



Fenoplast
Limited

43rd Annual Report
2017-2018

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Board of Directors

Mr. B Kamalaker Rao, Chairman
Mr. H Narsaiah
Mr. H Kishen, Managing Director
Mr. H Krishna Kumar, Whole-time Director
Dr. K Malhar Rao
Mr. P Niroop
Mr. Sanjay Haridas, Whole-time Director
Dr. Batul Alladin Arif

Bankers

Canara Bank
State Bank of India
Syndicate Bank

Statutory Auditors

Venugopal & Cheny.
Chartered Accountants,
4-1-889/16/2, Tilak Road, Hyderabad-500 001

Internal Auditors

S C Bose & Co.,
Chartered Accountants,
497, 1-10-98/29, Lane 3, Street 3,
Begumpet, Hyderabad – 500 016

Secretarial Auditors

M/s. P. S. Rao & Associates, Company Secretaries
Flat No.10, 4th Floor, D.No. 6-3-347-22/2, Ishwarya Nilayam,
Opp. Sai Baba Temple, Dwarakapuri Colony,
Punjagutta, Hyderabad – 500 082, T.S., India

**Registrar & Share Transfer Agent
and Demat Registrar**

Venture Capital and Corporate Investments Pvt.Ltd.
12-10-167, Bharat Nagar, Hyderabad – 500 018,
Ph: 040-23818475/476, Fax: 040-23868024,
Email: info@vccilindia.com.

Registered Office

306-308, Cheney Trade Centre,
Parklane, Secunderabad – 500 003. Telangana, India.
CIN: L25209TG1975PLC001942;
Ph: +91-40-27840322
Email: info@fenoplast.com www.fenoplast.in

Factories:**Unit-I**

Plot No. 21/A
IDA, Nandigaon Village, Patancheru
Sangareddy Dist.,
Telangana, Pin:502319

Unit-II

Survey No. 132 & 133
Nandigaon Village, Patancheru
Sangareddy Dist.,
Telangana, Pin:502300

Unit-III

Survey No. 165& 166
Nandigaon Village, Patancheru
Sangareddy Dist.,
Telangana, Pin:502300

Depot/ Marketing Offices:**Kolkata**

P-175
Kalindi Housing Estate
Kolkatta – 700 089

Hosur

SF No.44/2Q1, 2Q2, PLOT No.31-32,
RVS Complex Rajeshwari Layout
Near Sipcot Industrial Estate,
Hosur, Krishnagiri – 635 126. Tamilnadu.

Gurgaon

Shed No.02,Saraya Ka Rasta,
Behind Prince Vatika,
Opp.Sector-05,
Gurgaon (Haryana) – 122 001

Roorkee

D.K. Cold Storage Compound,
Sunhera Road, Kashipuri
Pragna & Tehsil Roorkee- 247 667
Distt.Hardwar (Uttarakhand)

Baddi

Bhud Road, Vill. Gullarwala
Teshil. Nalagarh, P.O. Karuana,
Dist. Solan, Baddi (HP)

Mumbai

Unit No.5
Neeta 'C' Wing,
Tejapal Scheme Road No.5,
Vile Parle (East)
Mumbai-400 057.

Indore

EA-05, Scheme No.94,
Sector- 'A' Ring Road
Dewas Naka,
In Front of Mittal Toll Kanta
Indore – 452 018

NOTICE

Notice is hereby given that the 43rd Annual General Meeting of the members of the Company will be held on Thursday, the 27th day of September, 2018 at 9.30 A.M. at Kapu Sangam, 1-7-155, M.G. Road, Secunderabad - 500003, to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the Financial Year ended 31st March, 2018, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri.Haridas Sanjay Kumar (DIN:00160545), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Ratification of Remuneration payable to Cost Auditors:

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration in addition to reimbursement of all out of pocket expenses, payable to Mr.Sanisetty Venkata Ramarao of M/s SVRR & Associates, Cost Accountants (Regd.No.M/31669), to audit the cost records maintained by the Company for the Financial Year ending March 31, 2019, be and is hereby approved and ratified.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197,203 and any other applicable provisions of the Companies Act,2013 and rules made there under read with Schedule V of the Companies Act, 2013 and such other approvals and consents as may be required, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Haridas Sanjay Kumar (DIN: 00160545) as a Whole-time Director of the Company for a period of three years with effect from 01.09.2018, as recommended by the Nomination and Remuneration Committee on remuneration, perquisites and other allowances as detailed hereunder and that the overall managerial remuneration (excluding allowable perquisites) shall not exceed the limit as specified under Schedule V of the Companies Act, 2013:

A. Salary:

Basic Salary Rs. 1,80,000/- per month.

Dearness Allowance Rs. 57,600/- per month.

B. Other Allowances:

- HRA 58% of Basic Salary per month;
- Conveyance Allowance Rs. 58,000/- per month;
- Any other allowances as per the policy of Company.

FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Mr. Haridas Sanjay Kumar, as minimum remuneration during the currency

of his tenure, in the event of loss or inadequacy of profits in any Financial Year for a period of three (3) years.

FURTHER THAT the Managing Director of the Company be and is hereby authorized to file necessary forms and returns to give effect to the aforesaid appointment.”

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

“ **RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactments(s) thereof, for the time being in force) the consent be and is hereby accorded to increase the remuneration of Mr.Haridas Mahesh Kumar, Chief Executive- Domestic Sales, and to hold an office or place of profit as such, w.e.f. 01.09.2018 and who is a relative of Mr.H.Kishen, Managing Director on such terms and conditions as detailed hereunder:

- a. Remuneration shall not exceed Rs. 3,75,000/- per month and as may be decided and approved by the Board from time to time.
- b. The revised remuneration will be effective from 01.09.2018 and subject to such other approvals as may be required.
- c. During the tenure he shall be governed by the rules and regulations of the Company from time to time.

