# Plastene India Limited

## Auditor's Report and Financial Statements for the Year ended March 31, 2017.

S R B C & CO LLP
Chartered Accountants

2nd Floor, Shivalik Ishaan
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# INDEPENDENT AUDITORS' REPORT

To the Members of Plastene India Limited

## Report on the Financial Statements

We have audited the accompanying standalone financial statements of Plastene India Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

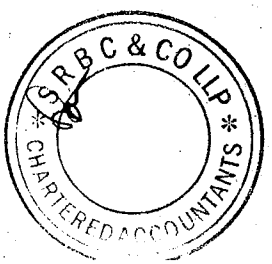
## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the 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.



iv. The Company has provided requisite disclosures in Note 42 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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

per Sukrut Mehta
Partner
Membership Number: 101974

Date: August 21, 2017
Place of Signature: Ahmedabad

Plastene India Limited

**Annexure 1 referred to in Paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date:**

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

(b) Fixed assets have been physically verified by the management during the year. In our opinion the periodicity of verification is reasonable considering the size of the Company and its nature of its assets. No material discrepancies were identified on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations received by us from lenders / parties.

(ii) The inventory has been physically verified by the management during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties has been confirmed by them as at March 31, 2017 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loans to one Company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of loans are not prejudicial to the company's interest.

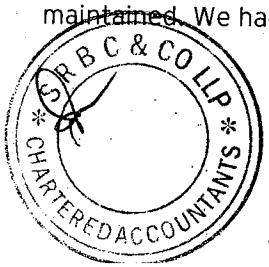
(b) The Company has granted loans that are re-payable on demand, to a Company covered in the register maintained under section 189 of the Act. We are informed that the company has not demanded repayment of loans during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

(c) There are no loans granted to company listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities for which provisions of section 185 of the Act is applicable to the Company and hence not commented upon. Further, based on the information and explanations given to us provisions of section 186 of the Act in respect loan and advances given and investment made have been complied with by the Company. The company has not given any guarantees and securities in respect of which provision of Section 186 of the Act.

(v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of deposits) rules, 2014 (as amended). Accordingly, the provision of paragraph 3(v) of the order are not applicable and hence not commented upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to manufacturing of article of plastic and polymers and other textile and fabric products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



(vii)(a) Undisputed statutory dues of provident fund, income tax, sales tax, service tax, value added tax, cess, excise duty, custom duty and other material statutory dues have been generally regularly deposited with the appropriate authorities. As per the information and explanations given to us, ESIC is not applicable to the Company.

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

(c) According to the records of the Company, there are no dues of income tax, sales tax, service tax, customs duty, excise duty and value added tax which have not been deposited on account of any dispute other than those mentioned below:

| Name of Statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act,1961 | Income -tax | 92,75,841 | AY 2008-09 | ITAT, Ahmedabad |
| Income Tax Act,1961 | Income -tax | 36,04,870 | AY 2013-14 | ITAT, Ahmedabad |
| Income Tax Act, 1961 | Income-tax | 96,954 | AY 2009-10 | ITAT, Ahmedabad |
| Income Tax Act, 1916 | Income-tax | 18,31,810 | AY 2011-12 | ITAT, Ahmedabad |
| Gujarat Value Added Tax* | Sales tax | 499,285 | FY 2009-10 | Joint Commissioner Appeal, Rajkot |

*Net of amount paid of Rs. 3 lakhs under protest.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank and financial institution. The Company does not have any outstanding dues to government and has not issued debentures during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of term loan for the purpose for which they were raised and the Company has not raised any money way of initial public offer or further public offer including debt instruments.

(x) According to the information and explanations given by the management, we report that no material fraud by the company or no material 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, we report that 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 Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of paragraph 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 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

(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**
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Sukrut Mehta
Partner
Membership Number: 101974

Date: August 21, 2017
Place of Signature: Ahmedabad

**S R B C & CO LLP**
Chartered Accountants

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Near CN Vidhyalaya, Ambawadi
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Plastene India Limited

**Annexure 2 to the Independent Auditor's report of even date on the standalone financial statements of Plastene India 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 Plastene India Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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



**Annexure 2 to the Independent Auditor's report of even date on the standalone financial statements of Plastene India Limited (Continued)**

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Sukrut Mehta
Partner
Membership Number: 101974

Date: August 21, 2017
Place of Signature: Ahmedabad

**Plastene India Limited**
**Balance Sheet as at March 31, 2017**

| | Notes | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Shareholders' funds** | | | |
| Share capital | 3 | 2,819.82 | 2,819.82 |
| Reserves and surplus | 4 | 10,322.85 | 10,046.16 |
| | | **13,142.67** | **12,865.98** |
| **Non-current liabilities** | | | |
| Long term borrowings | 5 | 4,953.59 | 1,883.29 |
| Deferred tax liabilities (net) | 6 | 1,264.70 | 1,463.39 |
| Other long-term liabilities | 7 | 1,217.17 | 3,617.91 |
| Long-term provisions | 8 | 131.63 | 100.55 |
| | | **7,567.09** | **7,065.14** |
| **Current liabilities** | | | |
| Short term borrowings | 9 | 20,647.91 | 19,701.76 |
| Trade payables | 10 | | |
| Total outstanding dues of micro and small enterprise | | - | - |
| Total outstanding dues of creditors other than micro and small enterprise | | 2,241.14 | 2,448.01 |
| Other current liabilities | 11 | 2,065.76 | 1,128.84 |
| Short-term provisions | 8 | 94.18 | 223.68 |
| | | **25,048.99** | **23,502.29** |
| **TOTAL** | | **45,758.75** | **43,433.41** |
| **Assets** | | | |
| **Non-current assets** | | | |
| Fixed assets | | | |
| Tangible assets | 12 | 9,672.33 | 10,230.45 |
| Intangible assets | 12 | 256.81 | 474.90 |
| Intangible assets under development | 12 | 181.65 | 186.33 |
| Non-current investments | 13 | 1,813.73 | 1,813.73 |
| Loans and advances | 14 | 1,617.56 | 1,233.84 |
| Other non-current assets | 15 | 7.62 | - |
| | | **13,549.70** | **13,939.25** |
| **Current assets** | | | |
| Current investment | 13 | - | 1.66 |
| Inventories | 16 | 10,843.80 | 8,526.93 |
| Trade receivables | 17 | 16,274.10 | 15,129.06 |
| Cash and bank balances | 18 | 449.49 | 494.21 |
| Loans and advances | 14 | 3,210.72 | 3,065.21 |
| Other current assets | 15 | 1,430.94 | 2,277.09 |
| | | **32,209.05** | **29,494.16** |
| **TOTAL** | | **45,758.75** | **43,433.41** |
| Summary of significant accounting policies. | 2 | | |

The accompanying notes are integral part of these standalone financial statements.

**As per our report of even date attached**

**For S R B C & Co. LLP**
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

**per Sukrut Mehta**
Partner
Membership No.: 101974

**Place :**Ahmedabad
**Date :** August 21, 2017

**For and on behalf of the Board of Directors of**
**Plastene India Limited**
**CIN No: U25209GJ1988PLC034861**

**Prakash Hiralal Parekh**
Managing Director
DIN No. 00158264

**Chetan Shantilal Parekh**
Director and Chief Financial Officer
DIN No. 00159465

**Munmun Dutta**
Company Secretary
**Place :**Ahmedabad
**Date :** August 21, 2017

**Plastene India Limited**
**Statement of profit and loss for the year ended March 31, 2017**

| | Notes | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations (gross) | 19 | 55,272.37 | 52,614.53 |
| Less: Excise duty | | 2,776.35 | 2,706.21 |
| **Revenue from operations (net)** | | **52,496.02** | **49,908.32** |
| Sale of services | 19 | 417.98 | 897.76 |
| Other revenue from operations | 19 | 1,734.91 | 1,421.47 |
| **Total Revenue from operations** | | **54,648.91** | **52,227.55** |
| Other income | 20 | 399.61 | 374.72 |
| **Total revenue** | | **55,048.52** | **52,602.27** |
| **Expenses** | | | |
| Cost of raw material and components consumed | 21 | 29,162.30 | 22,350.04 |
| Purchase of traded goods | 22 | 12,370.52 | 17,636.15 |
| Changes in inventories of finished goods, work-in-progress and stock in trade | 23 | (807.49) | 613.90 |
| Employee benefits expenses | 24 | 1,979.08 | 1,705.14 |
| Depreciation and amortization expenses | 12 | 1,332.11 | 1,309.83 |
| Finance costs | 25 | 3,125.48 | 3,243.56 |
| Other expenses | 26 | 6,975.37 | 4,889.84 |
| **Total expenses** | | **54,137.37** | **51,748.46** |
| **Earnings before tax and prior period items** | | **911.15** | **853.81** |
| Prior period expenses | 27 | 509.75 | - |
| **Profit before tax** | | **401.40** | **853.81** |
| **Tax expenses** | | | |
| Current tax | | 323.40 | 425.65 |
| Deferred tax release | | (198.69) | (141.21) |
| Short provision for tax pertaining to earlier years | | - | (100.34) |
| | | **124.71** | **184.10** |
| **Profit for the year** | | **276.69** | **669.71** |
| Earnings per equity share (nominal value of share Rs.10 (31 March 2016: Rs. 10) | | | |
| Basic and diluted (in Rs.) | 28 | 0.98 | 2.38 |
| Summary of significant accounting policies. | 2 | | |

The accompanying notes are integral part of these standalone financial statements.

