INDEPENDENT AUDITOR'S REPORT

To the Members of Nirlep Appliances Private Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of Nirlep Appliances Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

a) The Company reported inventories amounting to INR 1,255.17 lakhs and INR 1350.29 lakhs as at March 31, 2018 and April 01, 2017 respectively. As more fully explained in note 10 of the accompanying Ind AS financial statements, inventory valuation as of those two dates includes reimbursable taxes and does not include allocable overheads which thereby constitutes a departure from the Accounting Standards prescribed under section 133 of the Companies Act, 2013, as amended. In the absence of adequate information regarding valuation of inventory as at March 31, 2018 and April 1, 2017, we are unable to determine whether any adjustments are required in the comparative Balance sheet of those two dates and the corresponding elements making up the Statement of Profit and Loss for the current and previous year.

b) As more fully discussed in Note 20 of the accompanying Ind AS financial statements, the Company has recognised an interest liability INR 397.35 lakhs in the current year arising due to non-fulfillment of related export obligations as per the requirements of the Export Promotion Capital Goods ("EPCG") Scheme. The amount recognised in current year includes interest liability relating to earlier periods, which thereby constitutes a departure from the Accounting Standards prescribed under section 133 of the Companies Act, 2013, as amended. The Company's records indicate that, had management recognised the interest cost in respective periods, interest cost upto March 31, 2017 amounting to INR 317.87 lakhs would have been adjusted in the opening retained earnings as at April 01, 2017 and INR 39.74 lakhs would have been recognised in the previous financial year. Accordingly, opening retained earnings as at April 01, 2017 would have been decreased by INR 317.87 lakhs and finance cost and loss of previous year would have been increased by INR 39.74 lakhs, respectively. The finance cost and loss for the current year would have been lower by INR 357.61 lakhs.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

Emphasis of Matter

a) Demerger of Automotive business

We draw attention to note 41 of the accompanying Ind AS financial statements statement which describes the approval of demerger scheme by the NCLT vide its order dated May 18, 2017. As per the terms of the scheme and accounting prescribed therein, the accounting treatment in the books of the transferee Company has been given effect from the appointed date, viz., April 01, 2016 given in the scheme. The Company has followed the accounting as prescribed in the Scheme and accordingly demerged automotive business has been excluded from the Opening Ind AS Balance Steel as at April 1, 2017.

Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the management report and directors' report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

a) The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated April 23, 2018 and September 02, 2017 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

b) As part of our audit of the accompanying Ind AS financial statements for the year ended March 31, 2019, we also audited the adjustments described in Note 1F that were applied to amend the financial statements for the year ended March 31, 2018 & as at April 01, 2017. In our opinion, such adjustments are appropriate and have been properly applied except adjustments relating to the matters described in Basis of qualification paragraph above. We were not engaged to audit, review, or apply any procedures to the financial statements of the company for the year ended March 31, 2018 and as at April 01, 2017 other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the financial statements for the year ended March 31, 2018 and as at April 01, 2017 taken as a whole.

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 except for the matter(s) described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) Except for the matter(s) described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including 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) Except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph above, 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) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

   (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (i) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;

ii. The Company 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 Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal
Partner
Membership Number: 097546
Place of Signature: Mumbai
Date: May 21, 2019

ANNEXURE "1" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENT OF NIRLEP APPLIANCES PRIVATE LIMITED

(i) (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are pledged with the banks and not available with the Company. The same has not been independently confirmed by the bank and hence we are unable to comment on the same

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. Service tax, sales tax, duty of excise and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except custom duty, for which the details are as follows:-

Name of the Statute	Nature of the Dues	Amount in INR lakhs	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Customs Act, 1962	Custom duty	662.30	May 06, 2018	Immediately	Not paid	The amount is payable on account of non-fulfilment of export obligation under EPCG scheme

(c) According to the records of the Company, there were no dues outstanding of Income-tax, Wealth-tax, and cess on account of any dispute. The dues outstanding in respect of Service Tax and Sales Tax on account of disputes are as follows:

Name of Statue	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount Involved (INR in Lakhs)	Amount paid (INR in Lakhs)	Amount unpaid (INR in Lakhs)
Central Sales Tax Act, 1956	CST	Joint Commissioner of Sales Tax Appeals	FY 2011-12	2.63	0.20	2.43
The Kerala Value Added Tax Act, 2003	VAT	Assistant Commissioner Commercial Taxes	FY 2005-06 FY 2006-07 FY 2008-09 FY 2012-13	14.02	3.29	10.73

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has not raised monies by way of initial public offer, further public offer and debt instruments during the year. The Company has raised money by way of terms loans. We report that in absence of any stipulation regarding the utilization of loans from the lender, we are unable to comment as to whether the term loans have been utilized for the purposes for which they were obtained.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

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

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal
Partner
Membership Number: 097546
Place of Signature: Mumbai
Date: May 21, 2019

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF NIRLEP APPLIANCES PRIVATE LIMITED

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 Nirlep Appliances Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

a) The Company's internal controls over financial statement closure process including timely recognition of expenses, assets and liabilities of non-routine nature and the application of relevant accounting standards were not operating effectively which could potentially result in incorrect recognition or derecognition of expenses, assets and liabilities.

b) The Company's internal controls for timely preparation and updating of records for property, plant and equipment was not adequate. Further the Company's internal controls for timely reconciliation of physical property plant and equipment ("PPE") with the accounting records, were not adequate. These could result in misstatement of PPE values in the books of account.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to the these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as of March 31, 2019, 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.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the accompanying Ind AS financial statements of Nirlep Appliances Private Limited, which comprise of the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 Ind AS financial statements of Nirlep Appliances Private Limited and this report affects our report dated May 16, 2019, which expresses a qualified opinion on those financial statements.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal
Partner
Membership Number: 097546
Place of Signature: Mumbai
Date: May 21, 2019

Nirlep Appliances Private Limited
Balance Sheet as at March 31, 2019

(Rs in Lakhs)

	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Non -Current Assets				
Property, plant and equipment	2	1,640.85	1,593.61	1,676.74
Capital work in progress		12.47	170.09	-
Financial Assets				
i) Investments	3	2.29	2.29	2.29
ii) Other financial assets	5	40.81	40.36	29.17
Deferred tax assets (net)	6	-	-	-
Income tax assets (net)		20.82	26.14	23.00
Other non-current assets	7	46.46	207.49	416.41
Total Non-Current Assets		**1,763.69**	**2,039.97**	**2,147.62**
Current Assets				
Inventories	8	990.06	1,255.17	1,350.29
Financial Assets				
i) Trade receivables	4	340.74	945.53	1,016.31
ii) Cash and cash equivalents	9	0.98	43.15	35.71
iii) Other Bank balances	10	35.96	50.19	61.83
iv) Other current financial assets	11	0.86	62.14	122.16
Other current assets	12	446.56	197.11	102.61
Total Current Assets		**1,815.16**	**2,553.30**	**2,688.91**
Total Assets		**3,578.85**	**4,593.27**	**4,836.52**
EQUITY & LIABILITIES				
Equity				
Equity share capital	13	743.56	545.73	369.18
Other Equity	14	(2,519.83)	(614.58)	296.97
Total Equity		**(1,776.28)**	**(68.85)**	**666.15**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
i) Borrowings	15	1,600.00	17.23	21.23
ii) Employee benefit obligations	16	167.03	194.77	217.67
Total Non-Current Liabilities		**1,767.03**	**212.00**	**238.89**
Current Liabilities				
Financial Liabilities				
i) Borrowings	15	777.96	1,935.33	1,683.91
ii) Trade payables	17			
Total Outstanding dues of micro enterprises & small enterprises		-	-	-
Total Outstanding dues of other than micro enterprises & small enterprises		1,405.68	1,578.48	1,297.29
iii) Other current financial liabilities	18	21.05	501.95	524.42
Provisions	19	13.82	-	-
Employee benefit obligations	16	146.70	135.14	122.98
Deferred tax liabilities (net)	6	-	-	-
Other current liabilities	20	1,222.89	299.22	302.88
Total Current Liabilities		**3,588.10**	**4,450.11**	**3,931.48**
Total Liabilities		**5,355.13**	**4,662.11**	**4,170.37**
Total Equity & Liabilities		**3,578.85**	**4,593.27**	**4,836.52**

Summary of significant accounting policies' **1C**

The accompanying notes are an integral part of the Ind AS Financial Statements

As per our report of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

For and on behalf of the Board of directors

per Vishal Bansal
Partner
Membership No.097546

Mahesh Singhi
Company Secretary
FCS No. : 7066

Sanjay Muraka
Director
DIN: 02802918

Mukund Bhogale
Whole Time Director
DIN: 00072564

Place : Mumbai
Date : May 21, 2019

Place : Mumbai
Date : May 21, 2019

Nirlep Appliances Private Limited
Statement of Profit and Loss for the year ended March 31, 2019 **(Rs. In Lakhs)**

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income:			
Revenue from operations	21	3,921.41	4,469.81
Other income	22	961.87	29.62
Total Income		**4,883.28**	**4,499.42**
Expenses:			
Cost of raw materials consumed	23	3,562.35	2,724.13
Purchases of traded goods	24	58.15	312.86
Changes in inventories of work-in-progress, finished goods & traded goods	25	332.14	151.29
Excise duty on sale of goods	26	-	13.92
Employee benefit expenses	27	747.36	791.71
Depreciation and amortisation expense	28	134.58	137.29
Other expenses	29	1,525.85	1,002.35
Finance cost	30	709.13	256.04
Total Expenses		**7,069.56**	**5,389.61**
Loss before tax		**(2,186.28)**	**(890.18)**
Income tax expense:			
Current tax	6	-	-
Deferred tax	6	1.85	(4.83)
Adjustment of tax relating to earlier periods		9.75	-
Total tax expense		**11.59**	**(4.83)**
Loss for the year		**(2,197.87)**	**(885.36)**
Other comprehensive income			
Items that will not be reclassified to profit and loss in subsequent periods			
Remeasurement (gains)/losses on defined benefit plans	34	5.97	(13.81)
Tax impacts on above		(1.85)	4.83
Other comprehensive income, net of tax		**4.13**	**(8.98)**
Total Comprehensive Income, net of tax		**(2,202.00)**	**(876.37)**
Earnings per equity share			
Basic and Diluted	32	(305.61)	(231.08)
Face value per equity share		100.00	100.00

