease payments	For the year ended March 31, 2018	For the year ended March 31, 2017
not later than one year	9.72	11.16
later than one year and not later than five years	-	9.72
later than five years	-	-

49 Provision for Warranty expense

Provision for Warranty expense relates to warranty provision made on the basis of expected future liability on account of the warranty in respect of services rendered by the company during the year and is made @ 0.1% of the turnover for the year. The estimated cost of warranty is accrued at the time of sale.

The movement of provision for warranty is as follows:

Particulars	(Rs. In Lakhs)		
	For the year ended March 31, 2018	For the period ended February 8, 2018	For the year ended March 31, 2017
Balance as at Beginning of the year	-	-	-
Non Current	-	-	-
Current	9.37	-	-
	9.37	-	-
Addition	2.67	9.37	-
Utilisation	-	-	-
Reversal (withdrawn as no longer required)	-	-	-
Balance as at Closing of the year	2.67	9.37	-
Non Current	-	-	-
Current	12.04	9.37	-
Total	12.04	9.37	-

50 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the company during the year is Rs.19.59

(b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	19.59	-	19.59

51 Change in the basis of Valuation of Inventories

The valuation of inventory is done on the basis of weighted average method at the end of year instead of FIFO method applied in the earlier years by the company. Had the company followed the same previous year method of valuing inventories, the value of inventory would have been less by Rs. 8.98 Lakhs and consequently the profit for the year ended 31st March, 2018 would have been less by Rs.8.98 Lakhs. Further, previous year figures are not comparable to that extent.

52 Recent accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1 April 2018.

53 Events after reporting period

There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statement.

54 Approval of financial statements

The financial statements were approved for issue by the board of directors on at its meeting held on 16th May, 2018.

CIPY POLYURETHANES PRIVATE LIMITED

First-time Ind AS adoption reconciliations

Effect of Ind AS adoption on the balance sheet as at 31st March 2017 and 1st April 2016

(Rs. In Lakhs)

Particulars	Note	As at 31 st March 2017			As at 1 st April 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
1 Non Current Assets							
(a) Property, Plant and Equipment	a & c	1,864.41	(62.55)	1,801.86	1,394.17	(55.59)	1,338.58
(b) Capital Work-In-Progress		-	-	-	260.41	-	260.41
(c) Goodwill		-	-	-	-	-	-
(d) Other Intangible Assets		-	-	-	-	-	-
(e) Financial Assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Loans		14.18	-	14.18	9.00	-	9.00
(iii) Other Financial Assets	d	96.64	(3.09)	93.55	79.87	(16.02)	63.85
(g) Other Non-current Assets	c	78.68	43.66	122.34	141.93	44.36	186.29
(h) Deferred Tax Assets (net)	g	33.66	267.60	301.27	35.10	234.45	269.55
Total Non-Current Assets		2,087.58	245.62	2,333.20	1,920.47	207.21	2,127.68
2 Current Assets							
(a) Inventories		1,270.19	-	1,270.19	992.62	-	992.62
(b) Financial Assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Trade Receivables	d	4,823.60	(644.78)	4,178.82	4,236.02	(538.65)	3,697.37
(iii) Cash and cash equivalents		35.21	-	35.21	85.44	-	85.44
(iv) Bank balances other than (iii) above		586.26	-	586.26	511.89	-	511.89
(v) Loans		20.81	-	20.81	21.76	-	21.76
(vi) Other Financial Assets	d	162.60	(128.11)	34.49	197.66	(121.49)	76.17
(c) Current Tax Assets (net)		26.38	-	26.38	22.16	-	22.16
(d) Other Current Assets	b & c	193.84	11.04	204.89	423.38	10.94	434.31
Total Current Assets		7,118.90	(761.84)	6,357.06	6,490.92	(649.20)	5,841.72
TOTAL ASSETS		9,206.47	(516.22)	8,690.25	8,411.39	(441.99)	7,969.40
EQUITY AND LIABILITIES							
3 EQUITY							
(a) Equity Share Capital		94.17	-	94.17	94.17	-	94.17
(b) Other Equity	a to g	4,521.85	(506.22)	4,015.63	3,690.75	(442.63)	3,248.13
Total Equity		4,616.02	(506.22)	4,109.80	3,784.92	(442.63)	3,342.29
LIABILITIES							
4 Non-Current Liabilities							
(a) Financial Liabilities		-	-	-	-	-	-
(i) Borrowings		82.75	-	82.75	108.68	-	108.68
(ii) Trade payables		-	-	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	-	-	-
(b) Provisions	f	65.16	(10.00)	55.16	45.73	0.64	46.37
(c) Deferred Tax Liabilities (net)		-	-	-	-	-	-
(d) Other Non Current Liabilities		-	-	-	-	-	-
Total Non-Current Liabilities		147.92	(10.00)	137.92	154.41	0.64	155.05
5 Current Liabilities							
(a) Financial Liabilities		-	-	-	-	-	-
(i) Borrowings		1,344.21	-	1,344.21	1,574.32	-	1,574.32
(ii) Trade Payables		1,815.72	-	1,815.72	1,610.72	-	1,610.72
(iii) Other Financial Liabilities		847.70	-	847.70	599.40	-	599.40
(b) Other Current Liabilities		264.30	-	264.30	553.19	-	553.19
(c) Provisions		8.07	-	8.07	9.50	-	9.50
(d) Current Tax Liabilities (net)		162.54	-	162.54	124.93	-	124.93
Total Current Liabilities		4,442.54	-	4,442.54	4,472.06	-	4,472.06
TOTAL LIABILITIES		4,590.46	(10.00)	4,580.46	4,626.47	0.64	4,627.11
TOTAL EQUITY AND LIABILITIES		9,206.47	(516.22)	8,690.25	8,411.39	(441.99)	7,969.40