**As per our report of even date attached**

**For S R B C & Co. LLP**
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

**per Sukrut Mehta**
Partner
Membership No.: 101974

Place :Ahmedabad
Date : August 21,2017

**For and on behalf of the Board of Directors of**
**Plastene India Limited**
**CIN No: U25209GJ1998PLC034861**

**Prakash Hiralal Parekh**
Managing Director
DIN No. 00158264

**Chetan Shantilal Parekh**
Director and Chief Financial Officer
DIN No. 00159465

**Munmun Dutta**
Company Secretary
**Place** :Ahmedabad
**Date** : August 21, 2017

**Plastene India Limited**
**Statement of cash flow for year ended March 31, 2017**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Cash Flow from Operating Activities** | | |
| Profit before tax | **401.40** | **853.81** |
| Depreciation and amortisation | 1,332.11 | 1,309.83 |
| Interest and finance charges | 3,125.48 | 3,243.56 |
| Interest income | (371.87) | (303.56) |
| Loss on Sale of Fixed Assets (net) | 1.16 | 8.97 |
| Bad Debts written off | 470.50 | - |
| Export incentive written off | 423.19 | - |
| Advances written off | 46.51 | - |
| Provision for Doubtful debts | 32.70 | - |
| Unrealised gain on foreign exchange | (302.86) | - |
| **Operating Profit Before Working Capital Changes :** | **5,158.32** | **5,112.61** |
| Movement in working capital : | | |
| (Decrease) / increase in trade payables and other long term liability | (2,368.51) | 2,695.31 |
| Increase / (decrease) in other current liabilities | 179.34 | (232.42) |
| Increase in short term provisions | 1.80 | 65.95 |
| Increase in long term provisions | 31.08 | 17.55 |
| (Increase)/ decrease in inventories | (2,316.87) | 465.15 |
| (Increase) in trade receivables | (1,584.45) | (5,824.79) |
| (Increase) in loans and advances | (248.81) | (1,016.70) |
| (Increase)/ decrease in other current and non-current assets | 439.07 | (143.05) |
| **Cash Generated from Operations** | **(709.03)** | **1,139.61** |
| Direct taxes paid (net of refunds) | (254.45) | (325.31) |
| **Net Cash Flow from Operating Activities (A) :** | **(963.48)** | **814.30** |
| **Cash Flow from Investing Activities :** | | |
| Acquisition of fixed assets including capital advances | (1,091.86) | (342.65) |
| Redemption of bank deposits (with maturity of more than three months) | 72.14 | 389.00 |
| Sale proceeds from sale of Fixed Assets | 14.65 | 30.61 |
| Proceeds from sale of investment | 1.66 | - |
| Interest received | 355.76 | 303.56 |
| **Net Cash Flow (used in)/from Investing Activities (B) :** | **(647.65)** | **380.52** |
| **Cash Flow from Financing Activities :** | | |
| Proceeds from long term borrowings | 3,748.78 | 336.25 |
| Proceeds from short term borrowings | 946.17 | 1,688.51 |
| Interest and finance charges paid | (3,048.78) | (3,243.56) |
| **Net Cash Flow (used in) / from Financing Activities ( C ) :** | **1,646.17** | **(1,218.80)** |
| **Net Increase /(decrease) in cash and cash equivalents (A + B + C)** | **35.04** | **(23.98)** |
| Cash and cash equivalents at the beginning of the year | 50.04 | 74.02 |
| **Cash and cash equivalents at the end of the year** | **85.08** | **50.04** |
| **Components of cash and cash equivalents:** | | |
| Cash on hand | 3.70 | 12.10 |
| With Banks - On current account | 80.88 | 37.95 |
| With Bank - In Deposit Accounts | 0.50 | - |
| **Total cash and cash equivalents (note 18)** | **85.08** | **50.05** |

**Note:**

1. The Cash Flow Statement has been prepared under the Indirect method as per Accounting Standard-3 "Cash Flow Statement" specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and companies (Accounting Standards) Amendment Rules, 2016.

Summary of significant accounting policies. 2

The accompanying notes are integral part of these standalone financial statements.

**As per our report of even date attached**
**For S R B C & Co. LLP**
ICAI Firm Registration No.: 324982E/E300003
**Chartered Accountants**

**per Sukrut Mehta**
Partner
Membership No.: 101974

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

**Place :**Ahmedabad
**Date :** August 21,2017

**For and on behalf of the Board of Directors of**
**Plastene India Limited**
**CIN No: U25209GJ1998PLC034861**

**Prakash Hiralal Parekh**
Managing Director
DIN No. 00158264

**Chetan Shantilal Parekh**
Director and Chief Financial Officer
DIN No. 00159465

**Munmun Dutta**
Company Secretary
**Place :**Ahmedabad
**Date :** August 21, 2017

PLASTENE INDIA LTD.

1. Corporate Information

Plastene India Limited ('the Company') is a public company which was incorporated on October 16, 1998 under the provision of the Companies Act, 1956. The Company was originally incorporated on as Oswal Agloimpex Private Limited at Ahmedabad, Gujarat and was converted into public limited company in 2006. Thereafter, the name of the company was changed to Plastene India Limited. The objective is to manufacture all kinds of plastic products mainly includes Jumbo Bags, Woven Sacks, Woven Fabric, Laminates, Multifilament Yarns, Masterbatches, Flexible Packaging for Food Grains, Pharmaceutical, Chemical, Cement etc.

2. Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1. Significant accounting policies :

a. Use of Estimates :

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Fixed assets :

I. Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

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II. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, future economic benefits are probable. The costs which can be capitalized include that are directly attributable to development of the asset for its intended use. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Gains or losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. Depreciation and amortization :

Leasehold improvements are amortised over the useful life of lease or useful life of the leasehold improvement whichever is short.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under part C of Schedule II to the Companies Act, 2013, which coincides with management's estimate of useful life. For the assets put to use during the financial period, the depreciation is charged on pro-rata basis from the date of put to use. The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial year. Intangible assets are amortized over useful as mentioned below:

| Intangible Assets | Useful life |
|---|---|
| Product Development | 3 years |
| ERP Development | 3 years |

d. Impairment on tangible and intangible assets :

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the assets' recoverable amount. The assets recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for individual assets, unless the assets does not generates cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an assets exceeds its recoverable amounts, the assets considered as impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses of continuing operation, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exists or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumption used to determine the assets recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior years. Such reversal is recognized in the statement of profit and loss.

e. Operating Leases :

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

f. Investments :

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments, if any.

g. Inventories :

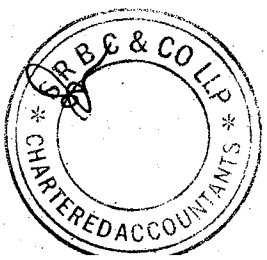
Inventories are valued as follows:

Raw materials are valued at lower of cost and net realizable value. Cost is ascertained on FIFO (First -in-First-Out) basis and includes all cost incurred in bringing the inventories to their present location and condition except for goods in transit which is ascertained on a specific identification basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in progress and manufactured finished goods are valued on full absorption cost basis and include material, labour and factory overheads.

Traded goods are valued at lower of cost and net realizable value. Cost is ascertained on FIFO (First -in-First-Out) basis and includes all cost incurred in bringing the inventories to their present location and condition.

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






h. Revenue recognition :

Revenue is recognized to the extent that is probable that economic benefit will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods is recognised on shipment or dispatch to customers when the risks and rewards of ownership are transferred to the customer. Sales are net of sales tax, value added tax, returns, trade discounts and volume rebates.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Claims are accounted to the extent lodged with the appropriate authorities. Export incentives are accounted on accrual basis based on shipment.