Summary of significant accounting policies **1C**

The accompanying notes are an integral part of the Ind AS Financial Statements

As per our report attached of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

For and on behalf of the Board of directors

per Vishal Bansal
Partner
Membership No.097546

Sanjay Muraka
Director
DIN: 02802918

Mukund Bhogale
Whole Time Director
DIN: 00072564

Mahesh Singhi
Company Secretary
FCS No. : 7066

Place : Mumbai
Date : May 21, 2019

Place : Mumbai
Date : May 21, 2019

Nirlep Appliances Private Limited
Cash Flow Statement for the year ended March 31, 2019 **(Rs in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Loss before tax	**(2,186.28)**	**(890.18)**
Adjustments for:		
Depreciation and amortisation expense	134.58	137.29
Finance costs	709.13	256.04
Impairment allowance for doubtful debts & advances (net of write back)	515.15	-
Bad debts and other irrecoverable debit balances written off	114.59	-
Write back of Vendors	(99.02)	-
(Gain)/Loss on disposal of property, plant and equipment	(933.39)	-
Interest income	(5.94)	(6.89)
	(1,751.18)	**(503.74)**
Change in operating assets and liabilities:		
(Increase)/decrease in trade receivables (current & noncurrent)	217.13	70.78
(Increase)/decrease in financial and other assets (current & non-current)	(274.20)	107.07
(Increase)/decrease in inventories	265.11	95.12
Increase/(decrease) in Trade Payables	(73.78)	281.20
Increase/(decrease) in Provisions	13.82	-
Increase/(decrease) in Employee Benefit Obligations	(22.15)	3.08
Increase/(decrease) in financial and other liabilities (current & non-current)	33.56	(26.71)
Cash generated from / (used in) operations	**(1,591.69)**	**26.80**
Net Income taxes (paid) / refunds (Tax deducted at source- TDS)	(4.43)	(3.13)
Net cash inflow / (outflow) from operating activities (A)	**(1,596.11)**	**23.67**
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress and capital advances	(105.38)	(224.25)
Proceeds from sale of property, plant and equipment	1,014.56	-
Investments in Bank Deposits	15.03	11.63
Interest received	9.68	63.07
Net cash inflow / (outflow) from investing activities (B)	**933.90**	**(149.55)**

Cash Flow Statement for the year ended March 31, 2019 (Rs in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from financing activities		
Proceeds from issues of equity shares	494.57	141.38
Proceeds from borrowings	1,778.82	314.29
Repayment of borrowings	(1,353.42)	(66.87)
Interest paid	(299.92)	(255.47)
Net cash inflow / (outflow) from financing activities (C)	**620.05**	**133.32**
Net increase/ (decrease) in cash and cash equivalents (A+ B + C)	**(42.17)**	**7.44**
Cash and cash equivalents at the beginning of the year	43.15	35.71
Cash and cash equivalents at end of the year	**0.98**	**43.15**

Components of cash and cash equivalents (refer note 9)

	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	0.56	20.10
Cash on hand	0.43	23.05
Total cash and cash equivalents	**0.98**	**43.15**

Change in liability arising from financing activities

	As at March 31, 2019	As at March 31, 2018
Opening Borrowings	**1,952.55**	1,705.14
Proceeds from borrowings	1,778.82	314.29
Repayment of borrowings	(1,353.42)	(66.87)
Foreign exchange movement	-	-
Closing Borrowings	**2,377.96**	**1,952.55**

Note:
The cash flow statement is prepared using the 'indirect method' set out in Ind AS 7 – Statement of Cash Flows.

Summary of significant accounting policies **1C**

The accompanying notes are an integral part of the Ind AS Financial Statements

As per our report attached of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

For and on behalf of the Board of directors

per Vishal Bansal
Partner
Membership No.097546

Sanjay Muraka
Director
DIN: 02802918

Mukund Bhogale
Whole Time Director
DIN: 00072564

Mahesh Singhi
Company Secretary
FCS No. 7066

Place : Mumbai
Date : May 21, 2019

Place : Mumbai
Date : May 21, 2019

Nirlep Appliances Private Limited
Statement of changes in equity for the year ended March 31, 2019

(Rs in Lakhs)

A. Equity Share Capital (Refer Note 13)

Particulars	As at March 31, 2019	As at March 31, 2018
As at the beginning of the year	545.73	369.18
Issue of equity share capital during the year	197.83	176.55
As at the end of the year	**743.56**	**545.73**

B. Other equity (Refer Note 14)

Particulars	Reserves and surplus				Other reserve	
	Securities premium	Retained earnings	Capital Reserve	Total	Equity component of Optionally convertible preference shares	Total
Balance as at April 01, 2017	**375.89**	**(143.17)**	**24.25**	**256.97**	**40.00**	**296.97**
Loss for the year	-	(885.36)	-	(885.36)	-	(885.36)
Other comprehensive income	-	8.98	-	8.98	-	8.98
Total comprehensive income for the year	-	**(876.37)**	-	**(876.37)**	-	**(876.37)**
Received on issue of equity shares	84.83	-	-	84.83	-	84.83
Conversion of preference shares to equity shares	(80.00)	-	-	(80.00)	(40.00)	(120.00)
Balance as at March 31, 2018	**380.72**	**(1,019.54)**	**24.25**	**(614.58)**	-	**(614.58)**

Particulars	Reserves and surplus				Other reserves	
	Securities premium	Retained earnings	Capital Reserve	Total	Equity component of Optionally convertible preference shares	Total
Balance as at March 31, 2018	**380.72**	**(1,019.54)**	**24.25**	**(614.58)**	-	**(614.58)**
Loss for the year	-	(2,197.87)	-	(2,197.87)	-	(2,197.87)
Other comprehensive income	-	(4.13)	-	(4.13)	-	(4.13)
Total comprehensive income for the year	-	**(2,202.00)**	-	**(2,202.00)**	-	**(2,202.00)**
Received on issue of equity shares	296.74	-	-	296.74	-	296.74
Balance as at March 31, 2019	**677.46**	**(3,221.54)**	**24.25**	**(2,519.83)**	-	**(2,519.83)**

Summary of significant accounting policies 1C

The accompanying notes are an integral part of the Ind AS Financial Statements

As per our report of even date

For and on behalf of the Board of directors

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per Vishal Bansal
Partner
Membership No.097546

Place : Mumbai
Date : May 21, 2019

Mahesh Singhi
Company Secretary
FCS No. : 7066

Place :
Date :

Sanjay Muraka
Director
DIN: 02802918

Mumbai
May 21, 2019

Mukund Bhogale
Whole Time Director
DIN: 00072564

1A GENERAL INFORMATION.

Nirlep Appliances Private Limited ('the Company') is an existing private limited company incorporated in 1979 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at GUT No. 16, Naigavahan, Khandewadi Taluk Paithan, Paithan Road, District Aurangabad, Maharashtra - 431105. The Company deals in non-stick cookware, including products like, snack makers, enamelware, gas tops, hard anodised cookware, induction cook tops, pressure cookers, etc. The financial statements are presented in Indian Rupee (INR).

During the year, there is a change in shareholding of the Company and Bajaj Electricals Limited have acquired 79.85% stake in the Company.

The financial statements are approved for issue by the Company's Board of Directors on May 21, 2019.

1B BASIS OF PREPARATION

The Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2019 are the first the Company has prepared in accordance with Ind AS. Refer to note 1F for information on how the Company adopted Ind AS.

The financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial assets like investments that are measured at fair value and defined benefit plans where plan assets are measured at fair value (refer accounting policy for details).

Estimates, judgements and assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The critical estimates, judgements and assumptions are presented in Note no. 1E.

1C SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. These policies have been consistently applied to all the years presented

1 Current v/s Non-current classification

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2 Revenue from contract with customers:

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The recognition criteria for sale of products is described below

(1) Sale of products:

Revenue from sale of products (domestic sales) is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. In case of export sales, the revenue from the customer is recognized at the point in time when control of the asset is transferred to the customer based on the delivery terms agreed. In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, if any.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of products provide customers with a volume rebate. The volume rebate give rise to variable consideration.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

3 Other income:

(1) Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments. Interest income is included in finance income in the statement of profit and loss

(2) Others:

The Company recognises other income (including rent, income from scrap sales, income from claims received, etc.) on accrual basis. However, where the ultimate collection of the same is uncertain, revenue recognition is postponed to the extent of uncertainty.

4 Property, plant and equipment:

A) Asset class:

i) Freehold land is carried at historical cost less impairment loss, if any, including expenditure that is directly attributable to the acquisition of the land.

ii) All other items of property, plant and equipment (including capital work in progress) are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

iii) Capital goods manufactured by the Company for its own use are carried at their cost of production (including non refundable duties and other levies, if any) less accumulated depreciation and impairment losses, if any.

iv) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

v) Losses/ Gains arising from the retirement/ disposal (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) of property, plant and equipments which are carried at cost are recognised in the statement of profit and loss.

B) Depreciation:

i) Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Premium of Leasehold land and leasehold improvements cost are amortised over the primary period of lease.

ii) Where a significant component (in terms of cost) of an asset has an economic useful life different than that of its corresponding asset, the component is depreciated over its estimated useful life.

iii) The useful life of asset is as given below:

Asset block	Useful Lives (in years)
Leasehold Land	Over the period of the lease
Building – Office/Factory	60 years
Plant & Machinery	18 to 24 years
Furniture & Fixtures	10 years
Electric Installations	10 years
Office Equipment	5 years
Dies & Jigs	9 to 15 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

iv) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

5 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

6 Impairment of non-financial assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment loss is charged to the Statement of Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimate of the recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

7 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. Financial Assets

A) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2 Revenue from contracts with customers.

B) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- Debt instruments at fair value through other comprehensive income (FVTOCI)

  A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
  - The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
  - The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- Debt instruments at fair value through profit or loss (FVTPL)

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

C) Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

D) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

II. Financial Liabilities

A) Initial recognition and measurement

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

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

B) Subsequent measurement

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

- Financial liabilities at fair value through profit or loss

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

  There are no financial liabilities Clarify that there are no financial liabilities designated as at FVTPL.

- Loans and Borrowings

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

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

C) De-recognition

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

III. Reclassification of financial assets / liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations.

IV. Offsetting of financial instruments

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

8. Fair value measurements:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

9. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet and for the purpose of the statement of cash flows, include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Inventories:

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

11. Foreign currency transactions:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

a) On initial recognition, all foreign currency transactions are recorded at the functional currency spot rate at the date the transaction first qualifies for recognition.

b) Monetary assets and liabilities in foreign currency outstanding at the close of reporting date are translated at the functional currency spot rates of exchange at the reporting date.

c) Exchange differences arising on settlement of translation of monetary items are recognised in the Statement of Profit and Loss.

d) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

12. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

A. Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Company establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

B. Deferred tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

13. Leases

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

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

As a lessor

The Company has leased certain assets and such leases where the Company has not substantially transferred all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit & Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which are they are incurred.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

14. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

15. Provisions, contingent liabilities and contingent assets

A. Provisions

A provision is recognised if

- the Company has present legal or constructive obligation as a result of an event in the past;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation has been reliably estimated.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

B. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

C. Contingent assets

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

A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

16. Employee benefits

A. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the same period in which the employees renders the related service and are measured at the amounts expected to be paid when the liabilities are settled.

B. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

C. Post-employment obligations

The company operates the following post-employment schemes

(a) defined benefit plans - Gratuity

(b) defined contribution plans - Provident fund

Defined benefit plans:

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets excluding non-qualifying asset (reimbursement right). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans:

In respect of certain employees, the Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. Such contributions are accounted for as employee benefit expense when they are due.

17. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.
The Company is in the business in non-stick cookware, which is also its only business. Hence the Balance Sheet and the Profit and Loss account of the Company are also the Segment Balance Sheet and Segment profit and loss accounts.

18. Dividends

Provision is made for the amount of any final dividend declared, being appropriately authorised in Annual General Meeting and no longer at the discretion of the Company.

19. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed using the weighted average number of common and dilutive shares outstanding during the year including share based payments, except where the result would be anti-dilutive.

1D ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

A) Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is in the process of evaluating the impact and does not expect any significant impact of the amendment on its financial statements.

B) Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

C) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Company does not expect this amendment to have any impact on its financial statements.

D) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Company does not expect this amendment to have any significant impact on its financial statements.

E) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company does not expect any impact from this amendment.

F) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or Joint Venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The Company does not expect any impact from this amendment.

G) Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect any impact from this amendment.

1E SUMMARY OF CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts 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 period. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

1 Impairment allowance for trade and other receivables

The Company makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109.

2 Employee benefits

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

3 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has incurred a tax loss in current year that can be carried forward for a period of 8 years and shall be available to offset taxable income in subsequent years. Considering, the change in management, revival of business operations of the Company, management cannot reasonably expect the availability of future taxable profits against which these losses can be utilised. Accordingly, the recognition of deferred tax is restricted only to the extent of deferred tax liabilities.

1F FIRST TIME ADOPTION OF IND AS AND RESTATEMENT FOR ERRORS MADE IN THE PREVIOUS GAAP

These Ind AS financial statements, for the year ended March 31, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, 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).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, 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, 2017, the Company's date of transition to Ind AS. The Company has consistently applied the accounting principles and policies in preparation of the opening balance sheet and comparative year financial statements. 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, 2017 and the financial statements as at and for the year ended March 31, 2018.

The Company has also restated the opening equity for the various errors made in the previous GAAP. An explanation of how the transition from previous GAAP to Ind AS, and the impact of errors has affected NAPL's financial position, financial performance and cash flows is set out in the following tables and notes.

Explanation 1 – Exemptions and exceptions availed under transition to Ind AS

Explanation 2 – a) Reconciliation of Equity as on the date of transition April 01, 2017 and as at March 31, 2018 with equity as per Ind AS as on the respective dates.

b) Reconciliation of loss for the year ended March 31, 2018 as per previous GAAP with other comprehensive income as per Ind AS

Explanation 3 – Impact on cash flows for the year ended March 31, 2018

Explanation 1 - Exemptions and exceptions availed under transition to Ind AS

Set out below are the applicable Ind AS 101 mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS exceptions and exemptions

- **De-recognition of financial assets and liabilities**

  A first-time adopter should apply the derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities under its previous GAAP as a result of a transaction that occurred before the date of transition, it should not recognise those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

  The Company has applied the de-recognition criteria prospectively.

- **Estimates**

  The estimates as at April 01, 2017 and March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates as at April 01, 2017 and March 31, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.

- **Classification and measurement of financial assets**

  Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly classification and measurement of financial assets have been made based on the facts and circumstances that exist at the date of transition to Ind AS.

- **Deemed Cost of property, plant and equipment**

  Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant & equipment as recognised in its Indian GAAP financial as deemed cost at the transition date subject to adjustments made in respect of change in method of accounting and useful life for the assets.

- **Government loans**

  A first-time adopter is required to apply the requirements in Ind AS 109 and Ind AS 20 prospectively to government loans existing at the date of transition to Ind AS. However, a first-time adopter may choose to apply the requirements of Ind AS 109 and Ind AS 20 to government loans retrospectively, if the information needed to do so had been obtained at the time of initially accounting for that loan.

  The company has sales tax deferral loan at the transition date which is to be paid in instalments to the state government authorities. Accordingly, it has chosen to apply the requirements of Ind AS 109 and Ind AS 20 prospectively to such kind of loans.

Explanation 2 – a) Reconciliation of Equity as on the date of transition April 01, 2017 and as at March 31, 2018 with equity as per Ind AS as on the respective dates

(Amount in INR Lakhs)

PARTICULARS	NOTE	March 31, 2018	April 1, 2017
Total Equity as per previous GAAP		**92.28**	**866.28**
Adjustments			
Restatement of property, plant and equipment	A	127.90	109.69
Recognition of EPCG Liability & PPE with corresponding depreciation impact charged to equity	B	(46.08)	(46.08)
Recognition of employee benefit liabilities	C	(246.49)	(257.65)
Impairment of Goodwill	D	(0.50)	(0.50)
Change in Deferred Tax	E	(5.59)	(5.59)
Provision of Dividend Reversed	F	9.63	-
Total Equity as per IND AS		**(68.85)**	**666.15**

Explanation 2 – b) Reconciliation of loss for the year ended March 31, 2018 as per previous GAAP with other comprehensive income as per Ind AS

(Amount in INR Lakhs)

PARTICULARS	NOTE	YE March 31, 2018
Loss as per previous GAAP		**(915.38)**
Adjustments		
Restatement of property, plant and equipment	A	18.21
Recognition of employee benefit liabilities	C	(2.65)
Recognition of Remeasurement gain in Other Comprehensive Income	C	13.81
Change in Deferred Tax	E	4.84
Tax impact of OCI	E	(4.84)
Provision of Dividend Reversed	F	9.63
Total Comprehensive income as per IND AS		**(876.37)**

(A) Restatement of property, plant and equipment (restatement impact)

The Company inappropriately depreciated its property, plant and equipment by following written down value method under the previous GAAP. Further, the useful life considered by the Company were incorrect. On transition to Ind AS, the Company has reassessed the useful lives of assets and changed the method of depreciation to straight line from written down value method. Accordingly, the Company has restated the balances of property, plant and equipment by INR 109.69 Lakhs and INR. 127.90 Lakhs as on April 1, 2017 and as on March 31, 2018 respectively. The depreciation reversal impact for the year ended March 31, 2018 is INR 18.21 Lakhs.

(B) Recognition of Export Promotion Capital Goods ('EPCG') liability (restatement impact)

The Company was granted exemption from payment of custom duty incurred on import of certain plant and machinery under the Export Promotion Capital Goods ("EPCG") Scheme. Due to non-fulfilment of related export obligations as per the requirements EPCG scheme, the said liability had crystallized before the transition date, however was not recorded as a statutory liability payable under the previous GAAP. Further, as per the provisions of Ind AS 20, EPCG is considered as a government grant and needs to be recognised from the grant date with corresponding increase in the cost of property, plant and equipment. Accordingly, the Company has recognised EPCG liability of INR 264.95 Lakhs as on April 1, 2017 with corresponding increase in property plant & equipment by INR 264.95 Lakhs. The depreciation from the date of recognition till transition date amounting INR 46.08 Lakhs is charged to equity.

(C) Recognition of employee benefit liabilities (restatement impact)

The Company did not recognise any employee benefit liabilities under the previous GAAP. On transition to Ind AS, the Company has recognised gratuity and leave obligations as per actuarial reports and other employee related amounts payable. Accordingly, there has been a decrease in the retained earnings as on April 1, 2017 by INR 257.65 Lakhs. The net cost for the year ended March 31, 2018 amounting INR 2.65 Lakhs is recognised in the employee benefit expense and net Remeasurement gain of INR 13.81 Lakhs, is recognised in other comprehensive income for the for the year ended March 31, 2018. The total impact on equity as on March 31, 2018 is INR 246.49 Lakhs.

(D) Goodwill Impairment

The Company had recognised a goodwill of INR 0.50 Lakhs under the previous GAAP. The Goodwill was never amortised or impaired in the earlier years. Under Ind AS, such goodwill is required to be tested for impairment annually. The Company performed its assessment and accordingly impaired the goodwill with a corresponding decrease in opening retained earnings by INR 0.50 Lakhs.

