

NOTICE TO THE MEMBERS

Notice is hereby given that the Annual General Meeting of M/s. Sarovar Insulation Private Limited will be held at 3 p.m., on Tuesday, 25th September 2018 at the Registered Office of the Company at Sf No 482/Bpollachi Main Road, Malumichampatti Post Coimbatore, Tamil Nadu - 641021 to transact the following business –

ORDINARY BUSINESS

1.To consider and adopt

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution

RESOLVED THAT the Audited Balance Sheet as at 31st March 2018 and Statement of Profit & Loss Account of the Company for the year ended 31st March 2018 alongwith Auditors Report and Reports of Directors thereon.

2. Ratification of Appointment of Auditor

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution –

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(70) of the Companies (Audit and auditors Rules, 2014 (including any statutory modification(s) or re-enactment therefore for the time being in force), the Company hereby ratifies the appointment of M/S A.V. Subbarao & Co, Chartered Accountants (Registrations No 224032) as the statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to be held for the financial year 2018-19 on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

**For and on behalf of the Board
Sarovar Insulation Private Limited**


Director

Place: Coimbatore
Date: 1st September 2018



Notes:

1. All the documents relevant to the resolutions specified in the Notice are available for inspection by the shareholders of the Company at the Registered office of the Company and also at the place of the meeting, on the meeting day
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share Capital of Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.
3. All proxy forms in order to be effective should be deposited at the Registered Office of the Company duly completed and signed not later than 48 hours (Sunday is included in computation of 48 hours) before the commencement of the meeting. A Proxy Form is annexed to this report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
4. Members are requested to bring the Attendance Sheet and handover with duly signed at the entrance of the Meeting Hall.
5. Members are requested to notify any changes in their address to the company.

**For and on behalf of the Board
Sarovar Insulation Private Limited**


Director

Place: Coimbatore
Date: 1st September 2018



Director's Report

The Members,

Your Directors have pleasure in presenting their Report on the business and operations of the Company together with Audited Statement of Accounts for the Financial Year ended March 31, 2018.

1. FINANCIAL RESULTS

(Amount in Rupees)

Particulars	Financial Year Ended 31 st March 2018	Financial Year Ended 31 st March 2017
Income from Operations	115,770,762	210,308,858
Non-Operating Income	9,626	4,722,473
Total Income	115,780,388	215,031,331
Profit Before Depreciation, Finance Cost, Tax Expenses (EBDIT) and Exceptional item	16,494,29	33,27,197
Depreciation	798,179	10,586,230
Interest and Finance Charges	3,480,394	6,704,178
Exceptional Item	-	1,365,404
Profit/ (Loss) Before Tax	(2,629,144)	(15,328,615)
Tax Expense	-	-
Net Profit/ (Loss) After Tax	(2,629,144)	(15,328,615)

2. OPERATIONS

During the year ended 31st march 2018, the net revenue from operations of your Company is Rs. 115,770,662 as compared to previous Year ended 31st March 2017 of Rs. 21,0308,858 and resulting Net loss of Rs. Rs.26,29,144 during the year ended 31st March, 2018 as compared to Rs.15,328,615 of previous year.

Despite the decrease of Turnover net loss is minimized compared to previous year and your Directors are confident of improving Turnover and Profits in Future years.

3. Dividend

No dividend was recommended by Board of directors for the current financial year.



4. Reserves

The entire profit for the year has been transferred to reserves.

5. Share Capital

The company has not issued any shares during the year.

6. Directors and Key Managerial Personnel

There has been no change in the constitution of Board of Directors during the year under review i.e. the structure of the Board remains the same with three directors.

7. Meetings

A total of Five Board Meetings were held during the financial year ended 31st March 2018.

8. Managerial Remuneration:

None of the employees receive salary in excess of the limits set under the Companies Act, 2013.

9. Statement of risk management

To achieve a successful outcome, your directors are identifying, assess, prioritize, and manage all of the major risks.

10. Auditors:

The Auditors, M/s A.V. Subbarao & Co, Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and, being eligible offer themselves for reappointment from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

11. Extract Of Annual Return:

As per notification dated 31st July 2018 provision related to MGT-9 has been removed from Section 134 of the Companies Act, 2013. Therefore the MGT-9 is not required to attach if the Directors report approved in the board meeting held after 31st July 2018.

12. Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

13. Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

14. Significant and Material Orders Passed by Regulators, Courts and Tribunals

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.



15. Particulars of loans, guarantees or investments under section 186

The company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

16. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2.

17. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

The provisions of section 134(m) of the Companies Act, 2013 is not applicable to your Companies.

(b) Foreign exchange earnings and Outgo - Nil

18. Corporate Social Responsibility (CSR)

The company is planning to take some CSR activities in future.

19. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis.

20. Directors' Responsibility Statement

The Directors state that—

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



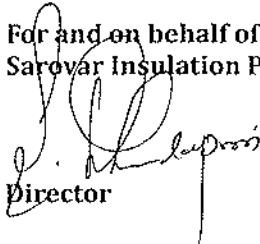
21. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund.

22. Acknowledgements

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the customers, employees, banks, Government authorities, vendors and members during the year under review.

For and on behalf of the Board
Sarovar Insulation Private Limited


Director


Director

Place: Coimbatore
Date: 1st September 2018





INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAROVAR INSULATION PRIVATE LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **SAROVAR INSULATION PRIVATE LIMITED** ("The Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit, and Loss for the year ended 31st March 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the

safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the specified forms and Ind AS financial information based on our audit. We conducted our audit in accordance with Standards on Auditing issued by Institute of Chartered Accountants of India] as specified under Section 143(10) of Companies Act 2013. Standards on Auditing issued by Institute of Chartered Accountants of India require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Group Reporting Pack are free of material misstatement. As requested by you, we planned and performed our audit using the materiality level which was determined for designing the audit to express an opinion on the financial statements of the component alone.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the specified forms. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the specified forms, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the component's preparation and presentation of the specified forms in order to design audit procedures that are appropriate in the circumstances. An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the specified forms and financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusions reached in forming our opinion are based on the component materiality specified by you in the context of the audit of the group financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018, its profit/loss

including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated September 01, 2017 and May 15, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated, May 26, 2018. The Company has changed method of depreciation from written down method to straight-line method.

Our Opinion is not qualified on this matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Component so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and 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 2"**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Component does not have any pending litigations which would impact its financial position
- ii. The Component did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Component.

For A.V Subba Rao & co.,

Chartered Accountants

(Firm Registration No. : 005809S)



(B Janaki Suresh)

Partner

Membership No.: 224032

Place: Chennai

Date: 01.09.2018

"ANNEXURE 1" TO THE AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of SAROVAR INSULATION PRIVATE LIMITED on the accounts of the Company for the year ended 31st March, 2018]

On the basis of such checks as we considered appropriate and according to the information and explanations given to me/us during the course of our audit, we report that:

I. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

II. In respect of its inventory:

- (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals/(at the end of the year) by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.
- (b) Our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) Our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

III. In respect of loans, secured or unsecured, granted to the parties covered in register maintained under Section 189 of the Companies Act, 2013:

According to the information and explanations given to us, the company has not granted any loans to companies, firms or other parties covered in the Register

maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.