Rental Income is accounted for on accrual basis.

i. Employees benefits :

1. Short-term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service.

2. Post-employment benefits (defined benefit plans):

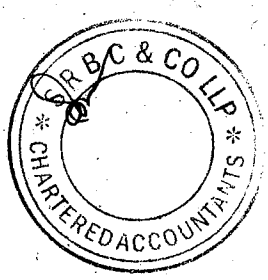
All employees are covered under Employees Gratuity Scheme which is a defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year end. All actuarial gains / losses arising during the accounting year are recognised immediately in the Statement of Profit and Loss as income or expense.

3. Post-employment benefits (defined contribution plans):

Retirement benefit in the form of provident fund is a defined contribution scheme. Employees covered under contributory provident fund benefit of a contribution of 12% of salary and certain allowances. The contributions to the provident fund are charged to the Statement of Profit and Loss of the year when the contributions are due. There are no obligations other than the contributions payable to the provident fund.

4. Long-term employee benefits:

Long term employee benefits comprise of compensated absences. These are measured on the basis of year-end actuarial valuation in pursuance of the Company's leave rules. All actuarial gains / losses arising during the accounting year are recognised immediately in the Statement of Profit and Loss as income or expense.






Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

l. Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after dividend on cumulative preference shares and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m. Segment reporting

The Company is in the business of manufacturing and selling of all kinds of plastic packaging products, plastic material and other ancillary products. The Company's business falls within a single business segment of 'Plastic Packaging Manufacturing'. The analysis of geographical segments is based on the geographical location of the customers.

n. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

o. Contingent liabilities

A contingent liability is a possible obligation that may arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.






p. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash in hand and short term investment with an original maturity of three months or less.






## 3. Share capital

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Authorised share capital:** | | |
| 3,60,00,000 (previous year: 3,60,00,000) equity shares of Rs. 10 each | 3,600.00 | 3,600.00 |
| 100,000 (previous year: 100,000) 'A' Ordinary Shares of differential voting rights of Rs. 10 each | 10.00 | 10.00 |
| | **3,610.00** | **3,610.00** |
| **Issued, subscribed and fully paid-up share capital:** | | |
| **A. Equity shares:** | | |
| 28,098,189 (previous year: 28,098,189) equity shares of Rs. 10 each fully paid up | 2,809.82 | 2,809.82 |
| **B. Equity shares:** | | |
| 100,000 (previous year: 100,000) 'Class A' Ordinary Shares of Rs. 10 each fully paid up | 10.00 | 10.00 |
| | **2,819.82** | **2,819.82** |

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :**

| | 31 March 2017 | | 31 March 2016 | |
|---|---|---|---|---|
| | No. | Amount (Rs. In Lakhs) | No. | Amount (Rs. In Lakhs) |
| **A. Equity shares having nominal value of Rs. 10 per share** | | | | |
| At the beginning and at the end of the financial year | 2,80,98,189 | 2,809.82 | 2,80,98,189 | 2,809.82 |
| | **2,80,98,189** | **2,809.82** | **2,80,98,189** | **2,809.82** |
| **B. Class A' Ordinary shares of Rs. 10 each fully paid up** | | | | |
| At the beginning and at the end of the financial year | 1,00,000 | 10.00 | 1,00,000 | 10.00 |
| **Total:** | **1,00,000** | **10.00** | **1,00,000** | **10.00** |

**(b) Terms / rights attached to equity shares:**

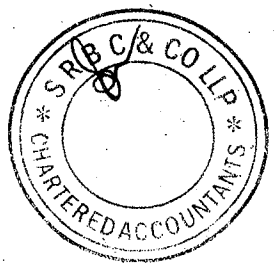
**A. Equity shares**

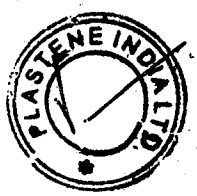
The Company has issued two class of equity shares having a par value of Rs. 10 per share. Each holder of the equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval to the shareholders in the ensuring Annual General Meeting, except in case of interim dividend.

During the year ended 31 March 2017, the amount of per share dividend recognized as distributions to equity shareholders was Nil (31 March 2016: Nil).

**B. 'A' Ordinary Shares of differential voting rights**

If any resolution at any general meeting of shareholders is put to vote on poll, or if any resolution is put to vote by postal ballot, each class 'A' Ordinary shareholder shall be entitled to five hundred vote for every one class 'A' Ordinary shares held irrespective of differential dividend rights. In case there is a resolution put to vote in the shareholders meeting and is to be decided on a show of hands, the holders of class 'A' Ordinary shares shall be entitled to the same number of votes as available to holders of Ordinary shares.



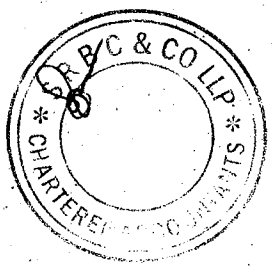
(c) Details of shareholders holding more than 5% in equity shares in the company :

| Name of Shareholder | 31 March 2017 | | 31 March 2016 | |
|---|---|---|---|---|
| | No. of shares | % holding in class | No. of shares | % holding in class |
| **Equity shares of Rs. 10/- each- Fully Paid up** | | | | |
| HCP Enterprises Limited (formerly known as M/s. YMP Machineries Private Limited ) | 52,35,164 | 18.63% | 51,66,764 | 18.39% |
| M/s. Oswal Lumbers Private Limited | 55,27,732 | 19.67% | 44,37,732 | 15.79% |
| M/s. Oswal Commodities Private Limited | 39,16,588 | 13.94% | 39,16,588 | 13.94% |
| Prakash H. Parekh (HUF) | 19,87,700 | 7.07% | 19,87,700 | 7.07% |
| Mrs. Madhu P. Parekh & Mr. Prakash H. Parekh | 14,36,500 | 5.11% | 14,36,500 | 5.11% |
| Mr. Prakash H. Parekh | 23,54,783 | 8.38% | 23,54,783 | 8.38% |
| Elite Inks Private Limited | 7,75,000 | 2.76% | 18,65,000 | 6.64% |
| Others (with shareholdings less than 5%) | 68,64,722 | 24.43% | 69,33,122 | 24.67% |
| **Class A' Ordinary shares of Rs. 10 each fully paid:** | | | | |
| Mr. Hiralal C. Parekh | - | 0.00% | 15,000 | 15.00% |
| Mrs. Vidyadevi H. Parekh | 15,000 | 15.00% | 15,000 | 15.00% |
| Mrs. Reshmidevi Parekh | 15,000 | 15.00% | - | 0.00% |
| Mr. Deepak Parekh | 14,000 | 14.00% | 14,000 | 14.00% |
| Mrs. Neetudevi Deepak Parekh | 14,000 | 14.00% | 14,000 | 14.00% |
| Deepak Parekh (HUF) | 13,000 | 13.00% | 13,000 | 13.00% |
| Mrs. Madhu P. Parekh | 10,000 | 10.00% | 10,000 | 10.00% |
| Prakash H. Parekh (HUF) | 10,000 | 10.00% | 10,000 | 10.00% |
| Mr. Prakash H. Parekh | 9,000 | 9.00% | 9,000 | 9.00% |

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

**4. Reserves and surplus**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Securities premium account** | | |
| Balance at the beginning and at the end of the year | 4,573.11 | 4,573.11 |
| **Closing balance** | **4,573.11** | **4,573.11** |
| **Surplus in the statement of profit and loss** | | |
| Balance as per the last financial statements | 5,473.05 | 4,803.34 |
| Add : Profit for the year | 276.69 | 669.71 |
| Net Surplus in statement of profit/loss | **5,749.74** | **5,473.05** |
| | **10,322.85** | **10,046.16** |






## 5. Long term borrowings

| | Non-current | | Current* | |
|---|---|---|---|---|
| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
| **Term loan/Corporate loan from banks** | | | | |
| Indian rupee loan from banks (secured) (refer note a below) | 4,269.45 | 1,129.77 | 1,153.21 | 332.55 |
| **Other loans and advances** | | | | |
| Vehicle loan (secured) (refer note b below) | 35.39 | 16.04 | 20.65 | 21.96 |
| Long term loans (refer note c below) | 648.75 | 737.48 | 88.74 | 229.61 |
| | **4,953.59** | **1,883.29** | **1,262.60** | **584.12** |
| **The above amount includes** | | | | |
| Secured borrowings | 4,942.68 | 1,854.69 | 1,244.91 | 569.83 |
| Unsecured borrowings | 10.91 | 28.60 | 17.69 | 14.29 |
| *Amount disclosed under the head "other current liability" (refer note 11) | | | (1,262.60) | (584.12) |
| **Net amount** | **4,953.59** | **1,883.29** | - | - |

**a. Term Loan/Corporate Loan from banks**

**Terms of Repayment :**

**State Bank of India:**

Term Loan of Rs. 400 lakhs and Corporate Loan of Rs.1600 lakhs was sanctioned by State bank of India in financial year 2015-16 and carries interest @ 12.65%-13.57% p.a. during the reporting period. It is repayable in 24 quarterly instalments ranging from Rs. 10.00 - 25.00 lakhs for Term Loan and 24 quarterly instalments ranging from Rs. 40.00 - 100.00 lakhs for Corporate Loan.

