THE EIMCO-K.C.P. LTD

Fiftieth Annual Report

2017 – 2018

CIN : U27209TN1967PLC005550

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi M.Rao
Vice Chairperson	Smt. V. Kiran Rao
Directors	Shri. J. Satyanarayana Shri. K. Kalyanaraman
Auditors	M/s. Suri & Siva (FRN. 004284S) Chartered Accountants C-8, 3rd Floor, Shanti Apartments, New No.18, 1st Cross Street, TTK Road Alwarpet, Chennai 600018
Bankers	Axis Bank Limited Canara Bank Corporation Bank
Registered and Corporate Office	“Ramakrishna Buildings”, 239, Anna Salai, Chennai 600 006.
Works	11-A, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Friday, 14th day of September 2018 at 3.00 p.m.. to transact the following business:

ORDINARY BUSINESS

1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.

2 To appoint a Director in place of Smt. Irmgard Velegapudi M.Rao, who retires by rotation and is eligible for reappointment.

3 To appoint Suri & Siva, Chartered Accountants (FRN0042484S) as Statutory Auditors to hold office from the conclusion of this 50th Annual General Meeting till the conclusion of 51st Annual General Meeting on such remuneration as fixed by the Board of Directors.

// **By Order of the Board** //

For THE EIMCO-K.C.P. LIMITED

Place : Chennai
Date : 25.05.2018

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED, STAMPED AND LODGED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

// **By Order of the Board** //

For THE EIMCO-K.C.P. LIMITED

Place : Chennai
Date : 25.05.2018

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

TO THE SHAREHOLDERS

Your Directors have pleasure in submitting their Report for the year ended 31st March 2018 together with Balance Sheet and Profit and Loss Account for the year ended on that date.

REVIEW OF OPERATIONS

During the period under review, the Company has received Orders totaling to Rs.4,290.72 lakhs as compared to Rs.3,300.30 lakhs during the previous year. From the enclosed Annual Accounts it may be noted that the income earned from the sale of products and services by the Company for the year ended 31st March 2018 was Rs.2,668.00 lakhs as against Rs. 3,877.56 lakhs in the previous year. The profit was at Rs.434.71 lakhs for the year under review as against profit of Rs.381.95 lakhs for the previous year. After providing for current and deferred taxation, the net profit for the year was Rs.314.22 lakhs. After the adjustment of Remeasurement of Actuarial Loss of Rs.18.40 lakhs (net of tax) under Other Comprehensive Income for the financial year 2017-18, the Total Comprehensive Income for the financial year 2017-18 is Rs.295.82 lakhs

DIVIDEND

Your Directors have not recommended any Dividend for the Financial Year under review with a view to conserve profits.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

This Industry is not energy intensive with maximum demand being much below 250 KVA. Consequently there is very little scope of conservation of energy.

PARTICULARS OF EMPLOYEES

Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming a part of Director's Report for the year ended 31st March 2018 is not applicable as there was no employee covered by the same.

EXPORTS & FOREIGN EXCHANGE EARNINGS & OUTGO

Our Exports earnings during the year 2017-18 was Rs.929.94 lakhs (P.Y.: Rs.523.50 lakhs). During the period under review the Company has incurred Expenditure in foreign currency amounting to Rs.271.79 lakhs towards foreign travel and import of components. There are no specific areas in which Research and Development has been carried out by the Company.

DIRECTORS

At the forthcoming Annaual General Meeting Smt. Irmgard Velagapudi M.Rao retires by rotation and is Eligible for re-appointment.

STAFF RELATIONS

Industrial Relations with Staff and Workers continue to be cordial.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 of the Companies Act 2013, your Directors certify as follows:

i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there were no material departures there from;

ii) that Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2018 and of the profit of the Company for that year.

iii) that the Directors had taken proper and sufficient care for the Maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for Detecting fraud and other irregularities.

iv) that the Directors had prepared the annual accounts on a going concern basis;

v) that the Directors had devised proper system to ensure compliance with the provisions of all applicable law and that such systems were adequate and operating effectively.

AUDITORS

M/s Suri & Siva, Chartered Accounts, Chennai,(FRN 004284S) retire at the conclusion of this Annual General Meeting and are eligible for reappointment. The Members approval is being sought to the reappointment of M/s Suri & Siva as the Statutory Auditors and to authorize the Board of Directors, to determine the renumeration payable to the Auditors.

As required under the provisions of section 141 (3) of the Companies Act, 2013, the Company has obtained a written Certificate from them to the effectthat their appointment, if made, would be in conformity with the limits specified under the said section.

For and on behalf of the Board of Directors

Place : Chennai
Date : 25.05.2018

IRMGARD VELAGAPUDI M.RAO
CHAIRPERSON

INDEPENDENT AUDITOR'S REPORT

To The Members of THE EIMCO-K.C.P. LTD

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE EIMCO-K.C.P. LTD**("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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

f) with respect to 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 A”. Our report expresses an 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:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (refer note no. 32 to the financial statements).

   ii. the Company did not have any long-term contracts including derivative contracts for which there is no provision required for material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s report) Order, 2016 (“the Order) issued by the Central Government in terms of Section 143(11) of the act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the order.