- IV. The Company has not received any public deposits during the year.
- V. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- VI. In respect of statutory dues:
- a. According to the records of the Company and information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, Value Added Tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it, with the appropriate authorities.
 - b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Sales Tax, VAT, Goods and Service Tax, Cess and other material statutory dues in arrears /were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - c. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
- VII. The Company does not have the accumulated losses at the end of financial year. The Company has not incurred any Cash losses during the financial year covered by our Audit and the immediately preceding financial year.
- VIII. In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- IX. In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year;
- X. The Company has not obtained any term loan during the year, so this para of order is not applicable.
- XI. To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year.

"ANNEXURE 2" TO THE AUDITORS' REPORT

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

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For A.V Subba Rao & co.,
Chartered Accountants
(Firm Registration No. : 005809S)


(B Janaki Suresh)
Partner
Membership No.: 224032



Place: Chennai
Date: 01.09.2018

	Notes	March 31, 2018	March 31, 2017	April 01, 2016
ASSETS				
Non current assets				
Property, plant and equipment	3	4,09,01,072	4,16,29,845	7,60,11,525
Capital work in progress	3	-	-	-
Intangible assets under development	3	-	-	-
Investment property	4	-	-	-
Investments in subsidiaries	5	-	-	-
Non-current tax assets	6	78,123	-	1,13,510
Financial assets				
Investments	5	25,000	25,000	25,000
Loans	7	-	2,18,356	2,26,353
Others	8	30,705	30,705	55,705
Other non-current assets	9	31,37,831	7,44,54,699	1,35,64,309
		<u>4,41,72,731</u>	<u>11,63,58,605</u>	<u>8,99,96,402</u>
Current assets				
Inventories	10	52,97,340	39,21,999	1,22,73,690
Financial assets				
Trade receivables	11	9,24,11,010	2,19,24,732	79,51,697
Cash & cash equivalents	12	12,48,761	27,13,002	32,74,098
Bank balances other than above	13	-	-	-
Loans	14	-	-	-
Others	15	-	-	-
Other current assets (net)	16	-	-	-
		<u>9,89,57,111</u>	<u>2,85,59,733</u>	<u>2,34,99,486</u>
Total assets		<u><u>14,31,29,842</u></u>	<u><u>14,49,18,338</u></u>	<u><u>11,34,95,888</u></u>
EQUITY and LIABILITIES				
Equity				
Equity share capital	17	1,01,000	1,01,000	1,01,000
Other equity	18	(1,94,34,127)	(1,68,74,389)	(15,45,774)
Total equity		<u>(1,93,33,127)</u>	<u>(1,67,73,389)</u>	<u>(14,44,774)</u>
Liabilities				
Non current liabilities				
Financial liabilities				
Borrowings	19	2,15,18,090	2,13,05,553	7,04,06,044
Other financial liabilities	20	-	-	-
Provisions	21	14,76,723	12,70,511	10,37,147
Deferred tax liabilities (net)	22	-	-	-
		<u>2,29,94,813</u>	<u>2,25,76,064</u>	<u>7,14,43,191</u>
Current liabilities				
Financial liabilities				
Borrowings	23	-	-	-
Trade payables	24	4,22,97,774	2,57,24,994	3,31,59,504
Other financial liabilities	25	-	3,42,093	4,40,359
Other current liabilities	26	9,65,57,326	11,27,67,299	88,51,239
Provisions	27	6,13,055	2,81,277	10,46,369
Current tax liabilities	28	-	-	-
		<u>13,94,68,155</u>	<u>13,91,15,663</u>	<u>4,34,97,471</u>
Total equity and liabilities		<u><u>14,31,29,842</u></u>	<u><u>14,49,18,338</u></u>	<u><u>11,34,95,888</u></u>

Summary of significant accounting policies

2.2

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

For A V Subba Rao & Co
Chartered Accountants
ICAI Firm registration number 0058095

B Janak Suresh
Partner

Membership no.: 224032
Place: Chennai
Date: 28.05.2018



For and on behalf of the Board of Directors
Sarovar Insulations Private Limited

Director

Director



Sarovar Insulation Private Limited
CIN : U32109TZ1999PTC008729
Statement of Profit and Loss for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Income			
Revenue from operations	29	11,57,70,762	21,03,08,858
Other income	30	9,626	47,22,473
Finance income	31		
Total income		11,57,80,388	21,50,31,331
II. Expenses			
Cost of materials consumed	32	7,20,03,139	14,70,00,715
Purchase of traded goods	33	-	-
Changes in inventories of finished goods, work-in-progress and traded goods	34	(64,274)	39,701
Excise duty on sale of goods	29	1,64,82,161	1,11,63,827
Employee benefits expense	35	1,16,29,981	1,96,73,704
Finance costs	36	34,80,394	67,04,178
Depreciation and amortisation expense	37	7,98,179	1,05,86,230
Other expenses	38	1,40,79,952	3,38,26,187
Total expenses		11,84,09,532	22,89,94,542
Profit/(loss) before share of profit/(loss) of controlled entity, exceptional items and tax		(26,29,144)	(1,39,63,211)
Share of profit/(loss) of controlled entity		-	-
Profit/(loss) before exceptional items and tax		(26,29,144)	(1,39,63,211)
Exceptional items		-	13,65,404
Profit/(loss) before tax		(26,29,144)	(1,53,28,615)
Tax Expense	39		
Current tax		-	-
Adjustment of current tax relating to earlier years		-	-
Deferred tax		-	-
Total tax expense		(26,29,144)	(1,53,28,615)
Profit for the year		(26,29,144)	(1,53,28,615)
Other comprehensive income (OCI)	37		
Items not to be reclassified to profit or loss in subsequent periods:			
Gain/(loss) on FVTOCI financial assets		-	-
Income tax effect		-	-
Re-measurement gains / (losses) on defined benefit plans		-	-
Change in Accounting Policy		69,406	-
Other comprehensive income for the year, net of tax		69,406	-
Total comprehensive income for the year		(25,59,737.64)	(1,53,28,614.86)
Earnings Per Equity Share Rs. 2/- each fully paid (March 31, 2017: Rs. 2/- each fully paid)	38		
Computed on the basis of total profit for the year			
Basic (Rs.)		(130.80)	(762.62)
Diluted (Rs.)		(130.80)	(762.62)
Summary of Significant Accounting Policies	2.2		

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

For A V Subba Rao & Co
Chartered Accountants
ICAI Firm registration number: 0038095
Chennai
600 078
B Janani Suresh
Partner
Membership no: 224032
Place: Chennai
Date: 28.05.2018