“**FURTHER THAT** the Board of Directors may be authorized to execute and furnish such documents, information and statements as may be required and to do all such necessary acts, deeds and things to give effect to the above said resolution.”

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

“ **RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactments(s) thereof, for the time being in force) , the consent be and is hereby accorded to increase the remuneration of Mr.Haridas Praveen Kumar, Chief Executive- Calendaring Division, and to hold an office or place of profit as such, w.e.f. 01.09.2018 and who is a relative of Mr.H.Kishen, Managing Director on such terms and conditions as detailed hereunder:

- a. Remuneration shall not exceed Rs. 3,75,000/- per month and as may be decided and approved by the Board from time to time.
- b. The revised remuneration will be effective from 01.09.2018 and subject to such other approvals may be required.
- c. During the tenure he shall be governed by the rules and regulations of the Company from time to time.

“**FURTHER THAT** the Board of Directors may be authorized to execute and furnish such documents, information and statements as may be required and to do all such necessary acts, deeds and things to give effect to the above said resolution.”

Place: Secunderabad
Date : 10-08-2018

For Fenoplast Limited
Sd/-
Haridas Kishen
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than Forty-Eight hours before the commencement of the meeting.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business items is annexed hereto.
3. The register of members and Share Transfer Books of the Company will remain closed during the period from 21-09-2018 to 27-09-2018 (both days inclusive).
4. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instruction to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate.
In case you are holding Company's shares in physical form, please inform Company's RTA viz., M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad- 500 018 by enclosing a photo copy of blank cancelled cheque of your bank account.
5. Members are requested to send all communications relating to shares and any change in address to the Registrar and Share Transfer Agent, M/s. Venture Capital And Corporate Investments Private Limited. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing the share certificates to enable the Company to consolidate their holding into one folio.
6. Members/ Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Additional copy of Annual Report and duplicate attendance slip will not be issued at the place of the meeting.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting, so that the information required by them may be made available at the meeting.
8. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be re-appointed/ appointed is given in the Annexure-A to the notice.
9. Trading in the Equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's Equity Shares is INE138D01014.
10. The members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.
12. Electronic Copies of the Annual Report 2017-18 and Notice of the 43rd Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of Annual Report and Notice of the 43rd Annual General Meeting are sent in permitted mode. Members requiring physical copies can send a request to the Company.

13. We encourage the other shareholders and request them to support us on this nationwide Green Initiative by registering/updating their email addresses with their Depository Participant(s) as required for receiving the notices and other documents via email.

14. **Instructions about Voting:** The Members are requested to opt for one mode of voting, i.e. either through e-voting or physical ballot. If a Member casts votes by both modes, then voting done through a valid e-Voting shall prevail and voting done through physical ballot shall be treated as invalid. Please refer the following detailed instructions for both modes voting.

A) Voting through electronic means:

i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Select the “FENOPLAST LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

If you are a first time user follow the steps given below.

(vi) Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
DIVIDEND BANK DETAILS	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN field.

#Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “**SUBMIT**” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the relevant EVSN for **FENOPLAST LIMITED**.
 - (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
 - (xiii) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
 - (xiv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
 - (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting with your mobile.
 - (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- II. The voting period begins on 24-09-2018 (9.00 AM) and ends on 26-09-2018 (5.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 21-09-2018 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com
 - IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on 21-09-2018
 - V. Mrs.N.Vanitha, Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- B) Other Instructions:**
- I. The Scrutinizer will collate the votes downloaded from the e-voting system to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
 - II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website www.fenoplast.in and be communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd.
 - III. Members may address any query to Mohith Kumar Khandelwal, Compliance Officer at the Registered Office of the Company, Tel.No. 040-27840322, e-mail address: cs.mohith@fenoplast.com, Website: www.fenoplast.in.
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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3:

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Sanisetty Venkata Ramarao of M/s. SVRR & Associates, Cost Accountants (Regd. No. M/31669) and remuneration payable to them, to conduct the audit of the cost records of the Company for the Financial Year ended 31st March, 2018. In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2019.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution.

The Board recommends the resolution set forth in Item No.3 for approval of the members.

Item No.4:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 10.08.2018 has proposed to re-appoint Mr. Haridas Sanjay Kumar as Whole-time Director of the Company for a period of 3 years with effect from 01.09.2018 subject to the approval of the members of the company. Mr. Haridas Sanjay Kumar is associated with the Company since 2011. Apart from administration, he looks after Yarn and Knitted Fabric Procurement and Development, one of the principle and critical raw materials for PVC Leather Cloth. He was appointed as a Whole-time Director at the 41st Annual General Meeting of the Company. He holds a Master's Degree in Business Administration from Southern New Hampshire University, USA. In view of his vast experience and knowledge, the Board is of the view that his continued appointment will benefit the Company and accordingly recommends his re-appointment and payment of remuneration as mentioned in the resolution.

STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V, OF THE COMPANIES ACT, 2013:

I. GENERAL INFORMATION

- (1) **Nature of Industry:** PVC Leather and PVC Film
- (2) **Expected date of commencement of commercial production:** NA
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** NA
- (4) Financial performance during the last three years:

Financial Parameters	2015-16	2016-17	2017-18
Total Income	22399.74	22501.15	24597.31
PBT	96.62	82.09	255.61

(5) **Export performance:**

	2015-16	2016-17	2017-18
Export Earnings	1132.45	616.02	274.92

(6) **Foreign investments or collaborations, if any: NIL**

II. INFORMATION ABOUT THE APPOINTEE:

1. **Background of the Appointee:** Mr. Haridas Sanjay Kumar has been associated with the Company since 2011 and looks after Yarn and Knitted Fabric Procurement and Development.