CIPY POLYURETHANES PRIVATE LIMITED

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March 2017

(Rs. In Lakhs)

Particulars	Note	For the year ended 31st March 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations	j	10,974.70	1,248.96	12,223.66
Other Income		64.82	-	64.82
Total Income (A)		11,039.51	1,248.96	12,288.47
EXPENSES				
Cost of Materials Consumed		6,637.00	-	6,637.00
Purchases of Stock-in-Trade (Traded goods)		-	-	-
Changes in inventories of Finished Goods		(180.29)	-	(180.29)
Work-in-Progress and Stock-in-Trade		-	-	-
Excise Duty on sale of goods	j	-	1,248.96	1,248.96
Employee Benefits Expense	f	789.57	(23.19)	766.38
Finance Costs	b	182.99	(0.11)	182.88
Depreciation and Amortization Expense	a	247.69	(0.26)	247.43
Direct Manpower and Site Expenses		542.48	-	542.48
Other Expenses	b, c & d	1,521.01	107.75	1,628.75
Total Expenses (B)		9,740.43	1,333.15	11,073.58
Profit before Exceptional Items and Tax		1,299.08	(84.19)	1,214.89
Exceptional Items		(7.46)	-	(7.46)
Profit before Tax (A-B)		1,291.62	(84.19)	1,207.43
Tax Expense				
Current Tax		459.08	-	459.08
Deferred Tax		1.44	(28.81)	(27.37)
Net Tax Expense		460.52	(28.81)	431.71
Profit for the year		831.10	(55.38)	775.71
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of the defined benefit plans	e	-	(12.55)	(12.55)
(ii) Income tax relating to items that will not be reclassified to profit or loss	e	-	4.34	4.34
Total Other Comprehensive Income for the period (i-ii)		-	(8.21)	(8.21)
Total Comprehensive Income for the period		831.10	(63.59)	767.51

CIPY POLYURETHANES PRIVATE LIMITED
Reconciliation of total equity as at 31st March 2017 and 1st April 2016
(Rs. In Lakhs)