For and on behalf of the Board of Directors
Sarovar Insulations Private Limited

Director

Director



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

Statement of Cash Flows for year ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows used in / from operating activities		
Profit/(loss) before tax	(26,29,144)	(1,53,28,615)
Adjustments for :		
Depreciation of property, plant and equipment & investment property	7,98,179	1,05,86,230
Amortisation of intangible assets	-	-
Loss on sale of property, plant and equipment (net)	-	13,65,404
Dividend income	-	-
Interest income	-	-
Liabilities / provision no longer required written back	-	-
Allowance for credit loss	-	-
Share of loss of controlled entity	-	-
Interest expenses	34,80,394	67,04,178
Net loss/ (gain) on foreign exchange fluctuations (unrealised)	-	-
Operating profit before working capital changes	16,49,429	33,27,198
Movement in working capital:		
(Increase)/ decrease in inventories	(13,75,341)	83,51,691
(Increase)/ decrease in trade receivables	(7,04,86,278)	(1,39,73,035)
(Increase) / Decrease in financial and non-financial assets	7,13,16,868	(6,08,65,390)
(Increase) / Decrease in other assets	-	-
(Decrease)/ Increase in trade payables	1,65,72,780	(74,34,510)
Increase in financial, non-financial liabilities and provisions	(1,60,14,076)	10,32,86,066
Cash generated from operations	16,63,382	3,26,92,020
Income tax paid	(8,717)	1,13,510
Net cash flows used in / from operating activities (A)	16,54,666	3,28,05,530
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(69,406)	(96,84,284)
Proceeds from sale of property, plant and equipment	-	3,21,14,330
Proceeds from deposits (net)	-	-
Loans given	2,18,356	7,997
Share of loss of controlled entity	-	-
Dividends received	-	-
Interest received	-	-
Net cash flows used in / from investing activities (B)	1,48,950	2,24,38,043
Net cash flows used in / from financing activities		
Repayment of long - term borrowings (net)	2,12,537	(4,91,00,491)
Proceeds from short - term borrowings (net)	-	-
Dividend paid	-	-
Interest paid	(34,80,394)	(67,04,178)
Net cash flows used in/from financing activities (C)	(32,67,857)	(5,58,04,669)
Net decrease in cash and cash equivalents (A+B+C)	(14,64,242)	(5,61,097)
Cash and cash equivalents at the beginning of the year	27,13,002	32,74,098
Cash and cash equivalents at the year end	12,48,760	27,13,001



Sarovar Insulation Private Limited

CIN : U32109TZ1999PTC008729

Statement of Cash Flows for year ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Components of cash and cash equivalents:		
Cash on hand	91,258	91,222
Cheques / drafts on hand	-	-
Balances with banks		
On current accounts	11,57,503	26,21,780
On deposits	-	-
Total cash and cash equivalents	12,48,761	27,13,002

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

As per our Report of even date attached

For A V Subba Rao & Co

Chartered Accountants

ICAI Firm registration number: 005809S

B Janaki Suresh

Partner

Membership no. 724032

Place: Chennai

Date: 28.05.2018



For and on behalf of the Board of Directors
Sarovar Insulations Private Limited

[Signature]
Director



a. Equity Share Capital

100 Shares of Equity Shares of Rs.10 Each (March 31, 2017: Rs.10 each and April 01, 2016: Rs.10 each), subscribed and fully paid up and 20000 100 Shares of Equity Shares of Rs.10 Each (March 31, 2017: Rs.5 each and April 01, 2016: Rs.5 each), fully subscribed and partly called paid up

As at April 01, 2016
As at March 31, 2017
As at March 31, 2018

Number of shares	Rs. In Lakhs
20,100	1,01,000.00
20,100	1,01,000.00
20,100	1,01,000.00

b. Other Equity

Particulars	Reserves and surplus			Items of OCI	Total
	Securities premium account	General Reserve	Surplus in Profit and loss	FVTOCI reserve	
As at April 01, 2016	-	-	(15,45,774)	-	(15,45,774.00)
Profit for the year	-	-	(1,53,28,615)	-	(1,53,28,614.86)
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	-	(1,68,74,389)	-	(1,68,74,388.86)
Interim dividend and tax thereon	-	-	-	-	-
At March 31, 2017	-	-	(1,68,74,389)	-	(1,68,74,388.86)
Profit for the year	-	-	(26,29,144)	-	(26,29,144.00)
Other Comprehensive Income	-	-	69,406.36	-	69,406.36
Total Comprehensive Income	-	-	(1,94,34,127)	-	(1,94,34,126.50)
As at March 31, 2018	-	-	(1,94,34,127)	-	(1,94,34,126.50)

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

For A V Subba Rao & Co
Chartered Accountants

ICAI Firm registration number 0058098

B Janaki Suresh
Partner
Membership no.: 224032
Place: Chennai
Date: 28.05.2018



For and on behalf of the Board of Directors
Sarovar Insulations Private Limited

[Signature]
Director

[Signature]
Director



3. Property, plant and equipment

Particulars	Freehold land	Leasehold Land	Buildings on Leasehold Land	Buildings	Plant and Equipment	Computer	Furniture, Fixtures & Office Equipment	Leasehold improvements	Tools	Vehicles	Total Property, Plant and equipment	Capital work-in-progress
Gross block												
Deemed cost at April 01, 2016	1,50,00,000	-	-	2,50,00,000	3,46,98,448	-	6,90,100	-	12,26,730	-	7,66,15,278	-
Additions	23,48,980	-	-	1,79,141	56,28,566	16,350	51,197	-	49,050	14,11,000	96,84,284	-
Disposals	-	-	-	-	4,03,27,014	16,350	7,41,297	-	12,75,780	14,11,000	4,37,71,441	-
As at March 31, 2017	1,73,48,980	-	-	2,51,79,141	-	-	-	-	-	-	4,25,28,121	-
Additions/Charge in P&Q	-	-	-	69,406	-	-	-	-	-	-	69,406	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	1,73,48,980	-	-	2,52,48,547	-	-	-	-	-	-	4,25,97,527	-
Depreciation												
As at April 01, 2016	-	-	-	1,04,110	4,75,017	-	7,832	-	16,794	-	6,03,753	-
Charge for the year	-	-	-	7,94,166	90,91,522	5,069	1,46,292	-	2,98,525	2,50,656	1,05,86,230	-
Disposals	-	-	-	-	95,66,539	5,069	1,54,124	-	3,15,319	2,50,656	1,02,91,707	-
As at March 31, 2017	-	-	-	8,98,276	-	-	-	-	-	-	8,98,276	-
Charge for the year	-	-	-	7,98,179	-	-	-	-	-	-	7,98,179	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	16,96,455	-	-	-	-	-	-	16,96,455	-
Net carrying value												
As at April 01, 2016	1,50,00,000	-	-	2,48,95,890	3,42,23,431	-	6,82,268	-	12,09,936	-	7,60,11,525	-
As at March 31, 2017	1,73,48,980	-	-	2,42,80,865	-	-	-	-	-	-	4,16,29,845	-
As at March 31, 2018	1,73,48,980	-	-	2,35,52,092	-	-	-	-	-	-	4,09,01,072	-



3 Intangible assets

Particulars	Intangible assets	Intangible assets under development	Total intangible assets
<u>Gross carrying value</u>			
As at April 01, 2016 (Cost or deemed cost)			
Additions			
Disposals			
As at March 31, 2017			
Additions			
Disposals			
As at March 31, 2018			
<u>Depreciation</u>			
As at April 01, 2016			
Charge for the year			
Disposals			
As at March 31, 2017			
Charge for the year			
Disposals			
As at March 31, 2018			
<u>Net carrying value</u>			
As at April 01, 2016			
As at March 31, 2017			
As at March 31, 2018			

4 Investment Property

Particulars	Freehold Land	Buildings	Plant and Equipment	Total
Cost as at April 01, 2016				
Additions				
Disposals				
As at March 31, 2017				
Additions				
Disposals				
As at March 31, 2018				
<u>Depreciation</u>				
As at April 01, 2016				
Charge for the year				
Disposals				
As at March 31, 2017				
Charge for the year				
Disposals				
As at March 31, 2018				
<u>Net carrying value</u>				
As at April 01, 2016				
As at March 31, 2017				
As at March 31, 2018				