2. **Past Remuneration (including contribution to PF, Superannuation fund and Gratuity fund) for last 3 years:**

2015-16	- Rs. 29,96,875/-
2016-17	- Rs. 29,97,250/-
2017-18	- Rs. 29,97,000/-

3. **Recognition and awards: Nil.**

4. **Job profile and his suitability:**

(a) **Job Profile:** Apart from administration, he looks after Yarn and Knitted Fabric Procurement and Development.

(b) **Suitability:** He has got tremendous exposure in sourcing Yarn and manufacturing Knitted Fabric which is the crucial input for OEM sales.

(c) **Remuneration proposed:** As specified in the resolution No.4.

5. **Comparative Remuneration Profile:** The proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.

6. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** He is related to Mr. H. Kishen, Managing Director, Mr. H. Narsaiah, Director and Mr. H. Krishna Kumar, Whole-time Director. He is holding 1,64,078 Equity Shares.

III OTHER INFORMATION:

(1) **Reasons of Loss or Inadequate profits:** Loss or Inadequate profits were due to heavy competition from unorganized sector to whom the overheads are very minimal.

(2) **Steps taken or proposed to be taken for improvement:**

(a) The Company has taken various measures to reduce the interest costs including better working capital and debtors' management.

(b) For continuous power the Company is tying-up with private power suppliers.

(3) Expected increase in productivity and profits in measurable terms: The Company is taking various steps to increase the productivity and profits. This cannot be quantified in measurable terms owing to the Competitive market.

Item No. 5

Mr. H.Mahesh Kumar has been associated with the Company for the past two decades and looking after the Manufacturing operations of the domestic market. His knowledge and experience has made the Company to become one of the leading suppliers of PVC Leather Cloth in the Country.

Considering his performance and current remuneration, the Remuneration Committee had recommended an increase in the remuneration of Mr.H.Mahesh Kumar at its meeting held on 10.08.2018. Considering the recommendations of the Remuneration Committee, it is proposed to revise the remuneration as prescribed in the resolution proposed for your approval.

H. Mahesh Kumar is a relative to Mr. H. Kishen, Managing Director, Mr. H. Narsaiah, Director, Mr. H. Krishna Kumar, Whole-time Director and Mr. H. Sanjay Kumar, Whole-time Director. They form part of Promoter and Promoter group and are considered to be interested in this resolution.

Item No.6

Mr.H.Praveen Kumar Kumar has been associated with the Company for the past two decades and looking after the Manufacturing operations of the Calendaring Division. His knowledge and experience has made the Company to become one of the leading suppliers of PVC Film in the Country.

Considering his performance and current remuneration, the Remuneration Committee had recommended an increase in the remuneration of Mr.H.Praveen Kumar at its meeting held on 10.08.2018. Considering the recommendations of the Remuneration Committee, it is proposed to revise the remuneration as prescribed in the resolution proposed for your approval.

H. Praveen Kumar is a relative to Mr. H. Kishen, Managing Director, Mr. H. Narsaiah, Director, Mr. H. Krishna Kumar, Whole-time Director and Mr. H. Sanjay Kumar, Whole-time Director. They form part of Promoter and Promoter group and are considered to be interested in this resolution.

Place: Secunderabad
Date : 10-08-2018

For Fenoplast Limited
Sd/-
Haridas Kishen
Managing Director

Annexure – A

Details of Directors as on March 31, 2018, seeking appointment/re-appointment/regularization at the ensuing Annual General Meeting pursuant to SEBI (LODR) Regulations, 2015 are given below:

a.	Name	Mr.H.Sanjay Kumar
b.	Brief Resume	
	i) Age	49 years
	ii) Educational Qualification	Masters' Degree in Business Administration
	iii) Experience in specific functional area	He has more than 2 decades of industry experience
	iv) Date of appointment on Board of the Company	13-02-2016 (DIN:00160545)
C	Nature of expertise in functional area	He has got tremendous exposure in sourcing and manufacturing knitted fabric which is crucial input for OEM sales. His experience in this line benefits the company to source and develop the right backing fabric required for OEM, domestic and export market.
D	Directorship held in other Companies (excluding foreign and Section 8 Companies)	Rex-o-Knits Private Limited
E	Chairmanship/ Membership of committees of other companies (includes only Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee)	NIL
F	No. of shares of Rs. 10/- each held by the Director	1,64,078
G	Relationship between Directors inter se (As per section 2(77) of the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014)	Mr.H.Kishen, Managing Director, Mr.H.Narsaiah, Director and Mr.H.Krishna Kumar, Whole-time Director belong to promoter and promoter group.

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting herewith the 43rd Annual Report on the business of Your Company together with the Audited Accounts for the Financial Year ended 31st March, 2018.

FINANCIAL RESULTS

(₹ In Lakhs)

PARTICULARS	2017-18	2016-17
Gross Income	27210.44	24,855.74
Gross Income (Net of Excise Duty)	24597.31	22501.15
Less: Expenditure	22684.68	20,604.04
Gross Profit	1912.62	1897.11
Less: Interest & Finance Charges	1488.51	1,618.05
Less: Depreciation	168.50	196.97
Profit before Tax	255.61	82.09
Less: Current Tax	47.52	62.14
Less: Tax for the earlier years	0	0
Less: Deferred Tax	(13.40)	(43.66)
Profit available for appropriations	221.49	63.61
Profit brought forward	2582.07	2,549.69
Revised Depreciation of earlier years	0	0
Additional Deferred Tax Liability, Adjustment on		
Sale of Investment, Total Comprehensive Income	96.89	31.23
Balance carried forward	2706.68	2,582.07

BUSINESS REVIEW

During the year under review your Company has achieved gross revenues amounting to Rs. 27,210.44 Lakhs as against Rs. 24,855.74 Lakhs in the previous year.