**State Bank of Mysore:**

Corporate Loan of Rs. 500.00 lakhs was sanctioned by State Bank of Mysore in financial year 2015-16 and carries interest @ 12.36%-14.25% p.a. during the reporting period. Corporate Loan is repayable in 24 quarterly instalments ranging from Rs. 12.50 - 31.25 lakhs.

**EXIM Bank:**

Term Loan of Rs. 1500 lakhs was sanctioned in financial year 2012-13 carrying interest rate of 12.25% -12.50% and Corporate Loan of Rs. 2400 lakhs was sanctioned by Exim Bank in financial year 2015-16 carrying interest @ 13.70%-13.95% p.a. during the reporting period. Term Loan is repayable in 20 equal quarterly instalments of Rs. 75.00 lakhs each and Corporate Loan is repayable in 24 equal quarterly instalments of Rs. 100.00 lakhs each.

**State Bank of Hyderabad:**

Term Loan of Rs. 600 Lakhs sanctioned by State Bank of Hyderabad in financial year 2015 - 16 and carries interest @ 14.00% p.a. during the reporting period.. Term Loan is repayable in 24 quarterly instalments ranging from Rs. 30.00 - 120.00 lakhs.

**State Bank of Patiala:**

Term Loan of Rs. 217 lakhs was sanctioned by State Bank of Patiala in financial year 2013-14 and carries interest @ 12.64%-12.78% p.a. during the reporting period. Term Loan is repayable in 13 quarterly instalments ranging from Rs. 12.20 - 27.52 lakhs.

**Dena Bank:**

Term Loan of Rs. 500 Lakhs sanctioned by Dena Bank in financial year 2015-16 and carries interest @ 12.95% p.a. during the reporting period. Term Loan is repayable in 22 quarterly instalments ranging from Rs. 12.50 - 37.50 lakhs.

**Security:**

Term Loan is secured by way of first Pari-Passu charge by Equitable Mortgage of the Immovable properties of the Company situated at :Land bearing Survey No.317/1 and 317/2 of Nani Chiral of Taluka Bahachau, District Kutch. Land bearing Survey Nos.1551 and 1552/1 Paiki 2 of Mouje Rajpur, Taluka Kadi. Hypothecation of entire Plant & Machinery (excluding Wind Mill) of the Company .

Term Loan is secured by way of Second Pari-Passu Charge by way of Hypothecation of the entire current assets namely stocks of Raw Materials, semi Finished Goods, Finished Goods, stores and spares not relating to Plant and Machinery (consumable stores and spares), bills receivables and book debts other movables of the Borrower, both present and future excluding movables as may be permitted by the said Banks from time to time. (except Stock and Book debts arising out of E-dfs facility)

Corporate Loan is secured by way of first Pari-Passu charge by Equitable Mortgage of the Immovable properties of the Company situated at :Land bearing Survey No.317/1 and 317/2 of Nani Chiral of Taluka Bahachau, District Kutch. Land bearing Survey Nos.1551 and 1552/1 Paiki 2 of Mouje Rajpur, Taluka Kadi and hypothecation of entire Plant & Machinery (excluding Wind Mill) of the Company .

Corporate Loan is secured by way of first Pari-Passu Charge by way of Hypothecation of the Borrower's entire current assets namely stocks of Raw Materials, Semi Finished Goods, Finished Goods, stores and spares not relating to Plant and Machinery (consumable stores and spares), Bills Receivables & book debts and other movables of the Borrower, both present and future excluding movables as may be permitted by the said Banks from time to time. (except Stock and Book debts arising out of E-dfs facility)

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**Other Collateral:**
Term Loan and Corporate Loan are secured by : a)EM on Bungalow No 13, Flat No 001 on Ground Floor Premises of H. B. Jirawla House, Area 200.06 sq meter, located at T.P. No 3, Final Plot No 68, Sub Plot no 8, with in the village limits of Mouje : Usmanpura, Shree Navbharat Co-Op Housing Society Ltd., Opp. Panchshil Bus stop, Usmanpura, Ahmedabad's)EM on Bunglow No 13, Flat No 201 on Second Floor Premises of H. B. Jirawla House, Plot Area : 445 sq yds & builtup area 154.51 sq mtrs( As per TIR), located at T.P. No 3, Final Plot No 68, Sub Plot no 8, with in the village limits of Mouje : Usmanpura, Shree Navbharat Co-Op Housing Society Ltd.; Opp. Panchshil Bus stop, Usmanpura, Ahmadabad.(c)EM on Bunglow No 13, Flat No 401 on Fourth Floor Premises of H. B. Jirawla House, Plot Area : 445 sq yds & builtup area 154.51 sq mtrs( As per TIR), located at T.P. No 3, Final Plot No 68, Sub Plot no 8, with in the village limits of Mouje : Usmanpura, Shree Navbharat Co-Op Housing Society Ltd., Opp. Panchshil Bus stop, Usmanpura, Ahmadabad.(d) EM over Plot No. A for industrial purpose area about 4290.42 Sq. mtrs. Survey No. 316 Situated at Village Nani Chirai, Taluka: Bhachau, Dist. Kutch except lease hold right of SBI over Tenament about 1874 Sq. Feet Constructed upon Plot no. A.(e)EM over Tenement No 9-B, Final Plot No 211+117, Vadaj TP Scheme No 15,( Land Area 432 sq yards as per VR) within the village limits of Mouje: Vadaj, Sumatinagar Co-Op. Housing society Ltd, Vadaj, Ahmedabad in the name of Smt. Vidyadevi Parekh.

**Personal Guarantee:**
All the aforesaid facilities are also secured by personal guarantee of Mr. Prakash Parekh, Managing Director of the Company and Mr. Chetan Parekh, Director of the Company and third party guarantee of Vidyadevi H. Parekh.

**Pledge of Shares:**
All the aforesaid facilities are also secured by pledge of Company's equity share to the extent of 51% of total issued and paid up capital.

**Exclusive Charge:**
1. Exclusive charge over Windmill by way of Hypothecation in favor of Dena Bank.
2. Exclusive Charge by way of Mortgage to Bank of Baroda over property situated at Plot No 179, Sector-4, Gandhidham, Society Ltd., Gandhidham. in name of Mr. Dhanpat Champalal Parekh.

**Vehicle loans :-**
The vehicle re-finance loans is taken during the year 2013-14 from HDFC Bank Limited of Rs. 27.10 Lacs for 2 Nos. of vehicles & are secured by hypothecation of the related vehicles. The same are repayable in equated monthly instalments (EMI) varying from Rs. 17,096 to Rs. 50,000 over a period varying from of 47 to 60 months and carrying a rate of interest of 10.40 % to 10.78%.

The vehicle re-finance loans is taken during the year 2012-13 and 2014-15 from Kotak Mahindra Prime Limited of Rs. 25.97 Lacs for 2 Nos. of vehicles & are secured by hypothecation of the related vehicles. The same are repayable in equated monthly instalments (EMI) varying from Rs. 11,820 to Rs. 53,400 over a period varying from 36 to 47 months and carrying a rate of interest of 9.20 % to 10.00%.

The vehicle re-finance loans is taken during the year 2015-16 and 2016-17 from ICICI Bank Limited of Rs. 43.92 Lacs for 4 Nos. of vehicles & are secured by hypothecation of the related vehicles. The same are repayable in equated monthly instalments (EMI) varying from Rs. 17,942 to Rs. 39,688 over a period varying from 36 to 60 months and carrying a rate of interest of 11.00 % to 11.25%.

c. **Long term loans from others:**
**Religare Finvest Limited:**
Long term loan of Rs. 950 lakhs was sanctioned in F.Y. 2015 - 16 and carries interest @ 12.75%-13.00% p.a. during the reporting period. The Loan is repayable in 92 equal quarterly instalments of Rs. 14.01 lakhs each. The Corporate Loan is secured by equitable mortgage on Flat No.22,31,91,102 & Pent House 112 at Aman Heights,Near Sadhana Colony,Opp. Sardar Patel Stadium,Navarangpura,Ahmedabad.