	Notes	As at 31st March, 2017	As at 1st April, 2016
Total equity (shareholders' funds) under previous GAAP		4,616.02	3,784.92
Impairment of Financial Assets - Based on expected credit loss model	d	(775.98)	(676.15)
Changes in value of Tangible Assets as per Ind AS	a & c	(18.19)	(10.52)
Changes in value of Other Current Assets as per Ind AS	b	10.34	10.23
Changes in value of Current Provisions as per Ind AS	f	10.00	(0.64)
Deferred Tax impact on above adjustments	g	267.60	234.45
Total adjustment to equity		(506.22)	(442.63)
Total equity under Ind AS		4,109.80	3,342.29

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

	Notes	As at 31st March, 2017
Profit as per previous GAAP		831.10
Adjustments:		
Remeasurement of defined benefit obligation recognised in Statement of Profit & Loss under Ind AS	f	23.19
Changes in Amortisation under Ind AS	c	(0.70)
Changes in Depreciation under Ind AS	a	0.26
Impairment of Financial Assets - Based on expected credit loss model	d	(99.82)
Changes in Finance cost under Ind AS	b	0.11
Reversal of Pre-operative expenses written off from CWIP during the	a	(7.22)
Deferred Tax impact	g	28.81
Total effect of transition to Ind AS		(55.38)
Profit for the year as per Ind AS		775.71
Other Comprehensive Income for the year (net of tax)	e	(8.21)
Total Comprehensive Income Under Ind AS		767.51

CIPY POLYURETHANES PRIVATE LIMITED

Notes to the Reconciliations

a Pre-Operative Expenses

Under previous GAAP, pre-operative expenses were capitalised in the cost of Property, Plant and Equipment. Under Ind AS, these expenses have been specifically excluded from the cost of Property, Plant and Equipment. On the date of transition to Ind AS, these expenses have been identified and excluded from the cost of Property, Plant and Equipment, resulting in reduction in value of opening block of Property, Plant and Equipment as at 1st April 2016, by Rs. 0.66 lakhs. The equivalent amount is reduced from retained earnings as on 1st April 2016. Further, depreciation amounting to Rs. 0.00011 lakhs relating to pre-operative expenses (capitalised under previous GAAP) has been added to retained earnings on 01st April 2016.

During the year ended 31st March 2017, pre-operative expenses amounting to Rs.7.22 lakhs of similar nature have been identified and excluded from the Property, Plant and Equipment and charged off in the statement of profit and loss for the year 2016-17 and depreciation relating to pre-operative expenses (capitalised under previous GAAP) have been reversed to the extent of Rs. 0.26 lakhs.

b Processing Fees

Under previous GAAP, processing fees towards disbursement of loans from bank was expensed out in the statement of profit and loss in the respective years. Under Ind AS, these expenses will be amortised over tenure of term loan. On the transition to Ind AS, the expenditure pertaining to the unexpired period is increased to retained earnings and corresponding amount of Rs. 10.23 lakhs is shown under prepaid expenses as on 1st April, 2016. During the year ended 31.03.2017, the same (Rs.10.23 lakhs) is expensed out. Processing fees amounting to Rs. 10.34 lakhs which was expensed out as per previous GAAP in the year ended 31st March 2017 is shown under prepaid expenses as on 31st March, 2017 on transition to Ind AS. This has resulted in net increase in profit amounting to Rs. 0.11 lakhs.

c Leasehold land classified to prepaid expenses

Under previous GAAP, leasehold land was included in the Property, Plant and Equipment. Under Ind AS, leases not classified as finance leases are regrouped under prepaid expenses as at 31st March 2017 amounting to Rs. 44.36 lakhs and as at 1st April 2016 amounting to Rs. 45.07 lakhs. Lease rentals to the extent of Rs. 9.86 lakhs pertaining to the period upto 1st April 2016 is reduced from retained earnings. Lease rentals to the extent of Rs. 0.70 lakhs for the year 2016-17 has been expensed under the head "Rent".

d Trade Receivable - Expected Credit Loss

Under previous GAAP, allowance for doubtful debts was not made. Under Ind AS, the Company applies expected credit loss (ECL) model for recognising impairment loss on these financial assets on the transition date. The impairment loss on these financial assets is made on the basis of ageing of Trade Receivables as per following provision matrix.