OPERATIONS:

For the year under review, production of PVC Leather Cloth was 81.70 LLn. Mtrs. as against the previous year's production of 71.31 LLn. Mtrs. Production of PVC Film was 10,095.67MT as against the previous year's production of 10,471.50 MT.

DIVIDEND;

Your Directors did not recommend any dividend for the year 2017-18.

TRANSFER TO RESERVES:

Your Company has not transferred any amount to the general reserve.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

During the year under review Mr. Haridas Sanjay Kumar, Director of the Company retires by rotation and being eligible offered himself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has evaluated the performance of Independent Directors, Board, Committees and other individual Directors as per the Policy adopted for performance evaluation which includes criteria for performance evaluation of the non-executive directors and executive directors.

DIRECTORS' RESPONSE ON THE QUALIFICATIONS MADE BY THE AUDITORS IN THEIR REPORT

Qualification	Reply
Ref: Secretarial Audit Report @Page No.18 There are few instances where there have been delays in filing the forms and returns under the Companies Act with additional fees.	The Company has generally been filing forms and returns with the Ministry of Corporate Affairs (MCA) within the prescribed time. However, there have been a few rare delays due to late receipt of certain documents.

AUDITORS

Statutory Auditors:

The Shareholders in their meeting held on 27.09.2017 approved the appointment of M/s. Venugopal & Cheney Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the 42nd Annual General Meeting.

Cost Auditors:

The Board has appointed Mr. Sanisetty Venkata Ramarao of M/s. SVRR & Associates, Cost Accountants for conducting the audit of cost records of the Company for various segments for the Financial Year 2018-19 as recommended by the Audit Committee. As required under section 148 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 a resolution is being placed at the ensuing AGM for ratification of remuneration payable to said Cost Auditors.

Secretarial Auditors:

M/s.P.S.Rao & Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rule 9 thereunder. The Secretarial Audit report for FY 2017-18 forms part of this Report as **Annexure - 1**. The Board has appointed M/s.P.S.Rao & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the Financial Year 2018-19.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure – 2**.

RISK MANAGEMENT POLICY

Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and adopted a policy on the Risk Management. The Risk Management Policy of the Company is posted on Company's website: www.fenoplast.in. Major risk to the Company apart from the general business risks related to the industry, is competition from small/unorganized players.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Through Internal Audits the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the audit reports the units undertake corrective action in their respective areas and strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

NOMINATION AND REMUNERATION POLICY

A Committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178, Schedule IV of the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As recommended by the Committee the Board adopted a policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration, Evaluation of their performance. Nomination and Remuneration Policy of the Company is enclosed herewith as **Annexure – 3** and is available on Company's website www.fenoplast.in.

FORMAL ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and Governance.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the

Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the company did not fall under the purview of provisions of section 135 read with Schedule VII of the Companies Act, 2013. Hence the company has not made any contributions towards CSR Activities.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors' confirm that:

- i. In preparation of annual accounts for the Financial Year ended 31st March, 2018 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31st March, 2018 and of the profit and loss of the Company for the year;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Annual Accounts for the year 2017-18 have been prepared on a 'going concern' basis;
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in **Form MGT-9** is annexed herewith as **Annexure - 4**. The same is available on the Company's website, www.fenoplast.in

OTHER DISCLOSURES:

Board Meetings

During the year under review Five Board Meetings were held. For further details, please refer report on Corporate Governance enclosed herewith.

Committees of Board

Your company has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

The constitution of all the Committees is as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Constitution are mentioned in Corporate Governance Report, which forms part of this Annual Report.

Corporate Governance Report

Your Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Report on Corporate Governance including Auditor's Certificate on compliance with the code of Corporate Governance is enclosed as **Annexure – 5** to this report.

Management Discussion and Analysis

A brief note on the Management Discussion and Analysis for the year is enclosed as **Annexure - 6** to this report

Vigil Mechanism:

In pursuance to the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. This mechanism enables the Whistle Blower to make protected disclosures to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at the link: **www.fenoplast.in**.

Remuneration ratio of the directors/ Key Managerial Personnel/ Employees:

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure –7**.

PARTICULARS OF EMPLOYEES:

No employee of the Company was in receipt of remuneration, during the Financial Year 2017-18, in excess of the sum prescribed under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of the Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements pertaining to the year under review.

DEPOSITS:

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

RELATED PARTY TRANSACTIONS:

Related party transactions entered during the Financial Year under review are disclosed in **Note No.44E** of the Financial Statements of the Company for the Financial Year ended 31st March, 2018. These transactions were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. **Form AOC-2**, containing the note on the aforesaid Related Party Transactions is enclosed herewith as **Annexure-8**.

The policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any scheme.
3. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year and date of report.

Your Directors further state that during the year under review, there were no cases filed/registered pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the continued patronage extended to the Company by Dealers, Customers, Suppliers, Employees and Shareholders. The trust reposed in your Company by its esteemed customers helped stabilized growth during the year under review.

Your Company also acknowledges the support and guidance received from Canara Bank, State Bank of India, Syndicate Bank and other Government agencies during the year under review and look forward for continuing support.