Chennai

Dated 25-05-2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **THE EIMCO-K.C.P. LTD** of even date)

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

We have audited the internal financial controls over financial reporting of **THE EIMCO-K.C.P. LTD** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Chennai

Dated 25-05-2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **THE EIMCO-K.C.P. LTD** of even date)

(i) (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,

(b) the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,

(c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a),iii(b) and iii (c) of the order are not applicable to the company for the year.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted deposits and hence the provisions of clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at the yearend for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of Income tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Chennai

Dated 25-05-2018

Amount in Rs.

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	**63710839**	66398641	64173073
(b) Capital work-in-progress				
(c) Other Intangible assets	4	**-**	-	147034
(d) Non-current financial assets				
(i) Investments				
(ii) Trade receivables				
(iii) Other non current financial assets	5	**525131**	716156	641705
(e) Deferred tax assets, (net)	6	**2839632**	2891541	2858449
(f) Other non-current assets	7	**2800149**	2800149	2407156
Current assets				
(a) Inventories	8	**122293958**	56278026	88686882
(b) Financial Assets				
(i) Investments	9	**63026303**	60203721	41888581
(ii) Trade receivables	10	**61609314**	96755332	99995436
(iii) Cash and cash equivalents	11	**91442710**	45008648	60008860
(iv) Bank Balances other than (iii) above	12	**26525977**	25014098	23287964
(v) Other current financial assets	13	**4811**	88757	37510
(c) Current Tax Assets (Net)				
(d) Other current assets	14	**35265208**	20243427	14922697
Total Assets		**470044032**	**376398496**	**399055347**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	15	**6000000**	6000000	6000000
(b) Other equity	16	**244544778**	214962972	191800137
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(b) Long term Provisions	17	**31325869**	46764959	45565812
(c) Other Non-Current liabilities				
(d) Deferred tax liabilities (net)		**-**	-	
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings				
(ii) Trade payables	18	**74306784**	47197993	40198293
(iii) Other financial liablities	19	**7095752**	611094	797275
(b) Other current liabilities	20	**90796690**	44812659	90879873
(c) Short Term provisions	21	**12392519**	11926670	11861353
(d) Current Tax Liabilities (Net)	22	**3581640**	4122149	11952604
Total Equity and Liabilities		**470044032**	**376398496**	**399055347**

The significant accounting policies and accompanying notes form an integral part of these financial statements

In accordance with our report attached

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M. RAO
Chairperson

V. KIRAN RAO
Vice Chairperson

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

Amount in Rs.

Particulars	**Note**	**For Year Ended March 31, 2018**	**For Year Ended March 31, 2017**
I Revenue from operations	23	**266800078**	387756008
II Other income	24	**40915781**	17116598
III Total Income (I+II)		**307715859**	**404872606**
IV Expenses			
Cost of material consumed	25	**148946417**	179552694
Changes in inventories of finished goods, work-in- .....progress and stock-in-trade	26	**(50563942)**	27805714
Excise duty on sale of goods		**5222358**	33824115
Employee benefits expense	27	**60372748**	55953250
Finance costs	28	**3797220**	2411056
Depreciation and Amortisation	29	**4382759**	4768816
Other expenses	30	**92086998**	62052410
Total expenses (IV)		**264244558**	**366368055**
V Profit/(loss) before exceptional items and tax		**43471301**	**38504551**
VI Exceptional items			
VII Profit/(loss) before tax		**43471301**	38504551
VIII Tax expense			
- Current Tax		**11050000**	12500000
- Deferred Tax		**999688**	71873
- Provision for taxation relating to earlier years		**-**	2566086
IX Profit/(loss) for the period		**31421613**	**23366592**
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan acturial gains/(losses)		**(2787586)**	(308722)
Income tax expense on above		**947779**	104965
		(1839807)	**(203757)**
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		**29581806**	**23162835**
XII Earnings per equity share			
(1) Basic		**52.37**	38.94
(2) Diluted		**52.37**	38.94

The significant accounting policies and accompanying notes form an integral part of these financial statements

In accordance with our report attached

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M. RAO
Chairperson

V. KIRAN RAO
Vice Chairperson

Note 1. Corporate Information

The EIMCO-K.C.P. Ltd is a Process Technology Company and leading manufacturer of Liquid – Solid Separation equipment for Industrial and Environmental Applications: Thickening, Clarification, Classification, Vacuum Filtration, Aeration Systems etc.

The financial statements were approved by the Board of Directors and authorised for issued on 25th May 2018.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2018 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2016

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 42. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- ❖ **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- ❖ **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- ❖ **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

- ❖ Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.
- ❖ **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- ❖ **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- ❖ **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition :

Sales are stated at net of returns and sales tax. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer being the point of despatch. Revenue is measured at the fair value of the consideration received or receivable. Sales are inclusive of excise duty recovered and net of discount and rebates.