Ageing	Expected Credit Loss
00-90	0%
91-180	5%
181-365	10%
366-730	20%
731-1095	50%
>1095	100%

The amount of provision for doubtful debts is recognised in the statement of profit and loss. On transition to Ind AS, allowance for doubtful debts is measured as per ECL model amounting to Rs. 676.15 lakhs as on 1st April, 2016 and the same amount is reduced from retained earnings and Rs. 775.98 as on 31st March, 2017. During the year 2016-17, increase in provision as per ECL is Rs. 99.82 lakhs.

e Actuarial gains and losses

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability/ asset, are recognised in the Other Comprehensive Income under Ind AS instead of profit or loss. The actuarial losses for the year ended 31st March 2017 were Rs. 12.52 lakhs with tax Rs. 4.35 lakhs. This change does not affect total equity, but there is a decrease in profit before tax of Rs. 12.52 lakhs and in total loss of Rs. 8.21 lakhs for the year ended 31st March 2017.

CIPY POLYURETHANES PRIVATE LIMITED

Notes to the Reconciliations

f Provision for Employee Benefits

On Transition to Ind AS, there is net increase in provision for employee benefits amounting to Rs. 0.64 lakhs on 1st April, 2016. The equivalent amount is reduced from retained earnings. During the year ended on 31st March, 2017, there is net reduction in provision for employee benefit amounting to Rs. 23.19 lakhs, resulting in increase in profit for the year by the equivalent amount.

g Deferred Tax impact

Deferred tax impacts for the above adjustments, are a net increase in Deferred Tax Assets as at 31st March 2017 by Rs. 267.60 lakhs and increase in Deferred Tax Assets as at 1st April 2016 by Rs. 234.45 lakhs. During the year 2016-17, increase in provision for Deferred Tax Assets is Rs. 33.15 lakhs

h Bank overdraft included in Cash and cash equivalents

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system are included in Cash and Cash Equivalents for the purpose of presentation of statement of cash flows. Whereas under previous GAAP there was no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cashflows from Financing activities. The effect of this is that bank overdrafts of Rs. 1,243.26 lakhs as at 31st March 2017 and Rs. 1,305.42 lakhs as at 1st April 2016 have been considered as part of Cash and Cash equivalents. Consequently, the cash outflow from financing activities for the year ended 31st March 2017 prepared as per Ind As is higher to the extent of this net movement of Rs. 62.16 lakhs.

i Other Comprehensive Income

Under previous GAAP, there was no concept of Other Comprehensive Income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income.

j Excise Duty

Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the statement of profit and loss. The change does not affect total equity as at 1st April 2016 and 31st March 2017, profit before tax or total profit for the year ended 31st March 2017.

28 Revenue From Operations

Particulars	(Rs. In Lakhs)		
	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Revenue From Operations			
Sale of Products			
Finished Goods	8,943.78	2,170.37	11,114.15
Traded Goods	-	29.88	29.88
Sale of Services			
Job Work / Labour Charges	528.48	356.92	885.41
Uncertified revenue from Works Contract	-	109.75	109.75
TOTAL (A)	9,472.27	2,666.92	12,139.19
Other Operating Revenue			
Freight Charges & Transit Insurance	38.79	4.54	43.32
Testing Charges	2.00	0.84	2.84
Export Incentives	53.11	0.20	53.31
TOTAL (B)	93.90	5.57	99.47
Revenue from operations (A+B)	9,566.16	2,672.50	12,238.66

29 Other Income

Particulars	For the year ended		
	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	31st March 2018
Interest on:			
Bank Deposit (at amortised cost)	55.50	3.16	58.67
Others	0.69	0.60	1.29
Other Non-Operating Income:			
Net Gain on foreign currency transaction and translatio	-	-	-
Liabilities no longer required written back	114.58	1.32	115.90
Net Gain arising on Financial Assets designated at FVTF	-	1.85	1.85
Rental income	-	1.08	1.08
Miscellaneous Income	0.16	0.10	0.26
TOTAL	170.94	8.10	179.04