For and on behalf of the Board of Directors

Sd/-

B.KAMALAKER RAO

CHAIRMAN

Place : Secunderabad

Date : 10-08-2018

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
**The Members,
Fenoplast Limited,
Secunderabad.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Fenoplast Limited, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on 31st March, 2018 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) (Applicable Sections as on date) and the Rules made under that Act;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
- (v) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

-
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (vi) The industry specific laws that are applicable to the company are as follows:
- a) Plastic Waste Management Rules, 2016;
 - b) The Factories Act, 1948;
 - c) The Payment of Bonus Act, 1965;
 - d) The Employees' State Insurance Act, 1948;
 - e) Environment(Protection) Act, 1986;
 - f) The Water (Prevention And Control Of Pollution) Act, 1974 and
 - g) The Air (Prevention And Control Of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards SS-1 and SS-2 with respect to meetings of the board of Directors and general meetings respectively issued and notified by The Institute of Company Secretaries of India which came into force w.e.f. 1st July, 2015 under the provisions of section 118(10) of the Act.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above, subject to the following observations;

- A) *There are few instances where there have been delays in filing the forms and returns under the Companies Act with additional fees.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent and a system exists for seeking clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review:

- a) Mr. H. Kishen was re-appointed as a Managing Director for a period three years w.e.f. 01.04.2017 and the said appointment has been approved by the shareholders at Annual General Meeting (AGM) held on 27th September, 2017.
- b) Mr. H. Krishna Kumar was re-appointed as a Whole-time Director for a period of 3 years w.e.f. 01.04.2017 and the said appointment has been approved by the shareholders at Annual General Meeting (AGM) held on 27th September, 2017.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For P.S. Rao & Associates
Company Secretaries**

Sd/-

P.S.RAO

Company Secretary

ACS No: 9769

C P No: 3829

Place: Hyderabad
Date : 10-08-2018

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

To,
**The Members,
Fenoplast Limited
Hyderabad**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For P.S. Rao & Associates
Company Secretaries
Sd/-
P.S.RAO
Company Secretary
ACS No: 9769
C P No: 3829**

Place : Hyderabad
Date : 10.08.2018

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014.

(A) Conservation of energy-

The consumption of energy in the process of manufacturing is not substantial. During the year under review, consumption of the power per LLn. Mtr. of PVC Leather Cloth was 0.17 (previous 0.17 per LLn. Mtr.) The consumption of Coal was 0.67 Kwh/Kg. (previous year 0.67 Kgs per LLn. Mtr.). Power consumption of PVC film was at 0.45 KWH per Kg. (previous year 0.49 KWH per Kg.) of production. Details are attached in **Form – A**.

(B) Technology absorption-

On the technology absorption, the Company's employees are well conversant with the changes adopted in the production process to consume similar raw material with different specifications/parameters. The machines are being operated without any technical problems.

(C) Foreign exchange earnings and Outgo-

The Company used Rs. 2,533.90 Lakhs on foreign exchange for its imports during the year, against its export earnings of Rs. 274.92 Lakhs. Previous year the Company has used Rs. 2,821.24 Lakhs as against Rs. 616.02 Lakhs earned.

For and on behalf of the Board of Directors

Sd/-

B.KAMALAKER RAO

CHAIRMAN

Place : Secunderabad

Date : 10-08-2018

ANNEXURE TO THE DIRECTORS' REPORT

FORM –A

A. Power and Fuel Consumption:

		2017-2018		2016-2017	
		PVC Leather cloth/ Cellular Sheets	PVC Film	PVC Leather cloth/Cellular Sheets	PVC Film
1). Electricity:					
a) Purchased from APCPDCL					
No. of units	Kwh	13,94,823	45,37,355	12,25,359	51,20,500
Total Amount	Rs.	1,20,22,131	3,87,62,909	1,04,24,861	3,76,22,161
Rate per Unit	Rs.	8.62	8.54	8.51	7.35
b) Own generation through Diesel generator.					
No. of Units.	Kwh	1,45,561	60,883	1,61,878	45,938
Units per lit. of diesel	Rs.	2.79	2.45	2.42	2.45
Cost per Unit of Kwh	Rs.	24.01	27.35	21.42	27.52
2). Coal:					
(Round coal used in Heat treatment)					
Quantity consumed	M.T	1507	NIL	1445	NIL
Total Cost	Rs.	95,20,232	NIL	76,51,499	NIL
Average Rate (per ton)	Rs.	6317	NIL	5297	NIL
3) Briquettes:					
Quantity consumed	MT	2,082	1,624	1,826	1,646
Total Cost	Rs.	1,23,52,693	92,40,850	1,07,21,281	96,68,479
Average Rate (per ton)	Rs.	5,993	5,690	5,873	5,873

B. Consumption per unit of production:

	Unit	2017-2018	2016-2017
1). Electricity:			
a) PVC Leather cloth/ Cellular Sheets	Kwh/Ln.mtr.	0.17	0.19
b). PVC Film	Kwh/kg.	0.45	0.49
2). Coal / Briquettes:			
a) PVC Leather cloth/ Cellular Sheets	Kwh/Ln.mtr.	0.67	0.67

REMUNERATION POLICY

The Company has a policy to recognize & reward the employees to motivate them to do their best for the Company and be successful in their deliverables of their respective functions. We also reward significantly to the outstanding employees for their high performance.