Revenue on rendering of the service, is recognised on completion of services on pervasive evidence of an arrangement exists, rates are fixed or are determinable and collectability is reasonably certain.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(e) Employee Benefits (other than for persons engaged through contractors):

i. **Provident Fund**: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. **Gratuity Fund**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an scheme operated in the company using the projected unit credit method, carried out at the Balance Sheet date.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases as depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an 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 recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(h) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(i) Assets taken on lease:

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

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(j) Inventories:

Inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realizable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.

Finished goods and Work in Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(k) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(l) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) **Current tax:**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

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

(ii) **Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date 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 deferred income tax asset to be utilised.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense. Liability in respect of delivery guarantees is recognized in accounts in the year in which delay occurs as per the contract.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(n) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(o) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(p) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(q) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets/liabilities”.

(r) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the

Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

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

Offsetting of financial instruments

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

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 recognized at the proceeds received, net of direct issue costs.

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

3. Property, Plant & Equipments

Description	Land	Buildings	Plant and equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures	Total
								-
As at 1 April 2016 (Deemed Cost)	42776981	10032201	8422292	1369373	577506	786507	208213	64173073
Additions during the year		782088	3653873	314574	59003	2007418	154802	6971758
Deletions during the year				(61830)		(1079460)		(1141290)
As at 31 March 2017 (At Cost)	42776981	10814289	12076165	1622117	636509	1714465	363015	70003541
Additions during the year		414491		1060400	141133	54300	24633	1694957
Deletions during the year								-
As at 31 March 2018 (At Cost)	42776981	11228780	12076165	2682517	777642	1768765	387648	71698498
Depreciation and amortization								
Charge for the year ended March 31, 2017		893145	2234610.00	865274	231099	348662	48992	4621782
Deletions during the year				(61830)		(955052)		(1016882)
As at 31 March 2017 (At Cost)	-	893145	2234610	803444	231099	(606390)	48992	3604900
Charge for the year		930512	1999201	571901	206956	598910	75279	4382759
Deletions during the year								-
As at 31 March 2018	-	1823657	4233811	1375345	438055	(7480)	124271	7987659
Net Book Value								
As at 31 March 2018	42776981	9405123	7842354	1307172	339587	1776245	263377	63710839
As at 31 March 2017	42776981	9921144	9841555	818673	405410	2320855	314023	66398641
As at 01 April 2016	42776981	10032201	8422292	1369373	577506	786507	208213	64173073

3.1. Cost of Freehold Land includes . 10,00,000/- in respect of which the transfer of title deeds in the THE EIMCO K.C.P. LTD is pending.

3.2 Reconciliation of the gross carrying amount as per revious GAAP with the deemed cost as at April 01, 2016

Amount in Rs.

4 - Other Intangible Asset

Description	Computer Software	Total
Cost or Valuation		-
As at 1 April 2016 (Deemed cost)	147034	147034
Additions during the year		-
As at 31 March 2017 (At Cost)	147034	147034
Additions during the year		-
As at 31 March 2018 (At Cost)	147034	147034
Amortization and Impairment		
		-
Amortization for the year ended March 31, 2017	147034	147034
As at 31 March 2017	147034	147034
Amortization for the year		-
As at 31 March 2018	147034	147034
Net Book Value		
As at 31 March 2018	-	-
As at 31 March 2017	-	-
As at 01 April 2016	147034	147034

5 - Other Non Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long Term Security Deposit	525131	716156	641705
Total	**525131**	**716156**	**641705**

6 - Deferred Tax Asset(s)

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Current income tax		
Current year	**11050000**	12500000
Sub Total (A)	**11050000**	12500000
Deferred tax expense		
Origination and reversal of temporary differences	**999688**	71873
Change in accounting policy		
Sub Total (B)	**999688**	71873
Total (A+B)	**12049688**	12571873

Amount in Rs.

Tax recognised in other comprehensive income

Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016
Defined benefit plan acturial gains (losses)	**947779**	104965
Total	**947779**	104965

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability			
Others	**120650**	282071	
Sub Total	**120650**	282071	-
Deferred tax Assets			
Property, Plant & Equipment	**929252**	937390	859612
On account of timing differences in recognition of expenditure	**2031030**	2236222	1998837
Sub Total	**2960282**	3173612	2858449
Net Deferred Tax Assets/ (Liabilities)	**2839632**	2891541	2858449

7 - Other Non Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income tax refund receivable	**2800149**	2800149	2407156
Total	**2800149**	**2800149**	**2407156**

8 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials and components	**39191232**	23747455	28388083
Work in Progress	**76679355**	24102814	50430268
Finished goods	**5854643**	7867242	9345502
Loose tools	**568728**	560515	523030
Total	**122293958**	**56278026**	**88686882**

Amount in Rs.