(E) Deferred Tax

Under previous GAAP, deferred tax was accounted based on the differences between taxable profits and accounting profits for the period. Under Ind AS, entities are required to use a balance sheet approach, which is based on the temporary differences between the carrying amounts of an asset or liability in the balance sheet and its tax base. Deferred tax shall also be created on various transitional adjustments. For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively). Consequently, deferred tax liabilities (net) have increased by INR 227.84 Lakhs as at April 01, 2017. The Company has also recognised deferred tax assets amounting INR 227.84 Lakhs on temporary timing differences on employee benefit obligations and carry forward losses to the extent of deferred tax liabilities. Accordingly, the total equity as at April 01, 2017 and March 31, 2018 are increased by INR 5.59 Lakhs respectively. The Company has recognised the tax impact on Remeasurement gain INR 4.84 Lakhs in OCI with corresponding debit in the statement of profit and loss. Accordingly, there is no overall impact to the statement of profit and loss for the year ended March 31, 2018.

(F) Proposed dividend

Under Ind AS, dividends proposed by the board of directors are recognised when the same is approved by the shareholders in the general meeting. The dividend proposed was not approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of INR 9.63 Lakhs (inclusive of dividend distribution tax of INR 1.63 Lakhs) as at March 31, 2018 included under provisions has been reversed with corresponding adjustment to the statement of profit and loss.

Ind AS Adjustments having no effect on profit or total equity

1) Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2018 by INR 13.92 Lakhs.

Explanation 3 – Impact on cash flows for the year ended March 31, 2018

There are no impacts in cash flows due to transition to Ind AS.

Note 2 : Property, Plant and Equipment

(Rs in Lakhs)

Particulars	Freehold Land	Lease hold Land	Factory Building	Building	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Dies & Jigs	Total
Gross block as at April 01, 2017	**159.90**	**18.53**	**227.51**	**34.49**	**1,079.77**	**18.92**	**16.22**	**38.52**	**82.87**	**1,676.74**
Additions	-	-	-	-	20.99	9.38	13.87	0.56	9.35	54.16
Disposals	-	-	-	-	-	-	-	-	-	-
Gross block as at March 31, 2018	**159.90**	**18.53**	**227.51**	**34.49**	**1,100.76**	**28.30**	**30.09**	**39.09**	**92.23**	**1,730.90**
Additions	-	-	242.45	-	7.79	6.48	4.48	1.79	-	262.99
Disposals *	-	(18.53)	(46.69)	(34.49)	-	-	-	-	-	(99.71)
Gross block as at March 31, 2019	**159.90**	**-**	**423.28**	**-**	**1,108.54**	**34.79**	**34.57**	**40.88**	**92.23**	**1,894.18**
Accumulated depreciation as at April 01, 2017	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	-	14.73	1.69	87.43	4.56	5.15	13.06	10.67	137.29
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	**-**	**-**	**14.73**	**1.69**	**87.43**	**4.56**	**5.15**	**13.06**	**10.67**	**137.29**
Depreciation charge during the year	-	-	11.14	0.70	87.97	5.27	6.34	11.90	11.26	134.58
Disposals	-	-	(16.15)	(2.39)	-	-	-	-	-	(18.54)
Accumulated depreciation as at March 31, 2019	**-**	**-**	**9.73**	**-**	**175.40**	**9.84**	**11.49**	**24.95**	**21.93**	**253.33**
Net carrying amount as at April 01, 2017	**159.90**	**18.53**	**227.51**	**34.49**	**1,079.77**	**18.92**	**16.22**	**38.52**	**82.87**	**1,676.74**
Net carrying amount as at March 31, 2018	**159.90**	**18.53**	**212.78**	**32.81**	**1,013.33**	**23.74**	**24.94**	**26.03**	**81.55**	**1,593.61**
Net carrying amount as at March 31, 2019	**159.90**	**-**	**413.55**	**-**	**933.14**	**24.95**	**23.08**	**15.92**	**70.30**	**1,640.85**

The above assets are hypothecated and mortagaged against the secured borrowings as per following details :

1) First and exclusive charge by way of mortgage land & building at Gut No. 16 Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.

2) First and exclusive charge by way of mortgage of open land at Gut No 09, situated at Naighavan Khandewadi, Paithan District, Aurangabad.

3) First and exclusive charge by way of hyphothecation of plant and machinery at Gut No 16, Naighavan Khandewadi, Paithan , Aurnagabad.

* The assets have been sold during the year upon change in shareholding (Refer Note 1A). These assets were given on operating lease.

Note 3 : Investments

(Rs in Lakhs)

Investment in equity instruments	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Non Current : Investment in equity shares (fully paid up)			
Unquoted (Measured at fair value through profit and loss)			
Deogiri Nagari Sahakari Bank - 6,630 (March 31, 2018 - 6,630) (April, 01 2017 - 6,630) equity shares of Rs. 25/- each	1.66	1.66	1.66
JPC Bank - 10 (March 31, 2018 - 10) (April, 01 2017 - 10) equity shares of Rs. 25/- each	0.00	0.00	0.00
Saraswat Bank - 3733 (March 31, 2018 - 3733) (April, 01 2017 - 3733) equity shares of Rs. 10/- each	0.37	0.37	0.37
Aurangabad Co-op Industrial Estate - 50 (March 31, 2018 - 50) (April, 01 2017 - 50) equity shares of Rs. 10/- each	0.01	0.01	0.01
SICOM Limited - 250 (March 31, 2018 - 250) (April, 01 2017 - 250) equity shares of Rs. 100/- each	0.25	0.25	0.25
Total equity instruments	**2.29**	**2.29**	**2.29**

Note 4 : Trade receivables

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Trade receivables			
Current	340.74	945.53	1,016.31
	340.74	**945.53**	**1,016.31**
Unsecured, considered good	340.74	945.53	1,016.31
Unsecured, considered credit impaired	387.66	-	-
Total	**728.40**	**945.53**	**1,016.31**
Impairment Allowance for credit impaired	(387.66)	-	-
Total trade receivables	**340.74**	**945.53**	**1,016.31**

Notes

i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii) Trade receivables includes balances from related parties (parent company) of Rs. 219.88 Lakhs.(March 31, 2018- Nil, April 01, 2017 - Rs Nil)

iii) Trade Receivables have been pledged as security against bank borrowings, the details relating to which have been described in Note 15.

Note 5 : Other financial assets

(Unsecured, considered good unless otherwise stated) (Measured at amortised cost)

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Security deposits, considered good *	40.81	39.56	28.37
Bank Deposits with maturity more than 12 months	-	0.57	0.57
Fixed deposit under lien	-	0.24	0.24
Total non-current other financial assets	**40.81**	**40.36**	**29.17**

* Security deposits are utility deposits kept with various government authorities like, telephone department, MSEB, MIDC, Post Office, Mumbai Municipal Corporation, etc.

Note 6 : Deferred tax liabilities/assets (net) **(Rs in Lakhs)**

Deferred tax assets comprise of the following:	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee benefit obligations (Gratuity)	50.35	74.81	75.74
Employee benefit obligations (Leave obligations)	5.73	11.32	13.43
Provision for sales tax forms	3.59	-	-
Impairment Allowance for doubtful debts and advances	133.94	-	-
Losses available for offsetting against future taxable income	18.81	84.40	138.67
Total deferred tax assets	**212.42**	**170.53**	**227.84**

Deferred tax liabilities comprise of the following:	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Property, Plant and Equipment	212.42	170.53	227.84
Total deferred tax liabilities	**212.42**	**170.53**	**227.84**

Deffered tax reflected in balance sheet is as follows	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deferred tax assets	212.42	170.53	227.84
Deferred tax liabilities	212.42	170.53	227.84
Total deferred tax liabilities	**-**	**-**	**-**

Movement in deferred tax assets

	Employee benefit obligations (Gratuity)	Employee benefit obligations (Leave obligations)	Impairment allowance for doubtful debts and advances	Provision for sales tax forms	Losses available for offsetting against future taxable income	Total
As at April 1, 2017	**75.74**	**13.43**	**-**	**-**	**138.67**	**227.84**
Tax income/(expense) during the period recognised to statement of profit and loss	3.90	(2.11)	-	-	(54.27)	(52.49)
Tax income/(expense) during the period recognised in OCI	(4.83)	-	-	-	-	-
As at March 31, 2018	**74.81**	**11.32**	**-**	**-**	**84.40**	**170.53**
Tax income/(expense) during the period recognised to statement of profit and loss	(26.31)	(5.60)	133.94	3.59	(65.59)	40.04
Tax income/(expense) during the period recognised in OCI	1.85	-	-	-	-	1.85
As at March 31, 2019	**50.35**	**5.73**	**133.94**	**3.59**	**18.81**	**212.42**

Movement in deferred tax liabilities

	Property, plant and equipment	Total
As on April 1, 2017	**227.84**	**227.84**
Tax income/(expense) during the period recognised to statement of profit and loss	(57.31)	(57.31)
Tax income/(expense) during the period recognised in OCI	-	-
As on March 31, 2018	**170.53**	**170.53**
Tax income/(expense) during the period recognised to statement of profit and loss	41.89	41.89
Tax income/(expense) during the period recognised in OCI	-	-
As on March 31, 2019	**212.42**	**212.42**

The Company has the following carry forward of business loss, unabsorbed depreciation, total credit entitlement and other deductible differences. However, in the absence of probability of future taxable profit it has not recognised deferred tax asset on the entire carry forward loss amount.

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Business Loss	1,536.55	1,290.38	458.79
Unabsorped Depreciation	438.70	296.06	159.02
Total	**1,975.25**	**1,586.44**	**617.81**

The details of expiry of business loss is as under:

Year of Loss	Amount	Expiry
FY 2018-19	1,536.55	FY 2026-27
	1,536.55	

There is no expiry date for unabsorbed depreciation.

Note

i) The carry forward business loss as on 31st March, 2018 is lapsed in the current year on account of change in shareholders of the company by more than 51% in the current year (Refer Note No. 1A

ii) The Company has incurred a loss and does not have any taxable profit in the current and previous and is accordingly not liable to tax. Therefore, the Company has not provided reconciliation between tax expense and the accounting profit multiplied by India's domestic tax rate.