PRINCIPLES

1. The Company provides competitive environment with reward parameters.
2. The Company also rewards the employees for differentiating themselves from the routine work by contributing to the Company with their specialized skills.
3. The Company makes sure that the functions of each employee are completely aligned with that of the corporate objective.
4. The Company has a quality policy to ensure that the quality conscious is inherently build up, in all the functions the employee handles.
5. The Company has policy to ensure that conduct of the business by the employees synchronizes with the national objectives as a social obligation.

MANAGERIAL REMUNERATION

The Company rewards its employees for their high performance and the same is market aligned so that the attrition of the employees is minimized and inculcate the tendency of high performance culture among the employees.

Your Company has 294 permanent employees and any pay revision is done by way of wage agreements done in consultation with the respective unions.

The Company believes in balancing the remuneration paid to employees between the cost of living and the performance of the Company.

For and on behalf of the Board of Directors

Sd/-

Place : Secunderabad

Date : 10-08-2018

B.KAMALAKER RAO

CHAIRMAN

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31-03-2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L25209TG1975PLC001942
Registration Date	16/10/1975
Name of the Company	FENOPLAST LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	306-308, Cheney Trade Centre, Parklane, Secunderabad-03
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Venture Capital And Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad-18. Telephone: 040-23818475/ 23818476/23868023

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the company

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	PVC Leather Cloth	13139	47.66%
2.	PVC Film	22209	52.34%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31st March, 2018

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held of at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2737116	117800	2854916	62.06	2737116	117800	2854916	62.06	--
Sub-total (A)(1):-	2737116	117800	2854916	62.06	2737116	117800	2854916	62.06	--
(2) Foreign	--	--	--	--	--	--	--	--	--
Sub-total (A)(2):-	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	2737116	117800	2854916	62.06	2737116	117800	2854916	62.06	--
B. Public Shareholding									
1. Institutions	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corp.	83319	7300	90619	1.97	92746	7300	100046	2.17	(0.20)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	347881	348342	696223	15.14	339633	342142	681775	14.82	0.32
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	743641	105300	848941	18.46	754133	105300	859433	18.68	-0.22
c) Others									
- Non –resident Individuals	21916	85000	106916	2.32	16972	85000	101972	2.22	0.10
- Clearing members	2385	--	2385	0.05	1858	--	1858	0.04	0.01
Sub-total (B)(2):-	1199142	545942	1745084	37.94	1205342	539742	1745084	37.94	--
Total Public Shareholding (B) = (B)(1) + (B)(2)	1199142	545942	1745084	37.94	1205342	539742	1745084	37.94	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A + B + C)	3936258	663742	4600000	100.00	3942458	657542	4600000	100.00	---

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	H.NARSAIAH	324792	7.06	0.00	324792	7.06	0.00	--
2	H.SAPARNA	319000	6.93	0.00	319000	6.93	0.00	--
3	H.KRISHNA KUMAR	293500	6.38	0.00	293500	6.38	0.00	--
4	H.PUSHPA	229900	5.00	0.00	229900	5.00	0.00	--
5	H.MAHESH KUMAR	219000	4.76	0.00	219000	4.76	0.00	--
6	H.KISHEN	206646	4.49	0.00	206646	4.49	0.00	--
7	H.RAVIRAJ	175700	3.82	0.00	175700	3.82	0.00	--
8	H.ANURADHA	230400	5.01	0.00	230400	5.01	0.00	--
9	H. SANJAY HARIDAS	164078	3.57	0.00	164078	3.57	0.00	--
10	H. PRAVEEN KUMAR	127500	2.77	0.00	127500	2.77	0.00	--
11	H. SAMPATH KUMAR	99700	2.17	0.00	99700	2.17	0.00	--
12	H. SIDDARTH	87900	1.91	0.00	87900	1.91	0.00	--
13	H. LATHA	76000	1.65	0.00	76000	1.65	0.00	--
14	H. GANGADHAR	69400	1.51	0.00	69400	1.51	0.00	--
15	H. RAHUL	37700	0.82	0.00	37700	0.82	0.00	--
16	H. POOJALATHA	18500	0.40	0.00	18500	0.40	0.00	--
17	H. SRAVANTHI	10000	0.22	0.00	10000	0.22	0.00	--
18	H. VANDANA	10000	0.22	0.00	10000	0.22	0.00	--
19	H. PADMAJA	6600	0.14	0.00	6600	0.14	0.00	--
20	H. PRASANNARANI	4400	0.10	0.00	4400	0.10	0.00	--
21	H. RANIKA	1600	0.03	0.00	1600	0.03	0.00	--
22	H.REKHA	1500	0.03	0.00	1500	0.03	0.00	--
23	SUNANDA PONNALA	68700	1.49	0.00	68700	1.49	0.00	--
24	BHAGYA LAKSHMI ENUGULA	47400	1.03	0.00	47400	1.03	0.00	--
25	VIJAYALAXMI NEELAKANTAM	25000	0.54	0.00	25000	0.54	0.00	--

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	H.NARSAIAH At the beginning of the year At the end of the year	324792	7.06	324792 324792	7.06
2	H.SAPARNA At the beginning of the year At the end of the year	319000	6.93	319000 319000	6.93
3	H.KRISHNA KUMAR At the beginning of the year At the end of the year	293500	6.38	293500 293500	6.38
4	H.PUSHPA At the beginning of the year At the end of the year	229900	5.00	229900 229900	5.00
5	H.MAHESH KUMAR At the beginning of the year At the end of the year	219000	4.76	219000 219000	4.76
6	H.KISHEN At the beginning of the year At the end of the year	206646	4.49	206646 206646	4.49
7	H.RAVIRAJ At the beginning of the year At the end of the year	175700	3.82	175700 175700	3.82
8	H.ANURADHA At the beginning of the year At the end of the year	230400	5.01	230400	5.01
9	H. SANJAY HARIDAS At the beginning of the year At the end of the year	164078	3.57	164078 164078	3.57
10	H.PRAVEEN KUMAR At the beginning of the year At the end of the year	127500	2.77	127500 127500	2.77
11	H.SAMPATH KUMAR At the beginning of the year At the end of the year	99700	2.17	99700 99700	2.17
12	H.SIDDARTH At the beginning of the year At the end of the year	87900	1.91	87900 87900	1.91