30 Cost of Materials Consumed

Particulars	For the year ended		
	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	31st March 2018
Inventory at the beginning of the year	765.73	1,166.84	765.73
Add : Purchases	6,476.29	1,815.90	8,292.19
	7,242.02	2,982.74	9,057.92
Less : Inventory at the end of the year	1,166.84	1,257.03	1,257.03
TOTAL	6,075.17	1,725.71	7,800.88

31 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

Particulars	(Rs. In Lakhs)		
	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Inventories at end of the year			
Finished Goods	356.68	324.61	324.61
Work-in-Progress	526.70	445.71	445.71
(A)	883.38	770.32	770.32
Inventories at beginning of the year			
Finished Goods / Stock-in-Trade	289.95	356.68	289.95
Work-in-Progress	214.52	526.70	214.52
(B)	504.46	883.38	504.46
(B)-(A)	(378.92)	113.06	(265.86)
Increase / (Decrease) of Excise Duty on inventory of FG			
TOTAL	(378.92)	113.06	(265.86)

32 Employee Benefits Expense

Particulars	(Rs. In Lakhs)		
	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Salaries and Wages	644.88	83.31	728.19
Contribution to Provident and Other Funds	77.98	7.17	85.15
Staff Welfare Expenses	25.23	2.89	28.12
TOTAL	748.09	93.37	841.46

33 Finance Costs

Particulars	(Rs. In Lakhs)		
	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Interest expense on:			
Borrowings	108.58	16.90	125.48
Interest on Income Tax	2.34	0.38	2.73
TOTAL	110.92	17.28	128.21

34 Depreciation and Amortization Expense

Particulars	(Rs. In Lakhs)		
	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Depreciation on Property, Plant and Equipment	181.83	21.41	203.24
Amortization of Other Intangible Assets	-	-	-
TOTAL	181.83	21.41	203.24

35 Direct Manpower and Site Expenses

Particulars	(Rs. In Lakhs)		
	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Labour Charges	290.82	168.81	459.62
Factory/Site Expenses	120.70	47.95	168.65
TOTAL	411.52	216.75	628.27

36 Other Expenses**(Rs. In Lakhs)**

Particulars	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Consumption of Stores & Spares	46.96	3.15	50.11
Carriage	168.78	37.21	206.00
Clearing, Forwarding and Octroi Duty	125.25	32.99	158.24
Power and Fuel	50.64	8.25	58.89
Water Charges	1.80	0.12	1.92
Rent	72.11	2.06	74.18
Rates and Taxes	79.64	26.04	105.67
Insurance	8.78	0.84	9.62
Repairs Machinery	15.46	7.63	23.09
Repairs Others	58.04	-	58.04
Advertisement Publicity & Business Promotion Exp.	74.89	1.82	76.71
Legal, Professional and Consultancy fees	191.47	37.57	229.03
Communication Expenses	14.85	2.64	17.50
Printing and Stationery	6.41	1.05	7.46
Travelling and Conveyance Expenses	105.19	18.48	123.68
Bad Debts	91.97	9.16	101.13
Allowance for Doubtful Debts	-	68.78	68.78
Sales commission	106.95	7.24	114.20
Payments to Auditor	3.42	2.08	5.50
Donations	0.07	-	0.07
Corporate Social Responsibility Expenses	16.85	2.74	19.59
Net loss on foreign currency transactions and translation	21.62	16.10	37.72
Miscellaneous expenses	80.15	9.39	89.54
TOTAL	1,341.31	295.35	1,636.66

37 Exceptional Items (net)

Particulars	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Profit / (Loss) on Sale of Assets	415.30	-	415.30
TOTAL	415.30	-	415.30

38 Other Comprehensive Income

Particulars	01-04-2017 To 08.02.2018	09.02.2018 To 031.03.2018	For the year ended 31st March 2018
Actuarial Gains/losses	(3.13)	(6.07)	(9.20)
Tax effect on Other Comprehensive Income	0.91	1.77	2.68
TOTAL	(2.22)	(4.30)	(6.52)