Note 7 : Other non-current assets **(Rs in Lakhs)**
(Unsecured, considered good unless otherwise stated)

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Capital advances	14.00	14.00	14.00
Advances other than capital advances			
Unsecured, considered good	32.46	193.49	402.41
Unsecured, considered credit impaired	127.48	-	-
	173.94	**207.49**	**416.41**
Impairment allowance for credit impaired	(127.48)	-	-
Total other non-current assets	**46.46**	**207.49**	**416.41**
* Advances other than capital advances includes the following			
Advances to suppliers	144.77	166.27	268.42
Advances to workers and office staff	7.94	12.97	108.95
Advances to government authorities	1.71	4.71	4.34
Prepaid expenses	5.52	9.54	20.71
	159.94	**193.49**	**402.41**

Note 8 : Inventories (At cost of et realisable value whichever is less)

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Raw material	683.68	616.64	560.48
Work-in-progress	80.06	189.43	181.29
Finished goods	206.69	314.66	435.88
Traded goods	19.63	134.44	172.64
Total Inventories	**990.06**	**1,255.17**	**1,350.29**

During the year ended March 31, 2019, an amount of Rs. 137 lakhs (PY : Nil) was recognized as an expense towards provision for slow moving inventories.

Inventories have been pledged as security against bank borrowings, the details relating to which have been described in Note 15.

Note 9 : Cash and cash equivalents

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Balances with banks in current accounts	0.56	20.10	17.35
Cash on hand	0.43	23.05	18.36
Total cash and cash equivalents	**0.98**	**43.15**	**35.71**

Note 10 : Other Bank balances

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Deposits with maturity of more than three months & less than twelve months	35.96	50.19	61.83
Total Other bank balances	**35.96**	**50.19**	**61.83**

Deposits are kept with bank as margin money for Bank Guarantee & Letter of Credit issued

Note 11 : Other current financial assets
(Unsecured, considered good unless otherwise stated) (Measured at amortised cost)

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Interest accrued on fixed deposits	0.86	4.60	60.78
Security deposits	-	57.54	61.38
Total other current financial assets	**0.86**	**62.14**	**122.16**

Interest accrued on fixed deposits is on the deposits kept with bank as margin money for Bank Guarantee & Letter of Credit issued.

Note 12 : Other current assets

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Export benefits receivable	0.55	2.84	1.04
Balances with government authorities *	435.60	191.20	71.19
Others	10.41	3.08	30.38
Total other current assets	**446.56**	**197.11**	**102.61**

* Balance with government authorities includes input credit receivable for Goods and Service Tax of Rs. 434. 00 Lakhs (March 31, 2018 Rs 133.87 Lakhs)

Note 13 : Equity share capital

(Rs in Lakhs)

	As at		
	March 31, 2019	March 31, 2018	April 01, 2017
Authorised share capital			
8,50,000 (March 31, 2018: 560,000, April 01, 2017 : 485,000) Equity Shares of Rs.100/- each	850.00	560.00	485.00
Nil (March 31, 2018: 40,000, April 01, 2017: 115,000) Preference Shares of Rs.100/- each	-	40.00	115.00
Issued, Subscribed & Paid-up:			
743,555 (March 31, 2018: 545,730, April 01, 2017 : 369,180) Equity Shares of Rs.100/- each fully paid up in cash	7,43,55,500	5,45,73,000	3,69,18,000
	7,43,55,500	5,45,73,000	3,69,18,000

i) Movement in Issued Equity Share Capital

	No of Shares	Amount
As at 1st April 2017	**3,69,180**	**369.18**
Issue of New Equity Shares	1,76,550	176.55
As at 31st Mar 2018	**5,45,730**	**545.73**
Issue of New Equity Shares	1,97,825	197.83
As at 31st Mar 2019	**7,43,555**	**743.56**

ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 100/- per share. Each holder of equity shares is entitled to one vote per share. 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.

iii) Terms and rights attached to preference shares

Each Optinally convertible Non-cumulative preference share "OCPS" has a par value of Rs 100 and is convertible into equity shares at the option of the shareholders at any time after six months but not later than thirty-six months from the date of allotment of "OCPS". The OCPS shall be either redeemed at Rs 500 per share or converted into equity shares in the ratio of three equity share for every one preference shares "OCPS" held (amended terms of conversion on January 24, 2018). The preference shares carry a dividend of 10% per annum. The dividend rights are non-cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation. The preference shares were converted into equity shares on February 26, 2018 as per the amended terms of conversion.

iv) The details of equity shares held by parent Company and equity shareholders holding more than 5% shares are as follows :

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
Name of the Shareholder	**Nos.**	**% Holding**	**Nos.**	**% Holding**	**Nos.**	**% Holding**
Bajaj Electricals Limited (Holding Company)	5,93,724	79.85	-	-	-	-
Mukund Bhogale	89,804	12.08	89,804	16.46	36,162	9.80
Mrs. Rajani Bhogale	-	-	33,698	6.17	20,448	5.54
Bhogale Coating & Paints Pvt. Ltd.	-	-	-	-	19,000	5.15
Ramchandra Bhogale	-	-	45,628	8.36	42,428	11.49
Nityanand Bhogale	-	-	28,353	5.20	28,353	7.68
Fulkrum Financial Services Pvt. Ltd.	-	-	3,04,354	55.77	1,77,054	47.96
Bhogale Automotive Pvt. Ltd.	-	-	-	-	20,066	5.44

Note 14 : Other Equity **(Rs in Lakhs)**

	As at		
	March 31, 2019	March 31, 2018	April 01, 2017
i) Securities premium	677.46	380.72	375.89
ii) Retained earnings	(3,221.54)	(1,019.54)	(143.17)
iii) Capital Reserve	24.25	24.25	24.25
iv) Equity component of Optionally convertible preference shares	-	-	40.00
Total reserves and surplus	**(2,519.83)**	**(614.58)**	**296.97**

i) Securities premium	As at	
	March 31, 2019	March 31, 2018
Opening Balance	380.72	375.89
Received on issue of equity shares	296.74	84.83
Adjusted on conversion of preference shares to equity shares	-	(80.00)
Closing Balance	**677.46**	**380.72**

ii) Retained earnings	As at	
	March 31, 2019	March 31, 2018
Opening Balance	(1,019.54)	(143.17)
Profit for the year	(2,197.87)	(885.36)
Other comprehensive income for the year	(4.13)	8.98
Closing Balance	**(3,221.54)**	**(1,019.54)**

iii) Capital reserve	As at	
	March 31, 2019	March 31, 2018
Opening Balance	24.25	24.25
Closing Balance	**24.25**	**24.25**

iv) Optionally convertible preference shares	As at	
	March 31, 2019	March 31, 2018
Opening Balance	-	40.00
Converted to Equity shares	-	(40.00)
Closing Balance	-	-

Nature and Purpose of reserves

(a) Capital reserve :Reserve is relating to capital subsidy received in earlier years. The utilisation of the reserve shall be done as per the requirements and restrictions under the Companies Act, 2013 (as amended).
(b) Securities premium: Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) Optionally convertible preference shares: The balance indicates the equity portion of the optionally convertible preference shares issued by the Company.

Note 15 : Borrowings

	As at		
	March 31, 2019	March 31, 2018	April 01, 2017
Non-current			
Unsecured (At amortised cost)			
Sales tax deferral liability (Note 15.1)	-	17.23	21.23
Loans from parent entity (Note 15.2)	1,600.00	-	-
Total unsecured non-current borrowings	**1,600.00**	**17.23**	**21.23**
Total Non-current Borrowings	**1,600.00**	**17.23**	**21.23**

Note 15.1:
Sales tax deferral liability is interest free and repayable over predefined instalments from the initial date of deferment of liability, as per the scheme. They liability has been completely paid off in the current year.

Note 15.2:
Loan from parent entity carry an interest of 11% charged for a tenure of the loan is 5 years. The loan is repayable in 8 equal monthly instalments of Rs 2 crores each commencing from June 30, 2022 till March 31, 2024.

Note 15 : Borrowings **(Rs in Lakhs)**

	Note No	As at March 31, 2019	March 31, 2018	April 01, 2017
Current				
Secured (At amortised cost)				
Cash credits	Note 15.3	599.14	1,601.09	1,632.32
Term loan (rupee loans)	Note 15.3	178.82	-	-
Buyer's credit (foreign currency loan)	Note 15.3	-	19.95	51.58
Total secured current borrowings		**777.96**	**1,621.04**	**1,683.91**
Unsecured (At amortised cost)				
Loans	Note 15.4	-	314.29	-
Total unsecured current borrowings		**-**	**314.29**	**-**
Total current borrowings		**777.96**	**1,935.33**	**1,683.91**

Note 15.3: The secured loans taken by the Company are from Bank of Maharashtra

Type of facility	ROI	Terms of repayment
Cash credits	MCLR +Spread currently 12.25%	Repayable on demand
Term loan (rupee loans)	MCLR +Spread currently 12.25%	60 equal monthly installments of Rs 3.34 Lakhs starting from January, 2018. The loan has been repayed subsequent to balance sheet date.
Buyer's credit (foreign currency loan)	Libor linked	Repayable within 90 days

The above secured borrowings have the following charge on the assets:

1) First and exclusive charge by way of mortgage of Non-Agriculture factory land and building at Plot No B - 5,6,7, MIDC, Railway Station Aurangabad owned by Umasons Equipment and Accessories and exclusive charge by way of mortgage land & building at Gut No. 16 Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.

2) First and exclusive charge by way of mortgage of open land at Gut No 09, situated at Naighavan Khandewadi, Paithan District, Aurangabad.

3) First and exclusive charge by way of hyphothecation of plant and machinery at Gut No 16, Naighavan Khandewadi, Paithan , Aurnagabad.

4) First and exclusive charge by way of hyphothecation of inventory and receivables of the company.