13	H.LATHA At the beginning of the year At the end of the year	76000	1.65	76000 76000	1.65
14	H.GANGADHAR At the beginning of the year At the end of the year	69400	1.51	69400 69400	1.51
15	H.RAHUL At the beginning of the year At the end of the year	37700	0.82	37700 37700	0.82
16	H.POOJALATHA At the beginning of the year At the end of the year	18500	0.40	18500 18500	0.40
17	H.SRAVANTHI At the beginning of the year At the end of the year	10000	0.22	10000 10000	0.22
18	H.VANDANA At the beginning of the year At the end of the year	10000	0.22	10000 10000	0.22
19	H.PADMAJA At the beginning of the year At the end of the year	6600	0.14	6600 6600	0.14
20	H. PRASANARANI At the beginning of the year At the end of the year	4400	0.10	4400 4400	0.10
21	H. RANIKA At the beginning of the year At the end of the year	1600	0.03	1600 1600	0.03
22	H.REKHA At the beginning of the year At the end of the year	1500	0.03	1500 1500	0.03
23	SUNANDA PONNALA At the beginning of the year At the end of the year	68700	1.49	68700 68700	1.49
24	BHAGYA LAKSHMI ENUGULA At the beginning of the year At the end of the year	47400	1.03	47400 47400	1.03
25	VIJAYALAXMI NEELAKANTAM At the beginning of the year At the end of the year	25000	0.54	25000 25000	0.54

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	G.SAROJA At the beginning of the year At the end of the year	230034	5.00	230034 230034	5.00
2	T.H.MURLIDHAR At the beginning of the year At the end of the year	62300	1.35	62300 62300	1.35
3	S.SANGEETHA At the beginning of the year At the end of the year	47770	1.04	47770	1.04
4	VIDHYA NAIDU At the beginning of the year At the end of the year	46920	1.02	46920 46920	1.02
5	RAGHUNADHA REDDY MAPAKSHI At the beginning of the year At the end of the year	46100	1.00	46100 46100	1.00
6	J.PRASOONA DEVI At the beginning of the year At the end of the year	43000	0.93	43000 43000	0.93
7	VIL MEDIA LIMITED At the beginning of the year At the end of the year	39131	0.85	39131 39131	0.85
8	ARUN BHONGIR At the beginning of the year At the end of the year	37665	0.82	37665 37665	0.82
9	SUJANA ADI At the beginning of the year At the end of the year	37250	0.81	37250 37250	0.81
10	G.VIVEKANAND At the beginning of the year At the end of the year	36817	0.80	36817 36817	0.80

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	Name of the Director/ Key Managerial Personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	H.KISHEN At the beginning of the year At the end of the year	206646	4.49	206646 206646	4.49
2	H.KRISHNA KUMAR At the beginning of the year At the end of the year	293500	6.38	293500 293500	6.38
3	H.NARSAIAH At the beginning of the year At the end of the year	324792	7.06	324792 324792	7.06
4	H. SANJAY HARIDAS At the beginning of the year At the end of the year	164078	3.57	164078 164078	3.57

INDEBTEDNESS**Indebtedness of the Company including interest outstanding/ accrued but not due for payment
(₹ in Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6559.31	346.82	-	6906.13
ii) Interest due but not paid	0	0	-	-
iii) Interest accrued but not due	0.38	2.68	-	3.06
Total (i+ii+iii)	6559.69	349.5	-	6909.19
Change in Indebtedness during the financial year				
• Addition	45	-	-	45
• Reduction	443.69	244.18	-	687.87
Net Change	-398.69	-244.18	-	-642.87
Indebtedness at the end of the financial year				
i) Principal Amount	6159.87	105.32	-	6265.19
ii) Interest due but not paid	0	0	-	-
iii) Interest accrued but not due	1.13	0	-	1.13
Total (i+ii+iii)	6161	105.32	-	6266.32

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****i) Managing Director**

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	H. Kishen - -	84,00,000 - -
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - Others, specify...	- -	- -
5	Others, please specify	-	-
	Total (i)		84,00,000
	Ceiling as per the Act	As per members' resolution	

ii) Whole-time Directors

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	H. Krishna Kumar - -	81,00,000 - -
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - Others, specify...	- -	- -
5	Others, please specify	-	-
	Total (i)		81,00,000
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	H. Sanjay Kumar - -	29,97,000 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - Others, specify...	- -	- -
5	Others, please specify	-	-
	Total (ii)	-	29,97,000
	Total (i+ii)	-	110,97,000
	Ceiling as per the Act	As per members' resolution	

B. Remuneration to other directors:

S.No	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors • Fee for attending board / committee meetings	B. Kamalaker Rao K. Malhar Rao P. Niroop	80,700 77,000 26,000
	Total (1)		1,83,700
2	Other Non-Executive Directors • Fee for attending board / committee meetings	H. Narasaiah Dr. Batul Alladin Arif	39,000 45,000
	Total (2)		84,000
	Total (B)=(1+2)		2,67,700
	Total Managerial Remuneration		2,67,700
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

S.No	Particulars of Remuneration	Name of KMP	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	C.F.O. CS	15,96,000 4,68,000
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)		20,64,000

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (give Details)
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of the Board of Directors

Place : Secunderabad
Date : 10-08-2018

Sd/-
B.KAMALAKER RAO
CHAIRMAN

CORPORATE GOVERNANCE REPORT

Annexure - 5

In accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and some of the best practices followed internationally on Corporate Governance, the Company submits report containing the details of corporate governance systems and processes followed by the Company:

(1) Company Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is to practice fair and transparent governance to the benefit of its Shareholders, Lending Institutions, Customers, Employees and Society at large.