9 - Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Mutual funds	**63026303**	60203721	41888581
Total	**63026303**	**60203721**	**41888581**

10 - Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables			
Secured Considered Good			
Unsecured Considered good	**62808639**	97954656	101194760
Considered Doubtful			
Less:			
Impairment for Trade receivable under expected credit loss model	**(1199325)**	(1199325)	(1199325)
Retention money receivable - unsecured considered good			
Total	**61609314**	**96755331**	**99995435**

11 - Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Balances with banks:			
-In current accounts	**10310807**	4393916	7563167
-In Fixed Deposits	**81018218**	40500169	52324011
ii) Cash on hand	**113685**	114563	121682
Total	**91442710**	**45008648**	**60008860**

12 - Bank Balances other than 11 above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Balances held as Margin Money	**26525977**	25014098	23287964
Total	**26525977**	**25014098**	**23287964**

13 - Other Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Unsecured, considered good;			
- Loans and Advances to Employees	4811	88757	37510
Total	**4811**	**88757**	**37510**

Amount in Rs.

14 - Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured considered good			
Balance with government authorities	**30692893**	17975511	10635804
Prepaid Expenses	**603293**	668542	797238
Advances to Supplier	**3805714**	578581	3434924
Interest accured on Fixed Deposit	**163308**		
Prepayments - Deposits/Retention Money		1020793	54731
Total	**35265208**	**20243427**	**14922697**

15 - Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Share Capital			-
10,00,000 Equity Shares of Rs.10/- each	**10000000**	10000000	10000000
Total	**10000000**	10000000	10000000
Issued, Subscribed And Paid Up			-
6,00,000 Equity Shares of Rs.10/- each	**6000000**	6000000	6000000
Total	**6000000**	6000000	6000000

15.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	**600000**	**6000000**	600000	6000000
(+) Issued during the period*	**-**	**-**	-	-
(-) Redeemed during the period	**-**	**-**	-	-
Outstanding at the end of the period	**600000**	**6000000**	600000	6000000

15.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Amount in Rs.

15.3 Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
K C P SUGARS & INDUSTRIES CORPORATION LTD	**600000.00**	**100%**	600000.00	100%	600000.00	100%
Total	**600000.00**	**100%**	600000.00	100%	600000.00	100%

16 Other Equity

For the year ended March 31, 2018

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2017	11301382	203865346	-203757	**214962972**
Total Comprehensive Income for the Year	-	31421613		**31421613**
Other Comprehensive Income for the Year			-1839807	**-1839807**
Balance as at March 31, 2018	**11301382**	**235286959**	**-2043563**	**244544778**

For the year ended March 31, 2017

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2016	11301382	180498755	-	**191800137**
Provision For Dividend and taxes	-		-	**-**
Total Comprehensive Income for the Year	-	23366592	-	**23366592**
Other Comprehensive Income for the Year	-		-203757	**-203757**
Balance as at March 31, 2017	**11301382**	**203865346**	**-203757**	**214962972**

17 - Long Term Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits :-			
- Gratuity & Leave Encashment	**5473506**	4974421	4321760
- Provisions for Liquidated Damages	**25852363**	41790538	41244052
Total	**31325869**	**46764959**	**45565812**

Amount in Rs.

18 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payables			
- Dues to Micro and Small Enterprices			
- Others	**74306784**	47197993	40198293
Total	**74306784**	**47197993**	**40198293**

19 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of long term debt			
Unclaimed Dividends			
Payable to Employees	**7095752**	611094	797275
Total	**7095752**	**611094**	**797275**

20 - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory Liabilities	**3719777**	3301150	3332658
Advance from customers	**87076913**	41511509	87547215
Total	**90796690**	**44812659**	**90879873**

21 - Short term provision

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee benefits	**2254946**	1789097	1723780
Provision for Defeat Liability period	**10137573**	10137573	10137573
Total	**12392519**	**11926670**	**11861353**

22 - Current Tax Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Income tax (Net)	**3581640**	4122149	11952604
Total	**3581640**	**4122149**	**11952604.00**

Amount in Rs.

23 - Revenue From Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (Including Excise Duty)	**248593551**	381843939
Sale of Services	**16914263**	4516850
Other operating revenue	**1292264**	1395219
Total	**266800078**	**387756008**

24 - Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income	**5,091,516**	4,834,849
Miscellaneous Receipts	**2,529,620**	2,145,478
Packing & Forwarding Charges	**3,062,827**	1,940,608
Difference in Foreign Exchange	**1,149,686**	104,074
Provision no longer required withdrawn	**24,719,457**	4,185,437
Credit Balance Written Back	**1,540,093**	672,620
Dividend Income from Mutual Funds	**2,822,582**	2,815,140
Profit on Sale of Assets	**-**	418,392
Total	**40,915,781**	17,116,598

25 - Cost of materials Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Raw Materials and Components	**23747455**	28388083
Add: Cost of		
Raw Materials and Components	**164390194**	174912066
Less Closing Stock		
Raw Materials and Components	**(39191232)**	(23747455)
Total	**148946417**	**179552694**

26 - Changes in Inventories of Finished Goods , Work-in-Progress and stock in trade