Information regarding income and expenditure of investment property

Rental income derived from investment properties	March 31, 2018	March 31, 2017
Direct operating expenses (including repairs and maintenance) generating rental income		
Direct operating expenses (including repairs and maintenance) that did not generate rental income		
Profit arising from investment properties before depreciation and indirect expenses		
Less:- Depreciation		
Profit arising from investment properties before indirect expenses		



5 Non-current investments (fully paid up)

	March 31, 2018	March 31, 2017	April 01, 2016
A Investment in subsidiaries (Unquoted equity instruments at cost)			
Total Investments in subsidiaries (A)	-	-	-
B Investment in other entities (Unquoted equity instruments at cost)			
shares with saraswat cooperative bank	25,000.00	25,000.00	25,000.00
Total Investments in other entities (B + C)	25,000.00	25,000.00	25,000.00
Total investments (A+B+C)	25,000.00	25,000.00	25,000.00

6 Non-current tax assets

	March 31, 2018	March 31, 2017	April 01, 2016
Advance income tax - unsecured, considered good	78,123	-	1,13,510
	78,123.00	-	1,13,510.00

7 Loans

	March 31, 2018	March 31, 2017	April 01, 2016
Loans to employees - secured, considered good	-	-	-
Loans to employees - unsecured, considered good	-	2,18,356.00	2,26,353.00
Total	-	2,18,356.00	2,26,353.00

8 Other non-current financial assets -
(Unsecured, considered good unless otherwise stated)

	March 31, 2018	March 31, 2017	April 01, 2016
Security Deposits	30,705.00	30,705.00	55,705.00
Total	30,705.00	30,705.00	55,705.00

9 Other non-current assets
(Unsecured, considered good unless otherwise stated)

	March 31, 2018	March 31, 2017	April 01, 2016
Balances with Govy Authorities			
VAT Refund receivable	5,77,743	5,77,743	53,58,365
CENVAT Cr	-	7,928	51,93,928
Advances	-	-	29,40,639
Advances to suppliers	23,86,557	2,15,966	-
Saidepp Polytherm	-	6,91,79,346	-
Ekdant Moulders & Engg pvt Ltd	-	32,72,591	-
Employees	-	4,894	-
Sharaddha Nikhil k & Co	-	7,02,075	-
Deposit with Gajanam Krupa Petroleum	25,000	25,000	-
VAT Deposit	25,000	25,000	-
Prepaid Expenses	1,23,531	73,809	71,377
Receivables	-	3,70,347	-
Total	31,37,831	7,44,54,699	1,35,64,309



10 Inventories

(Cost or net realisable value whichever is lower)

	March 31, 2018	March 31, 2017	April 01, 2016
Raw materials and packing materials	27,24,211.87	15,89,800.00	97,81,915
Work-in-progress	13,67,516.00	9,70,385.00	8,76,265
Finished goods	5,40,150.00	8,73,007.00	10,06,828
Stores and spares	5,78,597.45	4,59,181	1,17,200
Fuel	46,881.00	11,320.00	4,77,781
Diesel & Oil	39,984.00	18,306.00	13,701
Total	52,97,340.32	39,21,999.15	1,22,73,690

11 Trade Receivables

	March 31, 2018	March 31, 2017	April 01, 2016
Trade receivables	9,24,11,010	2,19,24,732	79,51,697.00
Receivables from related parties	-	-	-
Total trade receivables	9,24,11,010	2,19,24,732	79,51,697.00
Break-up for security details:			
Unsecured, considered good	9,24,11,010	2,19,24,732	79,51,697
Unsecured, considered doubtful	-	-	-
Total trade receivables	9,24,11,010	2,19,24,732	79,51,697.00
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	-	-	-
Total	9,24,11,010	2,19,24,732	79,51,697.00

12 Cash & cash equivalents

	March 31, 2018	March 31, 2017	April 01, 2016
Balances with Banks			
On current accounts	11,57,503	26,21,780	32,73,173
In deposits with original maturity of less than 3 months	-	-	-
Cheques/ drafts on hand	91,258	91,222	925
Cash on hand	12,48,761.00	27,13,002.00	32,74,098.00
Total	12,48,761.00	27,13,002.00	32,74,098.00

13 Bank Balances other than above

	March 31, 2018	March 31, 2017	April 01, 2016
In earmarked accounts			
Unclaimed dividend accounts	-	-	-
Interim dividend accounts	-	-	-
Balances held as margin money	-	-	-
Others (refer note below)	-	-	-
Total	-	-	-

14 Loans (Current)

(Unsecured, considered good unless stated otherwise)

	March 31, 2018	March 31, 2017	April 01, 2016
Loans to related parties	-	-	-
Loans to employees - secured	-	-	-
Loans to employees	-	-	-
Total	-	-	-



15 Others current financial assets

(Unsecured, considered good unless stated otherwise)

	March 31, 2018	March 31, 2017	April 01, 2016
Security deposits	-	-	-
Interest receivable	-	-	-
Total	-	-	-

Breakup of financial assets

	March 31, 2018	March 31, 2017	April 01, 2016
Valued at cost			
Investments in subsidiaries	-	-	-
Investments in other entities	-	-	-
Valued at fair value through OCI			
Investments in other entities	-	-	-
Valued at amortised cost			
Non-current and current loans	-	2,18,356.00	2,26,353.00
Trade Receivables	-	-	-
Cash & cash equivalents	12,48,761.00	27,13,002.00	32,74,098.00
Bank Balances	-	-	-
Other non-current and current financial assets	30,705.00	30,705.00	55,705.00
Total financial assets carried at amortised cost	12,79,466.00	29,62,063.00	35,56,156.00

16 Other current assets

(Unsecured, considered good unless otherwise stated)

	March 31, 2018	March 31, 2017	April 01, 2016
Advance paid for jobs in progress	-	-	-
Advances for supply and services	-	-	-
Prepayments	-	-	-
Balances with Statutory/Government Authorities	-	-	-
Retention Money	-	-	-
Fixed Assets held for sale	-	-	-
Other advances	-	-	-
Total	-	-	-



17 Share capital

Authorised share capital

Equity shares of Rs. 2 each (March 31, 2017: Rs. 10 each and April 01, 2016: Rs. 10 each)

	Number of shares	Rs.
At April 1, 2016	50,000	5,00,000.00
Increase/(decrease) during the year	-	-
At March 31, 2017	50,000	5,00,000.00
Increase/(decrease) during the year	16,00,000	1,60,00,000.00
At March 31, 2018	16,50,000	1,65,00,000.00

17.2 Issued, Subscribed and Paid-up Capital

Equity shares of Rs. 2 each (March 31, 2017: Rs. 10 each and April 01, 2016: Rs. 10 each) issued, subscribed and fully paid

	Number of shares	Rs.
At April 1, 2016	20,100	1,01,000.00
Equity shares of Rs. 10/- Fully paid up	20,000	1,00,000.00
Equity shares of Rs. 10/- each Rs. 5/- Called up	100	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2017	20,100	1,01,000.00
Increase/(decrease) during the year	-	-
At March 31, 2018	20,100	1,01,000.00

17.3 Terms/ rights attached to shares

The Company has issued only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

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

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

	March 31, 2018		March 31, 2017		April 01, 2016	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Beardshell Limited	20,999	100.00%	20,999	100.00%	20,999	100.00%
Mr. S V Narsimha Rao	1	0.00%	1	0.00%	1	0.00%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