**Religare Finvest Limited:**
Unsecured long term loan of Rs. 50.00 lakhs was sanctioned in F.Y. 2015 - 16 and carries interest @ 16.50% p.a. during the reporting period. The Loan is repayable in 36 equal quarterly instalments of Rs. 1.77 lakhs each.

**Deferred tax liabilities (net)**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Deferred tax liability** | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 1,331.91 | 1,473.26 |
| **Gross deferred tax liability** | **1,331.91** | **1,473.26** |
| **Deferred tax asset** | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis on employee benefits | 56.40 | 4.45 |
| Others | 10.81 | 5.42 |
| **Gross deferred tax asset** | **67.21** | **9.87** |
| | **1,264.70** | **1,463.39** |

**Other long term liabilities**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Other payables | 1,217.17 | 3,617.91 |
| | **1,217.17** | **3,617.91** |

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## 8. Provisions

| | Non-current | | Current | |
|---|---|---|---|---|
| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
| **Provision for employee benefits:** | | | | |
| Provision for leave benefits | 42.47 | 26.22 | 7.46 | 4.34 |
| Provision for gratuity | 89.16 | 74.33 | 6.31 | 7.63 |
| **Other provisions:** | | | | |
| Provision for taxation (net of advance tax and TDS) | - | - | 80.41 | 211.71 |
| | **131.63** | **100.55** | **94.18** | **223.68** |

## 9. Short term borrowings

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Other loans (repayable on demand)** | | |
| Working capital facilities (secured) (refer note below) | 20,647.91 | 19,701.76 |
| | **20,647.91** | **19,701.76** |
| **The above amount includes** | | |
| Secured borrowings | 20,647.91 | 19,701.76 |
| Unsecured borrowings | - | - |

**Working capital facilities from banks:**

Working capital facilities from banks include cash credit, Packing credit facility, export packing credit etc.carrying interest rate ranging from 6.60% to 13.75%.

**Security:**

Working Capital Facilities secured by way of first Pari-Passu Charge by way of Hypothecation of the Borrower's entire current assets namely stocks of Raw Materials, semi Finished Goods, Finished Goods, stores and spares not relating to Plant and Machinery (consumable stores and spares), bills receivables and book debts other movables of the Borrower, both present and future excluding movables as may be permitted by the said Banks from time to time. Exclusive 1st charge to SBI on Stock and Book debts created out of E-dfs facility.

By way of second pari passu charge in favour of the said banks on movable assets i.e. movable plant and machinery (excluding wind mill) of the borrower save and except those movable assets (other than the current assets) of the Borrower situated at or at other places both present and future as described in the Third Schedule of Hypothecation Agreement dated 30th March,2016 situate, lying and being at :(a) Land bearing Survey No.317/1 and Survey No. 317/2 of Mouje Nani Chirai,Taluka Bhachau, Kutch, Gujarat.(b) Land bearing Survey No.1551/1 and 1552/1 Paiki 2 of Mouje Rajpur,Taluka Kadi,District Mehsana

By way of second pari-passu charges by way of mortgage on all the piece and parcel of the immovable properties of the Company situated at :(a) Land bearing Survey No.317/1 and Survey No. 317/2 of Mouje Nani Chirai,Taluka Bhachau, Kutch, Gujarat.

(b) Land bearing Survey No.1551 and 1552/1 Paiki 2 of Mouje Rajpur,Taluka Kadi,District Mehsana

**Other Collateral:**

Working capital facilities secured by : a)EM on Bungalow No 13, Flat No 001 on Ground Floor Premises of H. B. Jirawla House, Area 200.06 sq meter, located at T.P. No 3, Final Plot No 68, Sub Plot no 8, with in the village limits of Mouje : Usmanpura, Shree Navbharat Co-Op Housing Society Ltd., Opp. Panchshil Bus stop, Usmanpura, Ahmedabad's)EM on Bunglow No 13, Flat No 201 on Second Floor Premises of H. B. Jirawla House, Plot Area : 445 sq yds & builtup area 154.51 sq mtrs( As per TIR), located at T.P. No 3, Final Plot No 68, Sub Plot no 8, with in the village limits of Mouje : Usmanpura, Shree Navbharat Co-Op Housing Society Ltd., Opp. Panchshil Bus stop, Usmanpura, Ahmadabad.(c)EM on Bunglow No 13, Flat No 401 on Fourth Floor Premises of H. B. Jirawla House, Plot Area : 445 sq yds & builtup area 154.51 sq mtrs( As per TIR), located at T.P. No 3, Final Plot No 68, Sub Plot no 8, with in the village limits of Mouje : Usmanpura, Shree Navbharat Co-Op Housing Society Ltd., Opp. Panchshil Bus stop, Usmanpura, Ahmadabad.(d) EM over Plot No. A for industrial purpose area about 4290.42 Sq. mtrs. Survey No. 316 Situated at Village Nani Chirai, Taluka: Bhachau, Dist. Kutch except lease hold right of SBI over Tenament about 1874 Sq. Feet Constructed upon Plot no. A.(e)EM over Tenement No 9-B, Final Plot No 211+117, Vadaj TP Scheme No 15,( Land Area 432 sq yards as per VR) within the village limits of Mouje: Vadaj, Sumatinagar Co-Op. Housing society Ltd, Vadaj, Ahmedabad in the name of Smt. Vidyadevi Parekh.

**Personal Guarantee:**

All the aforesaid facilities are also secured by personal guarantee of Mr. Prakash Parekh, Managing Director of the Company and Mr. Chetan Parekh, Director of the Company and third party guarantee of Vidyadevi H. Parekh.

**Pledge of Shares:**

All the aforesaid facilities are also secured by pledge of Company's equity share to the extent of 51% of total issued and paid up capital.

**Exclusive Charge:**

1. Exclusive charge over Windmill by way of hypothecation in favour of Dena Bank.
2. Exclusive Charge by way of Mortgage to Bank of Baroda over property situated at Plot No 179, Sector-4, Gandhidham, Society Ltd., Gandhidham. in name of Mr. Dhanpat Champalal Parekh.
3. Exclusive first charge to State Bank of India on stock and book debts arising out of E-dfs facility.

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**10. Trade Payables**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Trade Payables (refer note 30) | | |
| Total outstanding dues of micro and small enterprise | - | - |
| Total outstanding dues of creditors other than micro and small enterprise | 2,241.14 | 2,448.01 |
| | **2,241.14** | **2,448.01** |

**11. Other Current Liabilities**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Current maturities of long term debts (refer note 5) | 1,262.60 | 584.12 |
| Interest accrued but not due on borrowings | 77.50 | 0.80 |
| Advance from customers | 42.55 | 96.93 |
| Book overdraft | 29.55 | - |
| Creditors for capital goods | 39.88 | 37.54 |
| Statutory dues payable | 79.93 | 33.46 |
| Employee benefits payable | 205.46 | 159.98 |
| Other payables | 328.29 | 216.01 |
| | **2,065.76** | **1,128.84** |

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**Plastene India Limited**
**Notes to financial statements for the year ended March 31, 2017**