All the above loans are also secured by the personal guarantee of Mukund N. Bhogale (Director) ,Mr Ramchandra N Bhogale (ex-director), Mr Nityanand J Bhogale (ex-director) and M/s Bhogale Automotive Private Limited.

Note 15.4: The Balance includes loan from related parties amounting to Rs. 264.29 lakhs as per below details. Loans from related parties are interest free, unsecured and repayable on demand and are accordingly classified as current loans.

Particulars	Amount
Mr. Mukund Neelkanth Bhogale	193.72
Mr. Ramchandra Neelkanth Bhogale	40.00
Mrs. Rajani M Bhogale	30.57
Total	**264.29**

Note 16 : Employee Benefit Obligations

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Current	Non Current	Current	Non Current	Current	Non Current
Leave obligations	3.91	18.17	3.98	28.42	4.25	34.56
Gratuity	26.79	118.86	47.74	136.35	35.74	153.11
Employee benefit liabilities	115.99	30.00	83.42	30.00	82.99	30.00
Total employee benefit obligations	**146.70**	**167.03**	**135.14**	**194.77**	**122.98**	**217.67**

Note 17 : Trade Payables

	As at March 31, 2019	March 31, 2018	April 01, 2017
Current			
Trade payable			
Dues to micro, small and medium enterprises (refer note below)	-	-	-
Dues of other than micro enterprises & small enterprises	1,405.68	1,578.48	1,297.29
Total current trade payables	**1,405.68**	**1,578.48**	**1,297.29**

Note

* The Company has requested mandatory documents from all its vendors to report them under the MSMED Act if they are covered under the MSMED Act. The information disclosed in the financial statements is based on the confirmations received till the date of approval of the financial statements.

Note 18 : Other Financial Liabilities (At amortised cost)

(Rs in Lakhs)

	As at		
Current	**March 31, 2019**	**March 31, 2018**	**April 01, 2017**
Unpaid dividends	-	-	0.05
Trade deposits (dealers, vendors etc.)	8.47	501.22	524.21
Interest accrued and due on borrowings *	12.59	0.73	0.16
Total other current financial liabilities	**21.05**	**501.95**	**524.42**

* Interest accrued and due is towards the unsecured loans taken from the related parties.

Note 19 : Provisions

	As at		
Current	**March 31, 2019**	**March 31, 2018**	**April 01, 2017**
Provision for sales tax forms	13.82	-	-
Total Provisions	**13.82**	-	-

The movement in the above provision are summarised below. The amounts are expected to be paid within a year

	As at		
Particulars	**March 31, 2019**	**March 31, 2018**	**April 01, 2017**
Opening balance	-	-	-
Provision created during the year	13.82	-	-
Provision utilised during the year	-	-	-
Closing balance	**13.82**	-	-

Note 20 : Other Current Liabilities

	As at		
	March 31, 2019	**March 31, 2018**	**April 01, 2017**
Statutory liabilities payable *	672.21	287.02	290.51
Trade Advance from Bajaj Electricals Lmited**	500.00	-	-
Others ***	50.68	12.19	12.38
Total other current liabilities	**1,222.89**	**299.22**	**302.88**

* Statutory liabilities payable includes custom duty payable of Rs 662.30 Lakhs (March 31, 2018 Rs 264.95 lakhs, April 01, 2017 Rs 264.95 lakhs) under the Export Promotion Capital Goods ("EPCG") Scheme. The increase as compared to previous year is on account of recognition of interest of Rs 397.35 lakhs in the current year.

The Company had imported a plant & machinery under the EPCG Scheme without payment of custom duty. The Company was required to achieve a quantum of specified export obligations computed as per the requirements of the Scheme. Due to non-fulfilment of related export obligations , the liability for payment of custom duty is crystallized and is disclosed under statutory liabilities payable.

** Trade Advance: The trade advance provided by Bajaj Electricals is at an interest rate of 10.25% per annum and is required to be adjusted against goods to be suppied within a period of one year.

*** Others : Promotional Expenses Liability of Rs 50.68 Lakhs (PY: Nil).

Note 21 : Revenue from operations **(Rs in Lakhs)**

	Year ended	
	March 31, 2019	**March 31, 2018**
Revenue from contract with customers (Sale of products including excise duty) *	3,781.01	4,418.93
Other operating revenue **	140.40	50.87
Total revenue from operations	**3,921.41**	**4,469.81**

Note 21.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year ended	
Particulars	**March 31, 2019**	**March 31, 2018**
Revenue form Operations		
Within India	3,076.94	3,887.38
Outside India	704.07	531.55
Total Revenue from contract with customers	**3,781.01**	**4,418.93**

Timing of Revenue recognition

	Year ended	
Particulars	**March 31, 2019**	**March 31, 2018**
Goods transferred at a point in time	3,781.01	4,418.93
Total Revenue from contract with customers	**3,781.01**	**4,418.93**

Note 21.2 Contract balances

	As at	
Particulars	**March 31, 2019**	**March 31, 2018**
Trade Receivables	340.74	945.53
Total	**340.74**	**945.53**

Trade receivables are non interest bearing and are generally on terms of 30 to 45 days.

Note 21.3: There are no reconciling items for the amount of revenue recognised in the Statement of Profit and Loss as compared with the contracted price.

Note 21.4: Performance obligation

The performance obligation is satisfied upon delivery of consumer products to the customer.

Note 21.5: Implementation of Goods & Service Tax

* Revenue from operations for periods upto June 30, 2017 includes excise duty collected from customers of Rs 13.92 lacs. From July 01, 2017 onwards, the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable to March 31, 2018.

Note 21.6: Other opertaing revenue

** Other operating revenue for the year includes vendors write back of Rs 99.02 Lakhs (March 31, 2018 Rs : NIL)

** Other operating revenue for the year includes royalty received from parent company of Rs 22.60 Lakhs (March 31, 2018 : NIL)

Note 22 : Other income

	Year ended	
	March 31, 2019	**March 31, 2018**
Interest income on bank deposits and others	5.94	6.89
Rental income	22.55	15.39
Net gain / (losses) on disposal of property, plant & equipment	933.39	-
Others	-	7.34
Total other income	**961.87**	**29.62**

Note 23 : Cost of raw materials consumed

	Year ended	
	March 31, 2019	**March 31, 2018**
Raw materials at the beginning of the year	616.6	560.5
Add : Purchases	3,629.4	2,780.3
Less : Raw materials at the end of the year	683.7	616.6
Total cost of raw material consumed	**3,562.3**	**2,724.1**

Note 24 : Purchases of traded goods

	Year ended	
	March 31, 2019	**March 31, 2018**
Purchases of traded goods	58.15	312.86
Total Purchases of traded goods	**58.15**	**312.86**

Note 25 : Changes in inventories of work-in-progress, finished goods, traded goods **(Rs in Lakhs)**

	Year ended	
	March 31, 2019	**March 31, 2018**
Opening balance		
Work in progress	189.43	181.29
Finished Goods	314.66	435.88
Traded goods	134.44	172.64
Total opening balance	**638.52**	**789.81**
Closing balance		
Work in progress	80.06	189.43
Finished Goods	206.69	314.66
Traded goods	19.63	134.44
Total Closing balance	**306.38**	**638.52**
Total Changes in inventories of work in progress, traded goods and finished goods	**332.14**	**151.29**

Note 26 : Excise duty on sale of goods

	Year ended	
	March 31, 2019	**March 31, 2018**
Excise Duty on sale of goods	-	13.92
Total Excise Duty on sale of goods	**-**	**13.92**

Note 27 : Employee benefit expenses

	Year ended	
	March 31, 2019	**March 31, 2018**
Salaries, wages and bonus	650.12	695.38
Contribution to provident and other funds	43.34	48.56
Gratuity (refer note 16)	21.66	24.93
Staff welfare expenses	32.25	22.85
Total employee benefit expense	**747.36**	**791.71**

Note 28 : Depreciation and amortisation expense

	Year ended	
	March 31, 2019	**March 31, 2018**
Depreciation of property, plant and equipment	134.58	137.29
Total depreciation and amortisation expense	**134.58**	**137.29**

(Rs in Lakhs)

Note 29 : Other expenses

	Year ended	
	March 31, 2019	March 31, 2018
Consumption of stores & spares	2.80	-
Power and fuel	193.99	150.35
Rent	9.19	23.45
Repairs and maintenance		
Plant and machinery	6.99	-
Others	16.95	5.60
Telephone and communication charges	8.94	12.76
Rates and taxes	3.71	8.06
Travel and conveyance	42.08	93.75
Insurance	13.96	16.87
Printing and stationery	5.42	5.56
Directors fees & travelling expenses	0.66	0.25
Advertisement & publicity	11.74	39.51
Freight & forwarding	95.49	215.97
Product promotion & service charges	57.44	137.28
Sales commission	6.92	77.97
Impairment allowance for doubtful debts and advances	515.15	-
Bad debts and other irrecoverable debit balances written off	114.59	-
Payments to auditors (refer note 31 below)	16.04	1.00
Consultation charges	0.59	-
Sales tax expenses	21.19	4.52
Security service charges	32.08	55.62
Legal and Professional Fees	267.43	48.68
Miscellaneous expenses	82.49	105.16
Total other expenses	**1,525.85**	**1,002.35**

Note 30 : Finance cost

	Year ended	
	March 31, 2019	March 31, 2018
Interest expense on borrowings *	224.67	199.73
Interest expense on over due custom duty payment	470.84	51.88
Other borrowing costs	13.62	4.43
Total finance cost	**709.13**	**256.04**

* Interest on borrowings includes interest of Rs 52.54 Lakhs towards long term loans and advances taken from the parent company

Note 31. Auditor's Remuneration

	Year ended	
	March 31, 2019	March 31, 2018
As Statutory Auditors :		
Statutory Audit fee	15.00	1.00
Out of pocket expenses	1.04	-
Total auditors remuneration	**16.04**	**1.00**

Note 32. Earnings per share:

	Year ended	
Particulars	**March 31, 2019**	**March 31, 2018**
Profit for the year after tax (A) (Rs. In Lakh)	(2,197.87)	(885.36)
Weighted average number of equity shares for basic EPS (B)	7,19,166	3,83,147
Earnings Per Share in Rs. :-		
(a) Basic & Diluted (A/B)	(305.61)	(231.08)
Face value per equity share	100.00	100.00

Note 33. Employee Benefits

(Rs in Lakhs)

a) Defined Contribution

The eligible employees of the Company are entitled to receive benefits under provident fund schemes which are in substance, defined contribution plans, in which both covered employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions are paid for provident and pension funds. The Company's contributions during the year to Provident Funds are recognised in the statement of profit and loss.