18 Other equity

	March 31, 2018	March 31, 2017
Reserves and Surplus		
(a) Securities premium account		
Balance at the beginning of the year	-	-
Less: Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-
Balance at the end of the year	-	-
(b) General reserve		
Balance at the beginning of the year	-	-
Add: Amount transferred from surplus in the statement of profit and loss	-	-
Balance at the end of the year	-	-
(c) Surplus in the statement of profit and loss		
Balance at the beginning of the year	(1,68,74,389.64)	(15,45,774.78)
Add: Total comprehensive income for the year	(25,59,737.64)	(1,53,28,614.86)
Less: Dividend distribution tax on interim dividend	-	-
Balance at the end of the year	(1,94,34,127.28)	(1,68,74,389.64)
(c) Surplus in the statement of profit and loss		
Balance at the beginning of the year	-	-
Balance at the end of the year	-	-
(d) FVTOCI reserve		
Balance at the beginning of the year	-	-
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	-	-
Total other equity	(1,94,34,127.28)	(1,68,74,389.64)



19 Borrowings (non-current)

	March 31, 2018	March 31, 2017	April 01, 2016
Term loans			
Indian Rupee loans from banks (Secured) (a)	2,15,18,090	2,13,05,553	7,04,06,044
Total	2,15,18,090	2,13,05,553	7,04,06,044
Current maturities of non-current borrowings			
Term loans			
Indian Rupee loans from banks (Secured) (b)	-	-	-
Less: Amount disclosed under the head "other financial liabilities" (c)	-	-	-
Total non-current borrowings ((a) - (c))	2,15,18,090	2,13,05,553	7,04,06,044

20 Other financial liabilities (non current)

	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured public deposits - From related parties	-	-	-
Unsecured public deposits - From others	-	-	-
Long-term maturities of hire purchase loans (refer note i below)	-	-	-
Unsecured Inter corporate deposits	-	-	-
Unsecured loans and advances from related parties	-	-	-
Unsecured loans and advances from others	-	-	-
Interest accrued but not due on public deposits	-	-	-
- From related parties	-	-	-
- From others	-	-	-
Deferred rent	-	-	-
	-	-	-

21 Provisions (non-current)

	March 31, 2018	March 31, 2017	April 01, 2016
Provision for compensated absences (refer note 43)	-	-	-
Provision for Gratuity	14,76,723	12,70,511	10,37,147
Provision for warranty	-	-	-
Total	14,76,723	12,70,511	10,37,147

22 Deferred tax liability (Net)

	March 31, 2018	March 31, 2017	April 01, 2016
Deferred tax liability relating to			
On difference between book balance and tax balance of Property, plant & equipment and Investment property	-	-	-
(A)	-	-	-
Deferred tax asset relating to			
Provision for compensated absences	-	-	-
Provision for warranties	-	-	-
Provision for doubtful debts	-	-	-
(B)	-	-	-
Deferred tax liability (Net)	-	-	-
(A-B)	-	-	-



Deferred tax (assets) / liabilities:
For the year ended March 31, 2018:

	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant & equipment & Investment property	-	-	-	-
Provision for compensated absences	-	-	-	-
Provision for warranties	-	-	-	-
Provision for doubtful debts	-	-	-	-
FVTOCI reserve	-	-	-	-

For the year ended March 31, 2017:

	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant & equipment & Investment property	-	-	-	-
Provision for compensated absences	-	-	-	-
Provision for warranties	-	-	-	-
Provision for doubtful debts	-	-	-	-
FVTOCI reserve	-	-	-	-

23 Borrowings (Current)

	March 31, 2018	March 31, 2017	April 01, 2016
Indian rupee loans from banks (secured)	-	-	-
Buyer's credit from banks (secured)	-	-	-
Unsecured public deposits - from related parties	-	-	-
Unsecured public deposits - from others	-	-	-
Total	-	-	-

24 Trade payables

	March 31, 2018	March 31, 2017	April 01, 2016
Outstanding dues to creditors other than micro enterprises and small enterprises			
- Acceptances	-	-	-
- Other than acceptances	4,22,97,774	2,57,24,994	3,31,59,504
	4,22,97,774	2,57,24,994	3,31,59,504

25 Other financial liabilities (current)

	March 31, 2018	March 31, 2017	April 01, 2016
Current Maturities of long term debt (refer note ii below)	-	3,42,093	4,40,359
Current maturities of hire purchase loans (refer note iii below)	-	-	-
Unclaimed dividend	-	-	-
Interest accrued but not due on public deposits	-	-	-
- From related parties	-	-	-
- From others	-	-	-
Interest accrued but not due on promoters loan	-	-	-
Dividend payable	-	-	-
Total	-	3,42,093	4,40,359



26 Other current liabilities

	March 31, 2018	March 31, 2017	April 01, 2016
Statutory liabilities	-	1,66,595	-
Advances received from customers	1,03,24,885	2,10,27,489	87,96,589
Saideep Polytherm	2,27,37,468	1,17,94,926	-
Deferred rent	-	74,95,796	-
Provisions	-	7,22,83,173	-
Payable to related parties	5,34,52,782	-	-
others	1,00,42,191	-	55,239
Total	9,65,57,326	11,27,67,299	88,51,239

27 Provisions (current)

	March 31, 2018	March 31, 2017	April 01, 2016
other Provisions	6,13,055	2,81,277	10,46,369
Total	6,13,055	2,81,277	10,46,369

28 Current tax liabilities

	March 31, 2018	March 31, 2017	April 01, 2016
Provision for taxes (net)	-	-	-
Total	-	-	-

Breakup of financial liabilities

	March 31, 2018	March 31, 2017	April 01, 2016
Valued at amortised cost			
Non current borrowings	2,15,18,090	2,13,05,553	7,04,06,044
Current borrowings	-	-	-
Trade Payables	4,22,97,774	2,57,24,994	3,31,59,504
Other non-current and current financial liabilities	-	3,42,093	4,40,359
Total financial liabilities carried at amortised cost	6,38,15,864	4,73,72,640	10,40,05,907



29 Revenue from Operations

	For the year ended 31-Mar- 2018	For the year ended 31-Mar- 2017
Sale of Products		
Finished goods (including excise duty and Goods and service Tax)	11,51,55,000	20,78,71,490
Traded goods	-	-
Sale of services	6,14,876	24,03,591
Other operating revenue		
Scrap sales	886	33,777
Total revenue from operations (gross)	11,57,70,762	21,03,08,858
Less: Excise duty and Goods and service Tax	1,64,82,161	1,11,63,827
Revenue from operations (net)	9,92,88,601	19,91,45,031

Details of products sold

	For the year ended 31-Mar- 2018	For the year ended 31-Mar- 2017
Finished goods sold		
Expanded Polystyrene	9,86,72,839	8,99,57,331
Traded goods		
Exports of Laboratory and Testing Equipments	-	-
Sale of Services Comprises		
Processing Charges for the Job Work done	6,14,876	24,03,591
Total	9,92,87,715	9,23,60,922

30 Other Income

	For the year ended 31-Mar- 2018	For the year ended 31-Mar- 2017
Rental income from operating leases	-	-
Dividend Income	-	-
Net gain on sale of fixed assets	-	-
Liabilities / provisions no longer required written back #	-	-
Other non-operating income	9,626	47,22,473
Total	9,626	47,22,473

31 Finance Income

	For the year ended 31-Mar- 2018	For the year ended 31-Mar- 2017
Interest Income on		
- Bank Deposits	-	-
- Income tax refund	-	-
Total	-	-