**12 Tangible ,Intangible Assets & Capital Work in Progress**

| Particulars | Leasehold Land | Leasehold Property | Factory Buildings | Office / administrative building | Plant & Machinery | Electrical Installations | Wind Mill | Computers | Office equipments | Furniture and fixtures | Vehicles | Total | Software | New Product Development | Total | Software under development |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross block at cost** | | | | | | | | | | | | | | | | |
| **At April 1, 2015** | 134.20 | - | 3,086.35 | 221.01 | 11,428.22 | 524.54 | 685.58 | 65.19 | 130.01 | 94.99 | 226.40 | 16,596.49 | 51.59 | 675.96 | 727.55 | 159.61 |
| Additions | - | - | 23.29 | - | 232.99 | 5.80 | - | 5.76 | 2.29 | 4.65 | 41.14 | 315.92 | - | - | - | 45.33 |
| Deletions | - | - | - | - | 56.92 | - | - | - | - | - | 30.16 | 87.08 | - | - | - | 18.61 |
| **At March 31, 2016** | 134.20 | - | 3,109.64 | 221.01 | 11,604.29 | 530.34 | 685.58 | 70.95 | 132.30 | 99.64 | 237.38 | 16,825.33 | 51.59 | 675.96 | 727.55 | 186.33 |
| Addition | - | 36.88 | - | - | 384.36 | 41.41 | - | 9.07 | 14.08 | 16.62 | 44.30 | 546.72 | 25.00 | - | 25.00 | 20.32 |
| Deletion | - | - | - | - | 30.68 | 0.17 | - | - | - | - | 6.35 | 37.20 | - | - | - | (25.00) |
| **At March 31 , 2017** | 134.20 | 36.88 | 3,109.64 | 221.01 | 11,957.97 | 571.58 | 685.58 | 80.02 | 146.38 | 116.26 | 275.33 | 17,334.85 | 76.59 | 675.96 | 752.55 | 181.65 |
| **Depreciation** | | | | | | | | | | | | | | | | |
| **At April 1, 2015** | - | - | 618.72 | 37.92 | 4,248.90 | 302.46 | 94.39 | 54.01 | 60.51 | 35.87 | 122.97 | 5,575.75 | 15.40 | - | 15.40 | - |
| Charge for the year | - | - | 94.65 | 3.25 | 845.13 | 56.86 | 26.44 | 4.78 | 11.99 | 7.89 | 21.59 | 1,072.58 | 11.93 | 225.32 | 237.25 | - |
| Deletions | - | - | - | - | 38.77 | - | - | - | - | - | 14.68 | 53.45 | - | - | - | - |
| **At March 31, 2016** | - | - | 713.37 | 41.17 | 5,055.26 | 359.32 | 120.83 | 58.79 | 72.50 | 43.76 | 129.88 | 6,594.88 | 27.33 | 225.32 | 252.65 | - |
| Charge for the year | - | - | 95.21 | 3.24 | 870.14 | 39.72 | 26.38 | 7.02 | 11.64 | 9.04 | 26.63 | 1,089.02 | 17.77 | 225.32 | 243.09 | - |
| Deletion | - | - | - | - | 18.28 | 0.12 | - | - | - | - | 2.98 | 21.38 | - | - | - | - |
| **At March 31,2017** | - | - | 808.58 | 44.41 | 5,907.12 | 398.92 | 147.21 | 65.81 | 84.14 | 52.80 | 153.53 | 7,662.52 | 45.10 | 450.64 | 495.74 | - |
| **Net block** | | | | | | | | | | | | | | | | |
| **At March 31 ,2017** | 134.20 | 36.88 | 2,301.06 | 176.60 | 6,050.85 | 172.66 | 538.37 | 14.21 | 62.24 | 63.46 | 121.80 | 9,672.33 | 31.49 | 225.32 | 256.81 | 181.65 |
| **At March 31 ,2016** | 134.20 | - | 2,396.27 | 179.84 | 6,549.03 | 171.02 | 564.75 | 12.16 | 59.80 | 55.88 | 107.50 | 10,230.45 | 24.26 | 450.64 | 474.90 | 186.33 |

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## 17. Trade receivables

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Outstanding for a period exceeding six months from the date from which they are due for payment** | | |
| Unsecured, considered good | 660.95 | 243.19 |
| Unsecured, considered doubtful | 32.70 | - |
| | **693.65** | **243.19** |
| Less : Provision for doubtful debts | (32.70) | - |
| | **660.95** | **243.19** |
| Other receivable ( unsecured, considered good) | 15,613.15 | 14,885.87 |
| | **16,274.10** | **15,129.06** |

## 18. Cash and bank balances

| | Non-current | | Current | |
|---|---|---|---|---|
| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
| Cash on hand | - | - | 3.70 | 12.10 |
| **Balance with banks** | | | | |
| On current accounts | - | - | 80.88 | 37.95 |
| In Deposit Accounts* | - | - | 0.50 | - |
| | - | - | **85.08** | **50.05** |
| **Other bank balances** | | | | |
| Deposits with remaining maturity for more than 12 months* | 7.62 | - | - | - |
| Deposits with remaining maturity for less than 12 months* | - | - | 364.41 | 444.16 |
| | **7.62** | - | **364.41** | **444.16** |
| (-) Amount disclosed under non-current assets (refer note 15) | (7.62) | - | - | - |
| | - | - | **449.49** | **494.21** |

*Represent margin money deposit pledged as lien against working capital facilities from banks.






## 19. Revenue from operations

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Sales of products** | | |
| Finished goods | 42,486.15 | 33,835.30 |
| Traded goods | 12,786.22 | 18,779.23 |
| | **55,272.37** | **52,614.53** |
| **Sale of Services** | | |
| Income from Job work charges | 417.98 | 867.71 |
| Income from software sale and customization | - | 30.05 |
| | **417.98** | **897.76** |
| **Other operating revenue** | | |
| Sale of scrap | 17.57 | 3.59 |
| Commission income | 369.32 | 244.10 |
| Interest from customers | 325.11 | - |
| Export incentives | 522.89 | 485.41 |
| Exchange rate difference (net) | 500.02 | 688.37 |
| | **1,734.91** | **1,421.47** |
| **Revenue from operations (gross):** | **57,425.26** | **54,933.76** |
| Less: Excise duty | 2,776.35 | 2,706.21 |
| **Revenue from operations (net):** | **54,648.91** | **52,227.55** |

**Details of major items of sales :**

| | | |
|---|---|---|
| Technical textiles | 30,901.14 | 23,705.93 |
| Granules | 10,252.10 | 11,561.13 |
| Others | 11,342.78 | 14,641.27 |
| | **52,496.02** | **49,908.33** |
| | 52,496.02 | 49,908.33 |

## 20. Other income

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Interest income on** | | |
| Bank deposits | 34.67 | 39.67 |
| Others | 337.20 | 263.89 |
| **Others:** | | |
| Rent Income | 2.70 | 2.90 |
| Other non-operating income | 25.04 | 68.26 |
| | **399.61** | **374.72** |

## 21. Cost of materials consumed

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Inventory of raw and packing material at the beginning of the financial year | 1,286.75 | 1,336.24 |
| Add : Purchases during the period | 30,570.51 | 22,300.55 |
| | 31,857.26 | 23,636.79 |
| Less : Inventory of raw and packing material at the end of the period | 2,694.96 | 1,286.75 |
| | **29,162.30** | **22,350.04** |

**a) Details of major items of cost of material consumed:**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Granules | 20,580.83 | 16,691.96 |
| Inks & Solvents | 1,504.59 | 1,136.26 |
| Others | 7,076.88 | 4,521.82 |
| | **29,162.30** | **22,350.04** |

**b) Details of major items of inventory of finished goods, traded goods and work in progress:**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Work in progress:** | | |
| Technical Textiles | 2,985.66 | 3,955.24 |
| Granules | 344.87 | 147.81 |
| Inks & Solvents | 93.79 | 15.82 |
| Others | 1,103.03 | 307.84 |
| | **4,527.35** | **4,426.72** |
| **Finished goods** | | |
| Technical Textiles | 2,367.25 | 1,577.18 |
| Others | 814.56 | 770.22 |
| | **3,181.81** | **2,347.40** |
| **Traded goods** | | |
| Granules | 141.41 | 181.88 |
| Others | 26.51 | 26.97 |
| | **167.93** | **208.85** |

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PLASTENE INDIA LTD.

**22. Purchase of traded goods**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Purchase of traded goods | 12,370.52 | 17,636.15 |
| | 12,370.52 | 17,636.15 |

**a) Details of major items of purchase of traded goods :**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Granules | 5,997.14 | 8,118.23 |
| Technical textiles | 3,671.24 | 1,481.25 |
| Others | 2,702.14 | 8,036.67 |
| | 12,370.52 | 17,636.15 |

**23. Changes in inventories of finished goods, work-in-progress and stock in trade:**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Stock at the beginning of the year** | | |
| - Finished goods (including goods in transit) | 2,347.40 | 3,136.16 |
| - Work in Progress | 4,426.72 | 4,206.30 |
| - Stock-in-trade acquired for trading (including goods in transit) | 208.85 | 75.10 |
| | 6,982.97 | 7,417.56 |
| **Stock at the end of the year** | | |
| - Finished goods (including goods in transit) | 3,181.81 | 2,347.40 |
| - Work in Progress | 4,527.35 | 4,426.72 |
| - Stock-in-trade acquired for trading (including goods in transit) | 167.93 | 208.85 |
| | 7,877.09 | 6,982.97 |
| Changes in inventory | (894.13) | 434.59 |
| (Decrease)/ Increase in excise duty on finished goods | 86.63 | 179.31 |
| | (807.49) | 613.90 |

**24. Employees' benefit expenses**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Salaries, wages and bonus | 1,858.32 | 1,609.24 |
| Contribution to provident and other funds | 55.86 | 46.68 |
| Gratuity expense (refer note 29) | 32.11 | 26.56 |
| Staff welfare expenses | 32.79 | 22.66 |
| | 1,979.08 | 1,705.14 |