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Work in Progress	**24102814**	50430268
Finished goods	**7867242**	9345502
Less Closing Balance		
Work in Progress	**-76679355**	-24102814
Finished Goods	**-5854643**	-7867242
Total	**-50563942**	**27805714**

27 - Employee benefits expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**52819482**	51475249
Contribution to provident and other funds	**3538234**	1815924
Staff welfare expenses	**4015032**	2662077
Total	**60372748**	**55953250**

28 - Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost on financial liabilities measured at amortized cost	-	-
Bank Guarantee Commission and other charges	**3797220**	2411056
Total	**3797220**	**2411056**

29 - Depreciation and Amortisation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation / Amortisation for the year		
- Tangible Assets	**4382759**	4621782
- Intangible Assets	**-**	147034
Total	**4382759**	**4768816**

30 - Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Labour Charges	**24009176**	22506042
Contract Labour Charges	**1984880**	2262880
Power and Fuel	**2554398**	2403655
Rental charges	**373500**	370651
Repairs and maintanence		
- Workshop	**2743208**	1978422
- Machinery	**213461**	569906
- Office	**2682981**	1363961
- Others	**155529**	247436
Insurance	**843605**	244018
Rates and taxes	**1024394**	282166
Travel and conveyance	**1490886**	1349770
Research , inspection and testing charges	**252373**	120182
Payment made to auditors (Refer note below)	**61883**	59872
Legal and Professional Charges	**15006408**	1107127
Sales promotion expenses	**22895496**	13261588
Short Provision made during earlier years	**575**	64341

Amount in Rs.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Performance and delivery guarantee claims	**12250428**	7789400
Security Charges	**2007970**	1974872
Telephone Charges	**871944**	899167
Irrecoverable loans and advances written off	**12653**	262331
Miscellaneous expenses	**651250**	2934623
Total	**92086998**	**62052410**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment made to statutory auditors :		
i. As auditors	**50000**	50000
ii. For taxation matters		
iii. For other services	**5000**	5000
iv. For reimbursement of expenses	**6883**	4872

31 Transition to IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The Company's date of transition).

31.1 In preparing its first Ind AS financial statements in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has applied the relevant mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS. Material optional exemptions applied by the Company and applicable mandatory exceptions for the Company are as follows:

31.2A Ind AS optional exemptions and mandatory exceptions availed

1. Deemed cost of Property Plant and Equipment

   Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as required to be made as per para 10 of Ind AS 101.

   The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value after making the necessary adjustments now required to be made as required by the Ind AS.

2. Evaluation of arrangements in the nature of lease

   Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

   The Company has elected to determine whether the arrangements existing contains a lease on the basis of the facts existing on transition date.

3. Revenue from Contracts with customers

   A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

   Accordingly the Company has not restated the contracts completed in accordance with the previous GAAP as as at the transition date.

Amount in Rs.

31.2B Ind AS mandatory exceptions

1. Estimates

   An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

   - Investment in Mutual fund carried at FVPL
   - Impairment of financial assets based on expected credit loss model.

2. Classification and measurement of financial assets

   Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

32. Contingent Liabilities :

The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.16,64,82,216/- (P.Y.Rs. 12,29,28,542/-) are secured by hypothecation of entire current assets, both present and future, as primary security and entire fixed assets as collateral security.

32.1 Demands raised on the company by the respective authorities are as under:

Nature of Statute	As at March 31,2018	As at March 31,2017
E S I Cases	**174489**	174489
VAT / Sales Tax	**-**	300948
CST Cases	**-**	8814761
Total	**174489**	**9290198**

32.2 Other matters:

Particulars	2017-18	2016-17
Sales:		
Filters		
Numbers	**4 Nos**	7 Nos
Value	**18460921**	143721627
Thickeners, Components, Spares, Bar screens, etc.(Unit quantification not possible	**230132630**	238122312
Scrap	**1292264**	1395219
Total	**249885875**	383239158
Services:		
Service Charges	**3198051**	1222101
Design, Erection & Fabrication	**13716212**	3294749
Total	**16914263**	4516850
Total (Sales and Services)	**26,68,00,078**	**387756008**

32.3 Raw Materials consumed

Particulars	2017-18		2016-17	
	MT	**Rs.**	MT	Rs.
Stainless Steel	**243.88**	**45084285**	61.38	12183369
Iron and Steel	**526.30**	**22347047**	203.42	7670927
Total (Sales and Services)	**770.18**	**67431332**	264.80	19854296

32.4 Particulars regarding Capacity and Production:

The Business carried on by the company does not require any Industrial Licence. Owing to the nature of the company's Business, the installed Capacity cannot be quantified. Actual Production : 4 Nos.(PY. 7 Nos.) Filters, besides Washers, Classifiers, Clarifiers, Components, Spares etc.