32 Cost of raw materials consumed

	For the year ended 31-Mar- 2018	For the year ended 31-Mar- 2017
Opening stock	15,89,800	97,81,915
Add: Purchases	7,31,37,551	13,88,08,600
	7,47,27,351	14,85,90,515
Less : Closing stock	27,24,212	15,89,800
Total cost of raw materials consumed	7,20,03,139	14,70,00,715



33 Purchase of Stock-in-trade

	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Stock-in-trade - EPS	-	-
Stock-in-trade - Motors	-	-
Stock-in-trade - Others	-	-
Total	-	-

34 Changes in inventories of finished goods, work-in-progress and traded goods

	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Opening stock		
Finished goods	8,73,007	10,06,828
Work-in-Progress	9,70,385	8,76,265
Stock-in-trade	-	-
	18,43,392	18,83,093
Closing stock		
Finished goods	5,40,150	8,73,007
Work-in-Progress	13,67,516	9,70,385
Stock-in-trade	-	-
	19,07,666	18,43,392
Decrease/ (increase) in inventories of finished goods, work-in-progress and traded goods	(64,274)	39,701

35 Employee benefits expense

	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Salaries, allowances and wages	94,53,384	1,71,41,507
Contribution to provident fund and other funds	7,81,260	10,57,674
Gratuity expense	4,39,574	-
Staff welfare expenses	9,55,763	14,74,523
Total	1,16,29,981	1,96,73,704

36 Finance Costs

	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Interest expense on		
Term loans and working capital loans	34,08,636	48,50,692
On public and other deposits	-	-
Delayed payment of Income Tax	57,366	3,06,761
Bills Discounting charges	-	14,84,383
Other Borrowing Costs #	14,392	62,342
Total	34,80,394	67,04,178

Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.

37 Depreciation and amortization expense

	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Depreciation of tangible assets	7,98,179	12,64,718
Amortization of intangible assets	-	-
Total	7,98,179	12,64,718



38 Other expenses

	For the year ended 31-Mar- 2018	For the year ended 31-Mar- 2017
Consumption of stores and spares	17,38,317	15,75,293
Increase of excise duty on inventory	-	-
Service Charges	-	-
Factory maintenance	-	-
Lab Maintenance	-	-
Power and Fuel	69,71,337	1,54,50,251
Repairs & maintenance	-	-
Plant and machinery	4,67,226	20,59,439
Buildings	1,30,827	97,029
Furniture and Equipment	27,471	27,355
Others	-	-
Testing and analysis charges	-	41,250
Lease Charges	11,75,014	12,65,086
Job workcharges	-	12,212
Rent	-	5,76,336
Rates and taxes	1,66,871	1,64,149
General and office Expenses	-	71,221
Insurance	1,29,445	1,95,491
Printing and stationery	62,412	1,27,291
Consultancy and other professional charges	-	99,800
Remuneration to auditors	2,13,400	1,48,083
Legal and Professional charges	5,51,550	6,45,460
Travelling and conveyance	2,14,232	9,09,085
Commission	-	914
Communication expenses	60,798	45,530
Business Promotion Expenses	-	98,260
Loss on disposal of property, plant and equipment (net)	-	-
Water Charges	-	9,03,747
Loss on investment fair valuation	-	-
Allowance for credit loss	-	-
Research and development	-	-
VAT Penalty	-	5,000
Excise Penalty	-	32,700
Provident fund Contribution	-	3,50,059
service tax	-	2,36,441
Professional Tax	-	46,225
Freight	31,524	56,94,858
Carriage outwards	-	-
Postage & Courier	-	6,360
Packing and Handling Charges	18,24,289	18,42,487
Telephone & Mobile Expenses	-	1,76,574
Loading and Unloading Charges	-	70,945
Royalty	-	-
Other selling expenses	-	-
CSR Expenditure	-	-
Security Charges	-	4,51,831
Donations	-	-
Sitting fees paid to Directors	-	-
Share of loss of a partner ship firm	-	-
Net loss on foreign currency transactions and translation	-	-
Miscellaneous Expenses	3,15,239	3,99,426
Total	1,40,79,952	3,38,26,187



Payment to auditor		
As auditor		
-Audit Fees	2,13,400	1,48,083
In other capacity		
-Other services	-	-
-Reimbursement of expenses	-	-
Total	2,13,400	1,48,083

39 Exceptional items	For the year ended	For the year ended
	31-Mar- 2018	31-Mar- 2017
Loss due to Sale of Asset	-	13,65,404
Total	-	13,65,404

40 Other Comprehensive Income (OCI)		
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
	For the year ended	For the year ended
	31-Mar- 2018	31-Mar- 2017
FVTOCI reserve		
Gain/(loss) on FVTOCI financial assets	-	-
Deferred tax effect on the gain/(loss) on FVTOCI financial assets	-	-
Change in Accounting Policy	69,406	
Re-measurement gains / (losses) on defined benefit plans	-	-
Deferred tax effect on remeasurement costs on net defined benefit liability	-	-
Total	69,406	-



41 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Profit available for equity shareholders	(26,29,144.00)	(1,53,28,614.86)
Weighted average number of equity shares in computing basic and diluted EPS	20,100	20,100
Face value of each equity share (Rs.)	10.00	10
Earnings per share*		
- Basic (Rs.)	(130.80)	(762.62)
- Diluted (Rs.)	(130.80)	(762.62)

42 Income taxes

The major components of income tax expenses for the year ended March 31, 2018 and March 31, 2017 are:

(i) Profit or loss section

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	-	-
Adjustment of tax relating to earlier years	-	-
Deferred tax credit	-	-
Total income tax expense recognised in statement of Profit & Loss	-	-

(ii) OCI Section

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net gain on FVTOCI financial assets	-	-
Net loss on remeasurement of defined benefit plans	69,406	-
Income tax charged to OCI	69,406.36	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit Before Tax (A)	(26,29,144.00)	(1,39,63,210.52)
Enacted tax rate in India (B)	34.61%	34.61%
Expected tax expenses (C = A*B)	(9,09,894.16)	(48,32,387.90)
Tax effect on permanent differences		
50% of donation	-	-
Loss from partnership firm	-	-
Interest paid on Income Tax	-	-
Others (nature)	-	-
Total (D)	-	-
Expected tax expenses after adjusting permanent differences (C+D)	(9,09,894.16)	(48,32,387.90)
Total Tax expense	-	-
Effective Tax Rate	-	-



43 Employee benefits

A. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.4.23 Lakhs for Provident Fund contributions, Rs.4.39 Lakhs for Superannuation Fund contributions and Rs.3.58 Lakhs for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

A. Defined benefit plans

(a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 10 Lakhs.