The total expense recognised in the statement of profit and loss for current year Rs 34.06 lakhs (PY Rs 39.52 lakhs) represents contributions payable to this plan.

b) Defined Benefit

The Company has a gratuity plan that is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The Company's liabilities towards gratuity schemes are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses based on valuation done by the independent actuary are carried out annually and recognised in other comprehensive income. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to market yields of Government bonds at the Balance Sheet date where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation. The Gratuity plan of the Company is unfunded.

i Changes in the Present Value of Obligation are as given below :

Particulars	As at	
	March 31, 2019	March 31, 2018
Present Value of Obligation as at the beginning	**184.09**	**188.85**
Current Service Cost	7.49	11.15
Interest Cost	14.16	13.78
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	-	(4.64)
- experience adjustments (i.e. Actual experience vs assumptions)	5.97	(9.17)
Benefits Paid	(66.07)	(15.87)
Present Value of Obligation as at the end	**145.65**	**184.09**

ii Amount recognised in balance sheet is as given below:

Particulars	As at	
	March 31, 2019	March 31, 2018
Present Value of Obligation	145.65	184.09
Fair Value of Plan Assets	Nil	Nil
Net Actuarially Valued Asset / (Liability)	**(145.65)**	**(184.09)**

iii Amount recognised in statement of profit and loss is as given below:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Current Service Cost	7.49	11.15
Interest Expense or Cost	14.16	13.78
Expense recognised in statement of profit and loss	**21.66**	**24.93**

iv Amount recognised in other comprehensive is as given below:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	-	(4.64)
Experience variance (i.e. Actual experience vs assumptions)	5.97	(9.17)
Return on plan assets , excluding amount recognised in interest expense/(income)	-	-
(Income) / Expense recognised in Other Comprehensive Income	5.97	(13.81)

v The significant actuarial assumptions are as follows:

Financial Assumptions

Particulars	As at	
	March 31, 2019	March 31, 2018
Discount rate (per annum)	7.70%	7.70%
Salary growth rate (per annum)	5.00%	5.00%

Demographic Assumptions

Particulars	As at	
	March 31, 2019	March 31, 2018
Mortality Rate (% of Indian Assured Lives Mortality (2006-08)	100.00%	100.00%
Normal Retirement Age	58 Years	58 Years
Attrition/ Withdrawal rates (per Annum)	1.60%	1.60%

vi The expected maturity analysis of defined benefit obligation is as follows:

Particulars	As at	
	March 31, 2019	March 31, 2018
Weighted average duration (based on discounted cashflows)	6 Years	6 Years

Expected cash flows over the next (valued on undiscounted basis):

Particulars	As at	
	March 31, 2019	March 31, 2018
1 year	26.79	47.74
More than 2 and upto 5 years	81.97	76.04
More than 6 and upto 10 years	36.38	59.44
More than 10 Years	128.46	161.08

vii Sensitivity Analysis

Particulars	As at	
	March 31, 2019	March 31, 2018
Delta effect of +1% change in Discount Rate	137.27	173.41
Delta effect of -1% change in Discount Rate	155.21	196.25
Delta effect of +1% change in Salary Growth Rate	155.19	196.28
Delta effect of -1% change in Salary Growth Rate	137.17	173.23
Delta effect of +50% change in attrition Rate	146.97	185.73
Delta effect of -50% change in attrition Rate	144.21	182.30
Delta effect of +10% change in Mortality Rate	145.71	184.17
Delta effect of -10% change in Mortality Rate	145.59	184.01

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note 34. Commitments and contingencies **(Rs in Lakhs)**

Commitments

Particulars	As at	
	March 31, 2019	March 31, 2018
Estimated amount of contracts remianing to be executed on capital account and not provided for (net of advance)	-	35.07

Contingent liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
Contingent Liabilities not provided for :		
Sales Tax matters under dispute	9.83	2.64

The company has a disputed sales tax liability of Rs 2.64 Lakhs with CST Department of Maharashtra and Rs 7.19 Lakhs with VAT Department of Kerala

Note 35 : Fair value measurements

(i) Financial instruments by category
The carrying amounts of financial instruments by class are as follows

Particulars	As at March 31, 2019	March 31, 2018	April 1, 2017
A. Financial assets			
I. Measured at amortized cost			
Trade Receivables	340.74	945.53	1,016.31
Cash and Cash Equivalents	0.98	43.15	35.71
Bank Balances other than above	35.96	50.19	61.83
Other Financial Assets (current & non current)	41.67	102.50	151.33
II. Measured at fair value through profit and loss (FVTPL)			
Investments	2.29	2.29	2.29
	421.64	**1,143.67**	**1,267.46**

B. Financial liabilities			
I. Measured at amortized cost			
Borrowings (current & non current)	2,377.96	1,952.55	1,705.14
Trade Payables	1,405.68	1,578.48	1,297.29
Other Financial Liabilities	21.05	501.95	524.42
	3,804.69	**4,032.99**	**3,526.84**

ii) Set out below, is a fair value measurement hierarchy and comparison by class of carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts which are reasonable approximations of their fair values:

Particulars	Valuation Techniques	Carrying values	Fair Values Measurement using			
			Fair Values	Level 1	Level 2	Level 3
As at March 31, 2019						
Investments	Market Value	2.29	2.29			2.29
		2.29	**2.29**	-	-	**2.29**
As at March 31, 2018						
Investments	Market Value	2.29	2.29			2.29
		2.29	**2.29**	-	-	**2.29**
As at April 1, 2017						
Investments	Market Value	2.29	2.29			2.29
		2.29	**2.29**	-	-	**2.29**

All other current financial assets and current financial liabilities have fair values that approximate to their carrying amounts due to their short term nature. Further all other non-current financial assets and non-current financial liabilities have fair values that approximates to their carrying amounts as it is based on the net present value of the anticipated future cash flows.

Note 36: Capital Management **(Rs in Lakhs)**

For capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity shareholders.

The Company aims to manage its capital efficiently to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Management considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company monitors its capital on the basis of the gearing ratio computed by dividing the total debt to its total equity. The total debt includes current and non current borrowings of the company. The total equity is considered as disclosed in balance sheet excluding capital reserve.

	As at		
Particulars	**March 31, 2019**	**March 31, 2018**	**April 01, 2017**
Total debt	2,377.96	1,952.55	1,705.14
Total equity	(1,800.53)	(93.10)	641.90
Total debt to equity ratio	**(1.32)**	**(20.97)**	**2.66**

	As at		
Particulars	**March 31, 2019**	**March 31, 2018**	**April 01, 2017**
Total Equity	(1,776.28)	(68.85)	666.15
Less: Capital Reserve	24.25	24.25	24.25
Total	**(1,800.53)**	**(93.10)**	**641.90**

At the reporting date as well as at the end of the comparative period, the Company has negative equity. However, the Company has received commitment from parent Commpany (Bajaj Electricals Limited) to continue providing funds so that the Company is able to meet its business obligations. Also, its debts includes Rs 1600 lakhs (31 March 2018: Nil) payable to Bajaj Electricals Limited. Considering the parent Company committment to continue providing support, these obligations are not likely to be called in near future and will facilitate the capital management of the Company.

Note 37 : Financial Risk Management

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the entity's operations. The Company's principal financial assets include trade receivables, other assets and cash and cash equivalents that derive directly from its operations. The Company lays down appropriate policies and procedures to ensure that financial risks are identified, measured and managed in accordance with the entity's policies and risk objectives.
The Company is exposed to credit risk and liquidity risk which are explained in detail below:

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities mainly in relation to trade receivables.

Trade and other receivables

Trade and other receivables of the Company are typically unsecured and credit risk is managed through credit approvals and periodical monitoring of the creditworthiness of customers to which the Company grants credit terms. The Company primarily sells the products to the parent company and large institutional clients including e-commerce clients.

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from such trade receivables. In respect of trade receivables, the Company has a provisioning policy that is commensurate to the expected losses. The provisioning policy is based on past experience, customer creditability, and also on the nature and specifics of business.

The maximum exposure to credit risk as at March 31, 2019 is the carrying value of such trade and other receivables as shown in the financials.

Reconciliation of impairment allowance on trade and other receivables

Particulars	Amount
Impairment allowance as at March 31, 2018	-
Created during the year *	515.15
Reversed during the year	-
Impairment allowance on 31 March 2019	**515.15**

* The company has impaired its Trade receivable by Rs 387.66 Lakhs and Other non current assets by Rs 127.48 Lakhs in the current year based on the recoverability assessment of old receivables and due to discontinuance of customers on account of change in business model of the Company post acquisition by Bajaj Electricals Limited.

Cash and cash equivalents

The company maintains its cash and bank balances with credit worthy banks and reviews it on an on-going basis. Moreover, the interest-bearing deposits are with banks of reputation, good past track record and high-quality credit rating. Hence, the credit risk is assessed to be low.

(B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The management of the company is responsible for maintaining adequate liquidity in the system to fund business growth, capital expenditures, as also ensure the repayment of financial liabilities. The Company on the basis of its business plans ascertains long term funds and short-term funds. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities. The limits sanctioned and utilised are then monitored monthly to ensure that mismatches in cash flows are taken care of, all operational and financial commitments are honoured on time. Bank cash credit facilities are sanctioned for a period of one year which are then enhanced / renewed from time to time. Though the Bank cash credits are repayable on demand as per the terms of sanction, these are usually renewed by all banks in normal circumstances. Hence Bank cash credit facilities are available for use throughout the year. The Company also receives a line of credit from its related parties. Also, Bajaj Electricals Limited (parent company) has agreed to provide necessary financial support so that the Company is able to meets its obligations on time.