33. Additional information pursuant to Schedule III of the Companies Act, 2013

S. No	Particulars	As at March 31,2018	As at March 31,2017
A	Expenditure in Foreign currency on:		
	(i) Salary and allowance	**-**	-
	(ii) Tours and Travels	**1075261**	756489
	(iii) Commission paid on Export sales	**1619465**	1123278
	(iv) Reimbursement of Expenses on Product Representation in abroad	**12922340**	308326
	(v) Import of Materials/ Equipment (CIF Value)		
	a. Capital goods	**11563329**	14406582
	b. Components and spares	**-**	-
	c. Finished goods/Semi Finished goods	**-**	-
	d. Raw Materials	**-**	-
B	Earnings in Foreign Exchange:		
	(i) Exports	**92994040**	52350709

34. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2018:

S. No	Particulars	As at March 31,2018	As at March 31,2017
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	-	-
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Disclosure requirements of Indian Accounting Standards

35. Disclosures in respect of Ind AS 107 - Financial Instruments

35.1 Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(Amount in Rs. as of March 31, 2018)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Current Investment	-	63026303	-
Current Trade Receivables	61609314	-	-
Cash & Cash Equivalents	91442710	-	-
Other Bank Balances	26525977	-	-
Other Financial Assets	529942	-	-
Liabilities:			
Other Financial Liabilities	7095752	-	-
Working Capital Loans	-	-	-
Trade Payables	**74306784**	**-**	**-**

(Amount in Rs. as of March 31, 2017)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Current Investment	-	60203721	-
Current Trade Receivables	96755331	-	-
Cash & Cash Equivalents	45008648	-	-
Other Bank Balances	25014098	-	-
Other Financial Assets	804913	-	-
Liabilities:			
Other Financial Liabilities	611094	-	-
Working Capital Loans	-	-	-
Trade Payables	**47197993**	**-**	**-**

(Amount in Rs. as of April 1, 2016)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Current Investment	-	41888581	-
Current Trade Receivables	99995435	-	-
Cash & Cash Equivalents	60008860	-	-
Other Bank Balances	23287964	-	-
Other Financial Assets	679215	-	-
Liabilities:			
Other Financial Liabilities	797275	-	-
Working Capital Loans	-	-	-
Trade Payables	40198293	-	-

35.2 Fair Value Hierarchy

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

35.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

Use of quoted market prices for Listed instruments

35.4 The following tables present fair value hierarchy of assets and liabilities measured at fair value:

(Amount in Rs.)

Particulars	For the year 31.03.2018				For the year 31.03.2017				For the year 31.03.2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
Investments in Quoted Mutual Funds	63026303	-	-	63026303	60203721	-	-	60203721	41888581	-	-	41888581

36 Financial risk management

The Company's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), Interest rate risk and the market value of its investments.

Securities Prices Risk:

The company's exposure to equity securities price risk arises from Investments held and classified in the Balance Sheet either Fair Value through P&L. the company has only one investment in a form of Mutual funds.

The company monitors the movement in the value of the mutual fund, by observing the NAV.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. It principally arises from the Company's Trade Receivables, Retention Receivables, Advances and deposit(s) made

Trade receivables

The company has outstanding trade receivables amounting to Rs.6,16,09,314 and Rs..9,67,55,331 as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured, and are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Credit risk exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

(Amount in Rupee)

Particulars	31-Mar-18		31-Mar-17	
	Gross	Impairment	Gross	Impairment
0 to 180 days	32478005	-	64231034	-
180 days and more	30330634	1199325	33723622	1199325

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations, and Contribution in the form of share capital.

The company manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues, and deposits arising during the normal course of business as of each reporting date. The company maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include Retentions & deposits.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound against the Indian rupee.

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the Indian Rupee.

The following analysis has been worked out based on the net exposures for the company as of the date of statements of financial position which could affect the statements of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the company

The following table sets forth information relating to foreign currency exposure as of March 31, 2018:

Particulars	Assets as at	
	As at March 31, 2018	As at March 31, 2017
USD	117771	127431
SGD		188000

5% appreciation / depreciation of the respective foreign currencies with respect to Indian Rupees would result in decrease / increase in the company's profit before tax as detailed in table below:

USD sensitivity at year end	As at March 31, 2018	As at March 31, 2017
Receivables:		
If INR rate over Other currency increases by 5%	(377750)	(450152)
If INR rate over Other currency decrease by 5%	377750	450152

37 Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

37.1 General description of various defined employee's benefits schemes are as under:

a) Provident Fund:

The company's Provident Fund is managed by Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

b) Gratuity:

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

37.2 The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

Movement in defined benefit obligation:

(Amount in Rs.)

Particulars	31.03.2018	31.03.2017
Defined benefit obligation - Beginning of the year	**9266049**	8170033
Current service cost	**638275**	590123
Interest Cost	**741284**	653603
Past Service Cost		-
Benefits Paid	**(1485706)**	(456482)
Re-measurements - actuarial loss/(gain)	**2787686**	308772
Defined benefit obligation – End of the year	**11947588**	9266049

Movement in plan asset:

(Amount in Rs.)