**25. Finance costs**

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Interest** | | |
| On working capital loans from banks | 1,904.57 | 1,653.23 |
| On other secured loans from banks | 823.83 | 512.72 |
| Other interest | 62.21 | 222.75 |
| | 2,790.61 | 2,388.70 |
| **Finance charges** | | |
| Bank charges | 334.87 | 370.90 |
| Exchange rate difference, net (finance) | - | 483.96 |
| | 3,125.48 | 3,243.56 |

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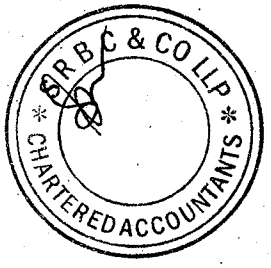
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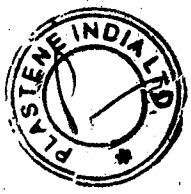
## 26. Other expenses

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Power and fuel | 1,740.97 | 1,626.89 |
| Repairs and maintenance : | | |
| - Plant & machinery | 24.16 | 19.16 |
| - Buildings | 56.61 | 17.49 |
| - Others | 63.11 | 53.86 |
| | 143.88 | 90.51 |
| Labour job work charges | 2,053.81 | 1,321.63 |
| Stores, Spares & Consumables | 522.27 | 390.33 |
| Water charges | 43.04 | 37.60 |
| Testing charges | 26.72 | 15.94 |
| Postage & courier expenses | 56.39 | 36.97 |
| Selling and distribution expenses | 964.29 | 900.16 |
| Rental expense (refer note 31) | 48.54 | 38.17 |
| Rates and taxes | 24.77 | 2.23 |
| Insurance | 130.17 | 66.93 |
| Electricity expenses | 15.01 | 14.97 |
| Legal and professional charges | 78.51 | 212.74 |
| Bad debts written off | 470.50 | - |
| Provision for bad and doubtful debts | 32.70 | - |
| Printing and stationery expenses | 18.98 | 15.25 |
| Loss on sale of fixed assets | 1.16 | 8.97 |
| Export incentive receivable written off | 423.19 | - |
| Communication expenses | 14.12 | 14.38 |
| Auditors' remuneration (refer note below) | 8.00 | 5.00 |
| Security and housekeeping expenses | 33.37 | 30.06 |
| Advances written off | 46.51 | 12.11 |
| Miscellaneous expenses | 78.47 | 49.00 |
| | **6,975.37** | **4,889.84** |
| **Payment to auditors:** | | |
| **As Auditor** | | |
| Statutory audit fees | 8.00 | 5.00 |
| | **8.00** | **5.00** |

## 27. Prior period expenses

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Expense towards purchase of material | 509.75 | - |
| | **509.75** | **-** |



28 Earnings per Share (EPS)

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Basic and diluted earnings per share :-** | | |
| Profit for the year attributable to equity share holders | 276.69 | 669.71 |
| **Weighted average number of shares** | | |
| Weighted average number of equity Shares of Rs.10/-each used for calculation of Basic and Diluted EPS(in lakhs) | 2,81,98,189 | 2,81,98,189 |
| **Basic and Diluted earnings per share (EPS) (Rs.)** | 0.98 | 2.38 |
| **Face value per share (Rs.)** | 10.00 | 10.00 |

29 Employees benefits

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution is charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and other funds for the year are as follows:

| Particulars | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Provident Fund | 55.86 | 46.68 |
| | 55.86 | 46.68 |

**Post employment benefits: Gratuity**

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| **Statement of profit and Loss** | | |
| Net employee benefit recognized in the employee cost: | | |
| Current service cost | 18.01 | 12.42 |
| Interest cost on benefit obligation | 6.52 | 4.82 |
| Expected return on plan assets | - | - |
| Net actuarial (gain) / loss | 7.58 | 9.32 |
| **Net benefit expense** | 32.11 | 26.56 |
| **Change in the present value of the define benefit are as follows:** | | |
| Obligation at the beginning of the year | 81.96 | 62.60 |
| Current service cost | 18.01 | 12.42 |
| Interest cost on benefit obligation | 6.52 | 4.82 |
| Actuarial (Gain) / Loss | 7.58 | 9.32 |
| Benefits paid during the year | (18.60) | (7.20) |
| **Closing defined benefit obligation** | 95.47 | 81.96 |
| **Balance Sheet** | | |
| **Reconciliation of liability recognised in the balance sheet** | | |
| Present Value of Unfunded Obligations | 95.47 | 81.96 |
| Fair value of plan asset | - | - |
| **Net (liability) / asset in the balance sheet** | 95.47 | 81.96 |
| **The principal assumption used in determining gratuity for the company's are shown below:** | | |
| Discount rate | 7.39% | 7.96% |
| Employee turnover | 5.00% | 5.00% |
| Salary escalation | 6.00% | 6.00% |

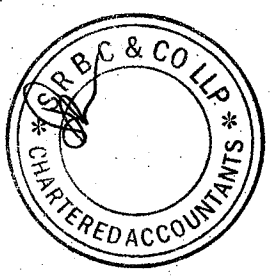
**Experience adjustment for the current and previous periods:***

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) | 31 March 2015 (In Rupees Lakhs) |
|---|---|---|---|
| Defined benefit obligation | 95.47 | 81.96 | 62.60 |
| Experience adjustments on plan liabilities | 2.25 | 7.42 | (7.51) |

The estimates of future salary increase, considered in the actuarial valuation, take into account inflation, promotion and other relevant factors, such as supply and demand into the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.
*To the extent information available with the management.

**Other Long term employee benefits:**

The liability towards compensated absences for the year ended March 31, 2017 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by 19.36 lakhs ( March 31, 2016 : 5.12 lakhs)






30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As there are no micro, small and medium enterprises identified on the basis of response received by management, as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made.

31 Leases

Assets taken on operating leases:

The company has entered into lease agreements for office premises, factory sheds and guest houses. The lease typically runs for a period ranging between 11 to 33 months. These leasing arrangements are cancellable and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent, as the case may be.

| Lease payments recognized in the statement of profit and loss for the year. | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| In respect of premises taken on lease | 48.54 | 38.17 |
| | 48.54 | 38.17 |

32 Capital Commitments

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) | 702.96 | 21.83 |

33 Contingent Liabilities

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Claims against the Company not acknowledged as debts: | | |
| i) Income tax related matters: | | |
| In respect of matters decided against the Company for which the Company is in appeal with higher authorities. | 129.78 | 93.96 |
| In respect of matters decided in favor of the Company for which the Department is in appeal with higher authorities. | 18.31 | 18.31 |
| ii) Indirect tax related matters: | | |
| In respect of matters (VAT and excise) decided against the Company for which the Company is in appeal with higher authorities. | 43.47 | 172.86 |
| iii) Employee related and other matters: | 24.68 | 22.68 |

34 Derivative instruments and unhedged foreign currency exposure

The Company has entered into foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations.

The outstanding forward exchange contracts as at March 31,2017 and March 31,2016:

| Category | March 31, 2017 | | |
|---|---|---|---|
| | Currency | Foreign Currency | Equivalent Rs.in lakhs |
| Forward exchange contracts (to hedge payables) | USD | 7,54,076 | 488.98 |
| | EUR | 89,806 | 62.21 |

| Category | March 31, 2016 | | |
|---|---|---|---|
| | Currency | Foreign Currency | Equivalent Rs.in lakhs |
| Forward exchange contracts (to hedge receivables) | USD | 5,00,000 | 331.30 |
| | EUR | 4,00,000 | 301.60 |

Un-hedged foreign currency Exposure

| | Currency | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| Trade Receivables ( net of bill purchased) | USD | 22,96,262 | 8,66,702 |
| | EUR | 12,43,752 | 10,43,840 |
| | GBP | 3,29,832 | 5,69,588 |
| | Equivalent Rs.In lakhs | 2,617.52 | 1,888.93 |
| Import trade payable | USD | - | - |
| | EUR | 2,48,068 | - |
| | Equivalent Rs.In lakhs | 171.83 | - |
| Advance to supplier | USD | 1,48,101 | - |
| | Equivalent Rs.In lakhs | 96.04 | - |
| Working capital facilities | USD | 20,68,110 | 43,72,611 |
| | EUR | 1,49,303 | 3,69,924 |
| | Equivalent Rs.In lakhs | 1,444.48 | 3,175.84 |

35 Value of imports calculated on CIF basis

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Raw materials, stores and spares | 12,657.42 | 10,331.59 |
| | 12,657.42 | 10,331.59 |

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PLASTENE INDIA LTD.