(i) Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Rs in Lakhs)

Particulars	Carrying value as at March 31, 2019	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings (current & non current)	2,377.96	777.96	-	1,600.00	-	**2,377.96**
Trade payables	1,405.68	1,405.68	-	-	-	**1,405.68**
Other current financial liabilities	21.05	21.05	-	-	-	**21.05**
Total	**3,804.69**	**2,204.69**	-	**1,600.00**	-	**3,804.69**

Particulars	Carrying value as at March 31, 2018	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings (current & non current)	1,952.55	1,952.55	-	-	-	**1,952.55**
Trade payables	1,578.48	1,578.48	-	-	-	**1,578.48**
Other current financial liabilities	501.95	501.95	-	-	-	**501.95**
Total	**4,032.99**	**4,032.99**	-	-	-	**4,032.99**

Particulars	Carrying value as at April 1, 2017	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	1,705.14	1,683.91	21.23	-	-	**1,705.14**
Trade payables	1,297.29	1,297.29	-	-	-	**1,297.29**
Other current financial liabilities	524.42	524.42	-	-	-	**524.42**
Total	**3,526.84**	**3,505.62**	**21.23**	-	-	**3,526.84**

Note 38. Segment Reporting

The Company deals in non-stick cookware, including products like, snack makers, enamelware, gas tops, hard anodised cookware, induction cook tops, pressure cookers, etc. These products collectively are a part of a single segment, "Consumer Products". The company executes sales of its products in domestic as well as international market. The manufacturing & administrative activity is carried from a single location only. Accordingly, all segment assets, segment liabilities are located in India only.

(Rs in Lakhs)

	Year ended	
Particulars	**March 31, 2019**	**March 31, 2018**
Revenue form Operations*		
Within India	3,076.94	3,887.38
Outside India	704.07	531.55
Total	**3,781.01**	**4,418.93**

(*excluding other operating income)

Customers with Sales above 10% (Net of Taxes)

	Year ended	
Particulars	**March 31, 2019**	**March 31, 2018**
Bajaj Electricals Limited	2,260.70	-
IKEA Supply AG	642.15	434.80
Others	878.16	3,984.13
Total	**3,781.01**	**4,418.93**

Note 39: Disclosure of transactions with related parties

(Rs in Lakhs)

		March 31, 2019		March 31, 2018	
Name of Related Party and Nature of relationship	**Nature of Transaction**	**Transaction Value for the year**	**Outstanding receivable / (payable) carried in the Balance Sheet**	**Transaction Value for the year**	**Outstanding receivable / (payable) carried in the Balance Sheet**
(A) Parent Entity					
Bajaj Electricals Limited	Sale of Material	2,532.03	219.88	-	-
Bajaj Electricals Limited	Royalty Income	24.44	7.32	-	-
Bajaj Electricals Limited	Interest Paid on Trade Advance & Loan	52.54	(11.99)	-	-
Bajaj Electricals Limited	Cash Discount Allowed to BEL	0.50	-	-	-
Bajaj Electricals Limited	Trade Advance from BEL	1,450.00	(500.00)	-	-
Bajaj Electricals Limited	Loan from BEL	1,600.00	(1,600.00)	-	-
(B) Key Mangement Personnel					
Mr. Mukund Neelkanth Bhogale	Directors remunerations	51.27	-	35.10	-
Mr. Mukund Neelkanth Bhogale	Unsecured Loan	140.00	-	193.72	(193.72)
Mr. Mukund Neelkanth Bhogale	Interest paid on Unsecured Loan	4.99	-	-	-
Mr. Mukund Neelkanth Bhogale	Sale of shares	-	-	0.35	-
Mr. Bharatendu Modi (upto August 20, 2018)	Directors remunerations	12.32	(0.68)	13.60	(0.10)
Mr. Ramchandra Neelkanth Bhogale (upto August 20, 2018)	Directors sitting fees	0.15	-	0.13	-
Mr. Ramchandra Neelkanth Bhogale (upto August 20, 2018)	Unsecured Loan	-	-	40.00	(40.00)
Mr. Chandrahas Charekar	Directors sitting fees	0.15	-	0.13	-
(C) Transactions with the Entities which is Controlled or Jointly Controlled by a person identified in para 9 (a) of Ind AS 24 - Related Party Disclosures					
Bhogale Industries	Jobwork charges	1.63	-	10.96	-
Bhogale Industries	Materials purchases	-	-	461.97	19.92
Bhogale Industries	Security Deposit	-	-	133.49	(133.49)
Bhogale Industries	Interest Paid on Security Deposit	12.62	-	13.68	-
Mrs. Rajani M Bhogale	Salary	8.80	2.93	23.47	-
Mrs. Rajani M Bhogale	Unsecured Loan	-	-	30.57	(30.57)
Mr. Prasanna Mukund Bhogale	Advance	-	-	1.09	1.09
Marathwada Auto Cluster	Jobwork charges	0.13	(0.57)	0.45	-
Umasons Steel Fab Pvt. Ltd.	Jobwork charges	0.39	(0.10)	0.30	-
Umasons Steel Fab Pvt. Ltd.	Materials purchases	-	-	3.78	-
Bhogale Coatings & Paints Pvt Ltd	Materials purchases	159.50	(14.72)	128.97	21.73
Bhogale Coatings & Paints Pvt Ltd	Jobwork charges	4.36	-	-	-
Technocraft Toolings	Materials purchases	0.21	(0.41)	0.20	-
Umasons Auto Compo Pvt Ltd	Materials sales	1.18	-	0.14	-
Bhogale Automotive Pvt Ltd.	Jobwork charges	2.94	-		
Bhogale Automotive Pvt Ltd.	Interest Paid on Unsecured	12.95	-	-	-
Bhogale Automotive Pvt Ltd.	Unsecured Deposit	-	(5.92)	230.92	(230.92)
Bhogale Automotive Pvt Ltd.	Sales / Services	31.03	-	42.24	29.57
Fulkrum Financial Services Pvt Ltd	Unsecured Loan	185.90	-	-	-
Fulkrum Financial Services Pvt Ltd	Interest paid on Loan	8.08	-	-	-
Umasons Equipment & Accessories	Sale of Property	1,014.57	-	-	-

Shri Mukund N. Bhogale (Director), Mr Ramchandra N Bhogale (ex-director), Mr Nityanand J Bhogale (ex-director) and M/s Bhogale Automotive Private Limited have given their personal guarantee for availment of fund based and non fund based facility of Rs 23.50 crores from Bank of Maharashtra.

Note 40. Going Concern Assumption

The Company is experiencing a slowdown and is incurring losses from the last few years. The Company has incurred a net loss of INR 2197.87 lakhs, primarily due to inability to recover the fixed costs due to declining production volumes. The Company has been acquired by Bajaj Electricals during the year. As a result of acquisition, the business model of the Company is restructured which would enable the Company to achieve significant reduction in operational costs. The shareholders of the Company have also agreed to provide continuous financial and operational support to the Company to ensure that the Company continues to operate as a going concern in the foreseeable future and is able to meet its liabilities as and when the fall due for payment.

Note 41. Buisness Combination

Scheme of Arrangement and reconstruction for the demerger of Automotive division undertaking of Nirlep Appliances Private Limited (NAPL) in to Bhogale Automotive Private Limited (BAPL)

The Board of Directors of the Company through resolution dated July 04, 2016 had approved a Scheme of Arrangement and reconstruction for the demerger of Automotive division undertaking of the NAPL into BAPL. BAPL is engaged in the business of designing manufacturing, assembling etc of tools, equipments, devices systems related to automobile industry.

The major rationale for the demerger of auto division of NAPL includes:

a) NAPL is undertaking two different businesses, both of which requires specialised skill and resources and they have tremendous growth and profitability potential and are at a stage where they require focused leadership and management attention.

b) BAPL is engaged in the related business to auto division and it would therefore be advantageous to combine the activities and operations of both the companies to gain synergistic linkages and benefits of financial and other resources.

c) The demerger will ensure that both companies have their own steady cash flows and long-term growth opportunities.

d) It will ensure cost savings and higher profitability for both the Companies as they are engaged in related activities.

Based on the NCLT order dated May 18, 2017, the scheme of arrangement and reconstruction for the demerger of Auto division of NAPL became effective from the appointed date. Accordingly, the auto division of NAPL is demerged from NAPL into BAPL with effect from April 01, 2016.

On account of demerger of automotive business, BAPL has issued its equity shares in the ratio of 1 (one) equity share of Rs 100 each fully paid-up in respect of 60 (sixty) equity shares of Rs 100 each fully paid up held by the shareholders of the Company on the effective date for this purpose.

The scheme was filed and approved during the period of previous GAAP. Further, the accounting prescribed by the scheme specifies accounting of the demerger on the appointed date of April 01, 2016. The Company has followed the accounting as prescribed in the Scheme and accordingly demerged automotive business has been excluded from the Opening Ind AS Balance Steel as at April 1, 2017.

Note 42. Previous year financial statements

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated April 23, 2018 and September 02, 2017 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

Note 43.

All amounts disclosed in the Ind AS Financial Statements and notes have been rounded off to the nearest lakh (upto two decimals) as per the requirement of Schedule III, unless otherwise stated.

As per our report of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

For and on behalf of the Board of directors

per Vishal Bansal
Partner
Membership No.097546

Mahesh Singhi
Company Secretary
FCS No. : 7066

Sanjay Muraka
Director
DIN: 02802918

Mukund Bhogale
Whole Time Director
DIN: 00072564

Place : Mumbai
Date : May 21, 2019

Place : Mumbai
Date : May 21, 2019