Particulars	31.03.2018	31.03.2017
Fair value of plan assets at beginning of year	**10119182.24**	9313664
Employer contributions	**2937821.89**	504096
Benefits paid	**(1485706)**	(456482)
Re-measurements – Return on plan assets	**794631.38**	757905
Re-measurements - actuarial loss/(gain)	**-**	-
Fair value of plan assets at end of year	**12365929.51**	10119182

Amount Recognized in Statement of Profit and Loss

Particulars	31.03.2018	31.03.2017
Current service cost	**638275**	590123
Net Interest on Net Defined Benefit Liability/(assets) (B)	**741284**	653603
Expected return on plan assets	**(794631)**	(757905) -
Cost Recognized in P&L	**584928**	485821

Amount recognized in Other Comprehensive Income (OCI)

Particulars	31.03.2018	31.03.2017
Actuarial (gain)/loss due to assumption changes	**2787686**	308772
Difference between Actual Return and Interest Income on Plan Assets-(gain)/loss	**-**	-
Actuarial (gain)/loss recognized in OCI	**2787686**	308772

Actuarial Assumption

Particulars	31.03.2018	31.03.2017
Discount rate	**8%**	8%
Rate of salary increase	**5%**	5%

Category of investment in Plan assets

Category of Investment	% of fair value of plan assets
Insurance Policies	100%

38 Operating Leases

Operating Lease Disclosures – As per AS-19 :

Rent expenses of Rs. 3,70,651/- (PY Rs.3,07,627/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account. There are no future obligations in respect of the operating leases

39 Disclosure in respect of Indian Accounting standard (Ind AS)-108: “Operating Segments”

Since the company primarily operates in one segment being manufacture of Filters. The Company has not derived revenues from any customer which amount to 10 per cent or more of Company’s revenues.

40 Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”

40.1 Managerial Remuneration:

Key Managerial Personnel

Smt.Irmgard Velagapudi M.Rao, Chairperson

Smt.Kiran.V.Rao, Vice Chairperson

40.2 Related Parties:

Holding Company: KCP Sugar and Industries Corporation Ltd.,

a. Transactions during the year:

Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

(Amount in Rs.)

Sl. No.	Particulars	31.03.2018	31.03.2017
1	Rent	360000	370651

b. Cumulative balances outstanding

Particulars	31.03.2018	31.03.2017
Debit balances outstanding	Nil	Nil
Credit balances outstanding	Nil	Nil

41 Reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

Particulars	As at April 01, 2016	As at April 01, 2016	As at April 01, 2016
	IGAAP	GAAP Adjustments	Ind AS
ASSETS			-
Non-current assets			-
(a) Property, plant and equipment	**64173073**	-	64173073
(b) Capital work-in-progress	-	-	
(c) Other Intangible assets	**147034**	-	147034
(d) Non-current financial assets	-	-	-
(i) Investments	-	-	-
(ii) Trade receivables	-	-	-
(iii) Other non current financial assets	**641705**	-	641705
(e) Deferred tax assets, (net)	**2858449**	-	2858449
(f) Other non-current assets	**2407156**	-	2407156
Current assets	-	-	
(a) Inventories	**88686882**	-	88686882
(b) Financial Assets	-	-	
(i) Investments	**41888581**	-	41888581
(i) Trade receivables	**101194760**	(1199325)	99995435
(ii) Cash and cash equivalents	**60008860**	-	60008860
(iii) Bank Balances other than (ii) above	**23287964**	-	23287964
(iv) Other current financial assets	**37510**	-	37510
(c) Current Tax Assets (Net)	-	-	-
(d) Other current assets	**14922697**		14922697
Total Assets	**400254671**	(1199325)	**399055346**

Amount in Rs.

Particulars	As at April 01, 2016	As at April 01, 2016	As at April 01, 2016
EQUITY AND LIABILITIES	-	-	-
Equity	-	-	-
(a) Equity Share capital	**6000000**		6000000
(b) Other equity	**203137035**	(11336898)	191800137
LIABILITIES	-	-	-
Non-current liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(b) Long term Provisions	**45565812**		45565812
(c) Other Non-Current liabilities	-	-	-
(d) Deferred tax liabilities (net)	-	-	-
Current liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(i) Short term Borrowings	-	-	-
(ii) Trade payables	**40198293**	-	40198293
(iii) Other financial liablities	**797275**	-	797275
(b) Other current liabilities	**90879873**	-	90879873
(c) Short Term provisions	**1723780**	10137573	11861353
(d) Current Tax Liabilities (Net)	**11952604**	-	11952604
Total Equity and Liabilities	**400254671**	(1199325)	**399055347**

Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
	IGAAP	Ind AS Adjustments	Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	66398641	-	66398641
(b) Capital work-in-progress	-	-	-
(c) Other Intangible assets	-	-	-
(d) Non-current financial assets	-	-	-
(i) Investments	-	-	-
(ii) Trade receivables	-	-	-
(iii) Other non current financial assets	716156	-	716156
(e) Deferred tax assets, (net)	2891541	-	2891541
(f) Other non-current assets	2800149	-	2800149
Current assets	-	-	-
(a) Inventories	56278026	-	56278026
(b) Financial Assets	-	-	-
(i) Investments	60203721	-	60203721
(i) Trade receivables	97954656	(1199325)	96755331
(ii) Cash and cash equivalents	45008648	-	45008648

Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
(iii) Bank Balances other than (ii) above	25014098	-	25014098
(iv) Other current financial assets	88757	-	88757
(c) Current Tax Assets (Net)	-	-	-
(d) Other current assets	20243427	-	20243427
Total Assets	377597820	(1199325)	376398495
EQUITY AND LIABILITIES	-	-	-
Equity	-	-	-
(a) Equity Share capital	6000000		6000000
(b) Other equity	226299870	(11336898)	214962972
LIABILITIES	-	-	-
Non-current liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(b) Long term Provisions	46764959		46764959
(c) Other Non-Current liabilities	-	-	-
(d) Deferred tax liabilities (net)	-	-	-
Current liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(i) Short term Borrowings	-	-	-
(ii) Trade payables	47197993	-	47197993
(iii) Other financial liablities	611094	-	611094
(b) Other current liabilities	44812659	-	44812659
(c) Short Term provisions	1789097	10137573	11926670
(d) Current Tax Liabilities (Net)	4122149	-	4122149
Total Equity and Liabilities	**377597820**	**(1199325)**	**376398496**

42 Reconciliation of equity as previously reported under IGAAP to Ind AS

(All amounts are in Rs)	Component	01-Apr-16 (INR) Amount
Balance as per IGAAP	**IGAAP**	**203137035**
Adjustments		
Expected Credit Losses	Financial Instruments	1199325
Provision for Defect liability period	Provision for Warranty	10137573
Balance as per Ind AS	**Ind AS**	**191800137**

a) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurernent of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2017 is Rs. 2,03,757/- This change does not affect total equity for the year ended March 31, 2017.

b) Under previous GAAP, discounting of provisions was not permitted and provisions were measured at best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. The Company has revisited the provisioning policy at the reporting dates resulting in the provisions being increased by Rs.1,01,37,573/- as at April 1, 2016. The net effect of these changes is an decreases in total equity as at April 01, 2016 for the same value.

c) Under Previous GAAP, Provision for bad and doubtful debts are made on incurred loss model. Under Ind AS , provision for bad and doubtful debts are made on expected credit loss model. This change has resulted in additional provision of Rs. 11,99,325/- on April 1,2016

Amount in Rupees

Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
Cash flows from operating activities		
Total Income for the Period(PBT)	43471301	38504551
Adjustments:		
- Interest income	(5091516)	(4834849)
- Profit on sale of Fixed assets	-	(418392)
- Balances written off	12653	262331
- Excess Provision credited back	(24719457)	(4185437)
- Balances written back	(1540093)	(672670)
- Adjustment for OCI	(2787586)	(308722)
- Dividend Income	(2822582)	(2815140)
- Depreciation and amortization	4382759	4768816
Operating cash flow before working capital changes	**10905479**	**30300488**
Changes in		
- Decrease/(Increase) In Trade Receivables	35146018	3240104
- Decrease/(Increase) In Inventory	(66015932)	32408856
- Decrease/(Increase) In Other current Financial Asset(s)	83946	(51247)
- Decrease/(Increase) In Other current Asset(s)	(15021781)	(5320729)
- Decrease/(Increase) In Current investments	(2822582)	(18315140)
- Decrease/(Increase) In Other non-current financial assets	191025	(74451)
- Decrease/(Increase) In Other non-current asset	(12653)	(655324)
(Decrease)/Increase In Long term Provisions	9280367	5384584
(Decrease)/Increase In Trade Payables current	27108791	6999700
(Decrease)/Increase In other current liabilities	47524124	(45394544)
(Decrease)/Increase In Other financial liablities current	6484658	(186181)
(Decrease)/Increase In Short Term provisions current	465849	65317
Income taxes paid	(11590509)	(22896542)
Cash generated from / (used in) operations	**41726800**	**(14495109)**
Cash flows from investing activities		
Purchase of fixed assets	(1694957)	(6971758)
Proceeds from sale of fixed assets	-	542800
Dividend Income	2822582	2815140
Interest received	5091516	4834849
Net cash generated from/(used in) investing activities [B]	**6219141**	**1221031**
Cash flows from financing activities		
Interest paid	-	-
Net cash used in financing activities	**-**	**-**
Increase in cash and cash equivalents	**47945941**	**(13274078)**
Cash and cash equivalents at the beginning of the year	**70022746**	**83296824**
Cash and cash equivalents at the end of the year	**117968687**	**70022746**
	117968687	**70022746**
Components of cash and cash equivalents (refer note 11&12)		
Cash on hand	91442710	45008648
Balances with banks	26525977	25014098
Total cash and cash equivalents	**117968687**	**70022746**

The significant accounting policies and accompanying notes form an integral part of these financial statements

In accordance with our report attached

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M. RAO
Chairperson

V. KIRAN RAO
Vice Chairperson

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