36 Imported and indigenous raw materials, stores and spare parts consumed

| | % of total consumption 31 March 2017 | Value (in Rupees) 31 March 2017 | % of total consumption 31 March 2016 | Value (in Rupees) 31 March 2016 |
|---|---|---|---|---|
| Raw materials, stores and spares | | | | |
| Imported | 42% | 12,602.55 | 43% | 9,870.52 |
| Indigenous | 58% | 17,082.02 | 57% | 12,869.85 |
| | 100% | 29,684.57 | 100% | 22,740.37 |

37 Expenditure in foreign currency (accrual basis)

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Interest charges | 56.00 | 244.71 |
| Commission expenses | 79.21 | 36.03 |
| Freight expenses | 37.12 | 305.69 |
| Travelling expenses | 11.40 | 10.18 |
| Other expenses | 13.17 | - |
| | 196.90 | 596.61 |

38 Earnings in foreign currency (accrual basis)

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| Exports at F.O.B. value | 27,860.43 | 19,665.48 |
| | 27,860.43 | 19,665.48 |

39 Segment Reporting

The Company is in the business of manufacturing and selling of all kinds of plastic packaging products, plastic material and other ancillary products. Since the Company's business falls within a single business segment of 'Plastic packaging manufacturing', no further financial information for Business Segments is given under Accounting Standard-17 "Segment Reporting".

Secondary segment - Geographical segment:

Reportable Geographical Segments have been identified based on location of customers. The geographical segments have been identified based on revenues from various geographical locations outside India (sales to customers located outside India).
The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole. The following table presents segment information of the company by Geographical market:

| | India | Rest of world | Total |
|---|---|---|---|
| Year ended March 31, 2017 | | | |
| Revenue | | | |
| Sales of goods to customers | 27,411.94 | 27,860.43 | 55,272.37 |
| Revenue from operations | 27,411.94 | 27,860.43 | 55,272.37 |

| | India | Rest of world | Total |
|---|---|---|---|
| Year ended March 31, 2016 | | | |
| Revenue | | | |
| Sales of goods to customers | 32,949.05 | 19,665.48 | 52,614.53 |
| Revenue from operations | 32,949.05 | 19,665.48 | 52,614.53 |

Other segment information : Segment assets

The following table shows the carrying amount of segment assets and capital expenditure during the year by geographical market in which the assets are located:

| | India | Rest of world | Total |
|---|---|---|---|
| Year ended March 31, 2017 | | | |
| Segment assets | 13,560.55 | 2,713.55 | 16,274.10 |

| | India | Rest of world | Total |
|---|---|---|---|
| Year ended March 31, 2016 | | | |
| Segment assets | 13,240.13 | 1,888.93 | 15,129.06 |

| Cost incurred to acquire fixed assets | India | Rest of world | Total |
|---|---|---|---|
| Year ended March 31, 2017 | | | |
| Segment assets | 542.04 | - | 542.04 |

| | India | Rest of world | Total |
|---|---|---|---|
| Year ended March 31, 2016 | | | |
| Segment assets | 342.64 | - | 342.64 |

40 As per section 135 of Companies Act, 2013, every company which fulfils the prescribed thresholds, shall constitute a CSR Committee, prepare a CSR policy and spend amount equal to 2% of the average profits of past 3 years. The company has formed CSR Committee as prescribed under Act however, not spent amount as mentioned in section 135 of the Act. The company should have spent Rs.14.66 (31 March 2016: Rs. 10.09) as CSR expense for financial year 2016-17 as per section 135 of the Act.

| | 31 March 2017 (Rs. In Lakhs) | 31 March 2016 (Rs. In Lakhs) |
|---|---|---|
| a. Gross amount required to be spent by the group during the year | 14.66 | 10.09 |
| b. Amount spent for CSR till 31 March 2017 | | |
| i) Construction/Acquisition of any asset | - | - |
| ii) On purposes other than (i) above | - | - |
| Amount spent for CSR till 31 March 2016 | | |
| i) Construction/Acquisition of any asset | - | - |
| ii) On purposes other than (i) above | - | - |

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41 Related party transactions:

| Name of related parties having transaction with the Company during current year | |
|---|---|
| Wholly owned subsidiary | Oliva Garden S.A. |
| Key management personnel | Prakash Parekh ( Managing Director )<br>Chetan Parekh ( Director & CFO )<br>Jitesh Patel ( Company Secretary till June 15, 2016 )<br>Munmun Dutta ( Company Secretary w.e.f June 30, 2016) |
| Relative of key management personnel | Madhu Parekh (wife of Prakash Parekh) |

| Transactions | Subsidiary | Key Management Personnel | | | | Relative of Key Management Personnel |
|---|---|---|---|---|---|---|
| | Oliva Garden S.A. | Prakash H Parekh | Chetan Parekh | Jitesh J Patel | Munmun Dutta | Madhu Parekh |
| **(a) Transactions entered during the year** | | | | | | |
| Sale of materials (net of taxes) | 440.43<br>(415.92) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Managerial remuneration (refer note 2 below) | -<br>(-) | 29.81<br>(30.00) | 23.18<br>(-) | 1.73<br>(6.22) | 4.13<br>(-) | -<br>(-) |
| **(b) Balances at end of the year** | | | | | | |
| Equity contribution | 0.34<br>(0.34) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Trade receivable | 306.52<br>(430.81) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(-) |
| Other payable | -<br>(-) | 8.27<br>(-) | 8.49<br>(0.34) | -<br>(-) | -<br>(-) | -<br>(-) |
| Other advances | -<br>(-) | -<br>(7.35) | -<br>(-) | -<br>(-) | -<br>(-) | -<br>(1.80) |

Note:
1. Figures in brackets represent previous year's figures.
2. Managerial remuneration does not include gratuity and leave encashment benefits which are determined for company as a whole.

42 Disclosure on Specified Bank Note(SBNs):

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | SBN* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on November 8,2016 | 59.24 | 17.45 | 76.68 |
| (+) permitted receipt | - | 11.69 | 11.69 |
| (-) permitted payment | - | 24.79 | 24.79 |
| (-) Amount deposited in bank | 59.24 | - | 59.24 |
| Closing cash in hand as on December 30,2016 | - | 4.34 | 4.34 |

43 During the year, Income tax department carried out search under section 132 of the Income Tax Act, 1961 at the premises of the Company. Management believes that there would not be any additional implication on the financial results of the Company.

44 Subsequent to year end, on May 14, 2017, there was fire at one of the plant of the company i.e. Unit 1 situated at Nani Chirai, Gandhidham, Gujarat resulting into loss of assets in the premises and inventory. These assets and inventory have been appropriately covered under the insurance policy. Further management has also taken loss of profit policy to protect the loss of profit during the restatement of plant. The effect if any on account of this fire will be given in books of account in financial year 2017-18.

45 Prior Year comparatives

The previous year financial statements were audited by firm of Chartered Accountant other than S R B C & Co. LLP. Previous year figures have been regrouped/ reclassified wherever necessary to confirm to current year's reclassification which are as follows:

| Particulars | Amount before reclassification | Adjustments | Amount after reclassification |
|---|---|---|---|
| **Other expenses** | | | |
| Excise duty on closing stock of finished goods | 179.31 | (179.31) | - |
| **Purchase of traded goods** | | | |
| Changes in inventory of traded goods | 17,502.40 | 133.75 | 17,636.15 |
| **Changes in inventories of finished goods, work-in-progress and stock in trade:** | 568.34 | 45.56 | 613.90 |
| **Other current assets** | | | |
| Capital advance | 117.06 | (117.06) | - |
| **Other non- current assets** | | | |
| Capital advance | - | 117.06 | 117.06 |
| **Loans and advances** | | | |
| MAT credit entitlement | 320.06 | 240.61 | 79.45 |
| **Provisions** | | | |
| Provision for taxations | 452.32 | (240.61) | 211.71 |

As per our report of even date attached
For S R B C & Co. LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

per Sukrut Mehta
Partner
Membership No.: 101974

Place : Ahmedabad
Date : August 21, 2017

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Director
Plastene India Limited
CIN No: U25209GJ1998PLC034861

Prakash Hiralal Parekh
Managing Director
DIN No. 00158264

Chetan Shantilal Parekh
Director and Chief Financial Officer
DIN No. 00159465

Munmun Dutta
Company Secretary
Place : Ahmedabad
Date : August 21,2017

PLASTENE INDIA LTD