The Company has invested the plan assets with the Insurer managed funds (Life Insurance Corporation). The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The components of gratuity cost recognised in the statement of profit and loss for the years ended March 31, 2018 and March 31, 2017 consist of the following:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	86,952	70,334
Interest on net defined benefit liability, net	94,011	77,371
Gratuity cost recognised in statement of profit and loss	1,80,963	1,47,705
Remeasurement on the net defined benefit liability:		
Return on plan assets (greater)/less than discount rate	-	-
Actuarial (gains) / losses due to DBO assumptions changes	(28,198.00)	6,449.00
Components of defined benefit costs recognised in other comprehensive income	(28,198.00)	6,449.00
Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of Unfunded obligation	14,76,723	12,70,413.00
Funded status (Surplus/(Deficit))	(14,76,723)	(12,70,413)
Net defined benefit liability recognised	(14,76,723)	(12,70,413)

Details of changes in the present value of defined benefit obligations are as follows:

Defined benefit obligations at the beginning of the year	-	-
Current service cost	-	-
Interest on defined obligations	-	-
Re-measurements due to:		
Actuarial loss due to change in assumptions	(28,198.00)	6,449.00
Actuarial (gain)/loss due to demographic assumptions	-	-
Actuarial loss due to experience changes	53,545.00	79,110.00
Benefits paid	-	-
Defined benefit obligations at the end of the year	25,347.00	85,559.00



Details of changes in the fair value of plan assets are as follows:

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Fair value of plan assets at the beginning of the year	-	-
Employer contributions	-	-
Interest on plan assets	-	-
Re-measurements due to:	-	-
Return on plan assets excluding interest on plan assets	-	-
Benefits paid	-	-
Plan assets at the end of the year	-	-

Sensitivity Analysis:

	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
(a) Effect of 1% change in assumed discount rate		
- 1% increase	-	-
- 1% decrease	-	-
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	-	-
- 1% decrease	-	-
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	-	-
- 1% decrease	-	-

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Discount rate	7.63%	7.40%
Rate of return of plan assets	-	-
Attrition rate	3%	3%
Rate of compensation increase	6%	6%

The expected future cash flows in respect of gratuity were as follows:

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Expected future benefit payments		
31-Mar-19	-	-
31-Mar-20	-	-
31-Mar-21	-	-
31-Mar-22	-	-
31-Mar-23	-	-

(b) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.



Particulars	As at	As at
	March 31, 2018	March 31, 2017
Present Value of Obligation as at beginning of year	12,70,413	10,37,149
Interest Cost	94,011	77,371
Current Service Cost	86,952	70,334
Benefits paid	"	"
Actuarial (gain) / loss on obligations	25,347	85,559
Present value of obligations as at end of year	14,76,723	12,70,413

The assumptions employed for the calculations are as follows.

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Discount rate	"	"
Salary growth rate	"	"
Mortality	"	"
Expected rate of return	"	"
Withdrawal rate per annum	"	"



44 Segment Information

(a) Primary segment

The Company has identified business segments as its primary segment. Business segments are primarily insulation Business includes manufacturing of EPS Products/ prefabricated panels and related service activities. The above segment have been identified taking into account the organisation structure as well as differing risks and returns of these segments. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. There are no geographical segments of the Company.

For the year ended March 31, 2018

Particulars	Insulation	Trading	Total
Revenue	-	-	-
Segment result	-	-	-
Less: Finance costs	-	-	-
Less: Unallocable corporate expenses (net of income)	-	-	-
Profit before taxes	-	-	-
Less: Tax expenses	-	-	-
Net profit for the year	-	-	-
Segment assets	-	-	-
Unallocable assets	-	-	-
Total Assets	-	-	-
Segment liabilities	-	-	-
Unallocable liabilities	-	-	-
Total liabilities	-	-	-

For the year ended March 31, 2017

Particulars	Insulation	Trading	Total
Revenue	-	-	-
Segment result	-	-	-
Less: Finance costs	-	-	-
Less: Unallocable corporate expenses (net of income)	-	-	-
Profit before taxes	-	-	-
Less: Tax expenses	-	-	-
Net profit for the year	-	-	-
Segment assets	-	-	-
Unallocable assets	-	-	-
Total Assets	-	-	-
Segment liabilities	-	-	-
Unallocable liabilities	-	-	-
Total liabilities	-	-	-

As at year end April 01, 2016

Particulars	Insulation	Trading	Total
Segment assets	-	-	-
Unallocable assets	-	-	-
Total Assets	-	-	-
Segment liabilities	-	-	-
Unallocable liabilities	-	-	-
Total liabilities	-	-	-



45 Related Party Transactions

Holding Company

Beardshell Limited

Key Management Personnel (KMP) and their relatives

Sanjay Hargovind Multani

Director

Dhandapani

Director

Ramanathan Subramanian

Director

Krishnamurthy Murali

Director

b. Related party transactions for the year ended March 31, 2018

Particulars	Holding entity	Wholly owned subsidiary	Key management personnel
Trade Payables	5,34,52,782	-	-
Sale of materials	-	-	-
Sale of Services	-	-	-
Purchase of materials	-	-	-
Sale of assets	-	-	-
Purchase of assets	-	-	-
Reimbursement of expenses – Deputation Charges	-	-	-
Lease rent Income	-	-	-
Processing charges paid	-	-	-
Share of loss	-	-	-
	-	-	-

c. Related party transactions for the year ended March 31, 2017

Particulars	Holding entity	Wholly owned subsidiary	Key management personnel
Trade Payables	7,22,83,173	-	-
Sale of materials	-	-	-
Sale of services	-	-	-
Purchase of materials	-	-	-
Sale of assets	-	-	-
Purchase of assets	-	-	-
Reimbursement of expenses – deputation charges	-	-	-
Lease rent Income	-	-	-
Processing charges paid	-	-	-
Share of loss	-	-	-
	-	-	-



c. Related party transactions for the year ended March 31, 2017 (continued..)

Particulars	Holding entity	Wholly owned subsidiary	Key management personnel
Unsecured Loan received	-	-	-
Unsecured Loan repaid	-	-	-
Interest paid on Unsecured Loan	-	-	-
Balance outstanding as at the year end March 31, 2017:			
Loans given	-	-	-

d. Related party balances as at April 01, 2016

Particulars	Holding entity	Wholly owned subsidiary	Key management personnel
Loans given	-	-	-

Compensation of key management personnel of the Company

	31-Mar-17	31-Mar-16
Short term employee benefits	-	-
Post-employment gratuity	-	-
Termination Benefits	-	-
Total compensation paid to key management personnel	-	-

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.



43 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made judgement relating to determination of lease classification which has the most significant effect on the amounts recognised in the financial statements.

(i) Operating leases – Company as lessor

The Company has entered into leases on its investment properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements such as the lease term not constituting a substantial portion of the economic life of the property, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Defined benefit plans

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

44 Financial risk management objectives and policies

The entity's principal financial liabilities comprise of bank and other borrowings, deposits, trade and other payables. The main purpose of these financial liabilities is to finance and support the entity's operations. The entity's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The entity is exposed to market risk, credit risk and liquidity risk. The entity's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.



The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the entity's long-term debt obligations with floating interest rates. The entity manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the entity's profit before tax is affected through the impact on floating rate borrowings, as follows:

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps and forwards.

The Company has not hedged any portion of its expected foreign currency sales as at March 31, 2018, March 31, 2017 and April 01, 2016.

Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.



45 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

	March 31, 2018	March 31, 2017	April 01, 2016
Borrowings including interest accrued on	2,15,18,090	2,16,47,646	7,08,46,403
Less: cash and short-term deposits	(12,48,761)	(27,13,002)	(32,74,098)
Net debt	2,02,69,329	1,89,34,644	6,75,72,305
Equity	1,01,000	1,01,000	1,01,000
Other equity	(1,94,34,127)	(1,68,74,389)	(15,45,774)
Total equity	(1,93,33,127)	(1,67,73,389)	(14,44,774)
Gearing ratio (Net debt/ total equity plus net det	22	9	1

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2018.

46 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first time the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), as amended.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.



Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(a) Deemed cost for property, plant and equipment and investment property

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 for de-commissioning liabilities subject to that there is no change in functional currency. This exemption can also be used for investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment and investment property at their previous GAAP carrying value.

46 First-time adoption of Ind AS (continued..)

(b) Investments in subsidiary and jointly controlled entity

In the preparation of separate financial statements, Ind AS 27 Separate Financial Statements requires an entity to account for its investments in subsidiaries, jointly controlled entities and associates either at cost or in accordance with Ind AS 109. If a first-time adopter measures such an investment at cost, it can measure that investment at one of the following amounts in its separate opening Ind AS balance sheet:

- Cost determined in accordance with Ind AS 27
- Deemed cost, defined as
 - Fair value determined in accordance with Ind AS 113 at the date of transition to Ind AS, or
 - Previous GAAP carrying amount at the transition date.

A first-time adopter may choose to use either of these bases to measure investment in each subsidiary, joint venture or associate where it elects to use a deemed cost. Accordingly, the Company has opted to carry the investment in subsidiary and jointly controlled entity at the Previous GAAP carrying amount at the transition date.

(c) Financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company continues to derecognise the financial assets and financial liabilities for transactions which have occurred before the date of transition to Ind AS.

Mandatory exceptions :

a) Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- *Impairment of financial assets based on expected credit loss model*

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2016, the date of transition to Ind AS and as of March 31, 2017 and March 31, 2018.



(b) Classification and measurement of financial assets:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind-AS.

(c) Impairment of financial assets:

At the date of transition to Ind AS, the Company has determined that assessing whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, hence the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).



	Foot Note	Local GAAP	Adjustments	Ind AS
ASSETS				
Non current assets				
Property, plant and equipment	1	7,60,11,525	-	7,60,11,525
Capital work in progress		-	-	-
Intangible assets under development		-	-	-
Investment property	1	-	-	-
Investments in subsidiaries	1	-	-	-
Non-current tax assets	1	1,13,510	-	1,13,510
Financial assets		-	-	-
Investments	1	25,000	-	25,000
Loans	1	2,26,353	-	2,26,353
Others	1, 5	55,705	-	55,705
Other non-current assets		1,35,64,309	-	1,35,64,309
		8,99,96,402	-	8,99,96,402
Current assets				
Inventories		1,22,73,690	-	1,22,73,690
Financial assets		-	-	-
Trade receivables		79,51,697	-	79,51,697
Cash & cash equivalents	1	32,74,098	-	32,74,098
Bank balances other than above	1	-	-	-
Loans	1	-	-	-
Others	1, 5	-	-	-
Other current assets (net)	1	-	-	-
		2,34,99,486	-	2,34,99,486
Total assets		11,34,95,888	-	11,34,95,888
EQUITY and LIABILITIES				
Equity				
Equity share capital		1,01,000	-	1,01,000
Other equity	1, 6	(15,45,774)	-	(15,45,774)
Total equity		(14,44,774)	-	(14,44,774)
Liabilities				
Non current liabilities				
Financial liabilities				
Borrowings	1	7,04,06,044	-	7,04,06,044
Other financial liabilities	1	-	-	-
Provisions		10,37,147	-	10,37,147
Deferred tax liabilities (net)		-	-	-
Other liabilities	1, 6	-	-	-
		7,14,43,191	-	7,14,43,191
Current liabilities				
Financial liabilities				
Borrowings		-	-	-
Trade payables		3,31,59,504	-	3,31,59,504
Other financial liabilities	1	4,40,359	-	4,40,359
Other current liabilities	1, 6	88,51,239	-	88,51,239
Provisions		10,46,369	-	10,46,369
		4,34,97,471	-	4,34,97,471
Total equity and liabilities		11,34,95,888	-	11,34,95,888



	Foot Note	Local GAAP	Adjustments	Ind AS
I. Income				
Revenue from operations	1, 3	21,03,08,858	-	21,03,08,858
Other income	1	47,22,473	-	47,22,473
Finance income	1	-	-	-
Total income		21,50,31,331	-	21,50,31,331
II. Expenses				
Cost of materials consumed		14,70,00,715	-	14,70,00,715
Purchase of traded goods		-	-	-
Changes in inventories of finished goods, work-in-progress and		39,701	-	39,701
Excise duty on sale of goods	3	1,11,63,827	-	1,11,63,827
Employee benefits expense	4	1,96,73,704	-	1,96,73,704
Finance costs		67,04,178	-	67,04,178
Depreciation and amortisation expense		1,05,86,230	-	1,05,86,230
Other expenses	1, 5	3,38,26,187	-	3,38,26,187
Total expenses		22,89,94,542	-	22,89,94,542
Profit/(loss) before share of profit/(loss) of controlled entity, exceptional items and tax		(1,39,63,211)	-	(1,39,63,211)
Share of profit/(loss) of controlled entity	1	-	-	-
Profit/(loss) before exceptional items and tax		(1,39,63,211)	-	(1,39,63,211)
Exceptional items		13,65,404	-	13,65,404
Profit/(loss) before tax		(1,53,28,615)	-	(1,53,28,615)
Tax Expense				
Current tax		-	-	-
Adjustment of current tax relating to earlier years		-	-	-
Deferred tax		-	-	-
Total tax expense		-	-	-
Profit for the year		(1,53,28,615)	-	(1,53,28,615)
Other comprehensive income (OCI)				
Items not to be reclassified to profit or loss in subsequent periods:				
Gain/(loss) on FVTOCI financial assets	6	-	-	-
Income tax effect	2	-	-	-
Re-measurement gains / (losses) on defined benefit plans	4	-	-	-
Income tax effect	2	-	-	-
Other comprehensive income for the year, net of tax	7	-	-	-
Total comprehensive income for the year		(1,53,28,615)	-	(1,53,28,615)



Footnotes for reconciliation of balance sheet and profit & loss statement as previously reported under IGAAP to Ind AS

1 Reclassification

Previous periods' figures have been re-grouped / re-classified, where necessary to comply with Ind AS accounting.

The Company determines classification of certain assets and liabilities as financial/ non financial assets and liabilities. Transitional adjustments made by Company represents reclassification of non financial assets and liabilities to other assets and liabilities

2 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

3 Excise duty on sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is included as part of sales in the face of statement of profit and loss.

4 Defined Benefit Liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

5 Lease equilisation

Under the previous GAAP, leases need to be straight-lined over the period of non-cancellable term. As per Ind AS 17, lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless either another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Since the payments to the lessor does not vary because of any factors other than general inflation, the Company has reversed the expense recognised on a straight-line basis.

6 Fair Valuation of Investments

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

7 Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as



8 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

9 Change in Accounting Policy

Method of Depreciation has been changed from WDV to SLM during the Current Financial Year 2017-18 as per Ind AS 8 Accounting Policies, changes in accounting Estimates and Error. The impact of change in Accounting policy has been accounted and same as been reported as below.

Year	Depreciation		Difference due to change
	WDV	SLM	
2015-16	1,04,110	34,703	69,406
2016-17	23,72,654	7,94,166	15,78,487
			16,47,894

For A V Subba Rao & Co

Chartered Accountants

ICAI Firm registration number: 005809S


B Janaki Suresh
Partner

Membership no.: 224032

Place: Chennai

Date: 28.05.2018



For and on behalf of the Board of Directors
Sarovar Insulations Private Limited


Director


Director