(2) Board of Directors:

The Board of Directors presently comprises of 8 (Eight) Directors, having rich experience and specialized skills in their respective fields, out of which 5 (Five) Non-executive Directors. The Company has a Non-Executive Independent Chairman and 3 (Three) Non-executive Independent Directors. The composition of the board, attendance at board meetings (BM) held during the Financial Year under review and attendance at the last Annual General Meeting (AGM), number of directorships in other companies and memberships in Public Limited Companies and Committees (including the Company) are given below:-

Name of the Director	Category	FY 2017-2018 Attendance at		No. of other Directorships ¹	As on date	
		BM	Last AGM		Committee	positions ²
				Member	Chairman	
B. Kamalaker Rao	Non-Executive Chairman, Independent	5	Yes	3	5	4
H. Narsaiah	Non-Executive Director Promoter	4	No	2	1	NIL
H. Kishen	Managing Director Promoter	5	Yes	1	NIL	NIL
H. Krishna Kumar	Whole time Director Promoter	4	Yes	2	1	NIL
Dr. K. Malhar Rao	Non-Executive Director Independent	5	Yes	1	2	1
Dr. Batul Alladin Arif	Non-Executive Director Independent	4	Yes	2	NIL	NIL
P. Niroop	Non-Executive Director Independent	2	No	2	1	NIL
H. Sanjay Kumar	Whole time Director Promoter	5	Yes	2	NIL	NIL

¹ Other than Directorships in Section 8 Companies, Foreign Companies and Associations

² Only Audit Committee and Stakeholders' Relationship Committee positions

Non-executive Directors constitute more than half of the total number of Directors. The Company has a Non-Executive Independent Director as Chairman and more than one third of the total strength of the Board comprises of Independent Directors.

During the year under review, five (5) Board meetings were held on 30th May, 2017, 19th August, 2017, 14th September, 2017, 14th December, 2017 and 14th February, 2018.

None of the Directors of the Company is a member of more than ten committees and Chairman of more than five committees across all the companies in which they are Directors.

Your Company holds minimum of four board meetings in each year with maximum time gap of One hundred and Twenty days between any two meetings. Additional Board Meetings will be convened by giving appropriate notice to address the urgent needs of the Company. The Board may also approve permitted matters by passing resolutions by circulation.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February 2018 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management, the Board and its Committees which is necessary for effective performance of their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

Relationships inter-se among Directors:

In accordance with the provisions of Section 2(77) of the Companies Act, 2013, and rules made there under, Mr. H.Kishen, Managing Director, Mr. H.Krishna Kumar, Whole-time Director, Mr. H.Narsaiah, Director and Mr.H.Sanjay Kumar, Whole-time Director belong to promoter group and are related to each other.

Familiarization programmes of Independent Directors:

The Company conducted familiarization program for the Independent Directors to familiarize them to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Company also conducted a separate programme on the latest SEBI Regulations to promote training to the Directors to ensure that the Board Members are kept up to date. The summary of Familiarization Programmes conducted for Independent Directors are available on Company's website: www.fenoplast.in.

(3) Committees of Directors:

a) Audit Committee:

The Company constituted a Qualified and Independent Audit Committee comprising of Three Non-Executive Independent Directors and One Non-Executive Director in accordance with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time. The Audit Committee has adequate powers to play effective role as required under above said regulations which include overseeing the Company's financial reporting process, reviewing with the management of the financial statements and the adequacy of the internal audit function, internal control and to discuss significant internal audit findings, statutory compliance and issues related to risk management and Compliance.

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

S.No.	Name of the Director	Designation	No. of meetings held during the period	No. of Meetings attended
1	Mr. B.Kamalaker Rao	Chairman	5	5
2	Dr. K.Malhar Rao	Member	5	5
3	Mr. H.Narsaiah	Member	5	4
4	Mr. P.Niroop	Member	5	2

Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

Managing Director, Whole-time Director, Chief Financial Officer and Statutory Auditors are also invited to the meetings, as required, to brief the Committee. Internal Auditors also attend the meetings.

Audit Committee meetings were held during the year under review on 30th May, 2017, 19th August, 2017, 14th September, 2017, 14th December, 2017 and 14th February, 2018. Company Secretary acts as the Secretary for the meeting.

b) Nomination and Remuneration Committee:

Nomination and Remuneration Committee was duly constituted in accordance with the requirements of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee is authorized subject to the provisions of Companies Act, 2013, to negotiate, finalize and approve the terms of appointment for Managing Directors/Whole time Directors and other Senior Executives on behalf of the Company. The composition of Nomination and Remuneration Committee is as follows:

S.No.	Name of the Director	Designation	No. of meetings held during the period	No. of Meetings attended
1	Dr. K.Malhar Rao	Chairman	1	1
2	Mr. B.Kamalaker Rao	Member	1	1
3	Mr. P.Niroop	Member	1	-

Chairman and members of the Nomination and Remuneration Committee are Independent Non-Executive Directors.

Performance evaluation criteria for Independent Directors:

Independent Directors role constitutes governance, control and guidance in conducting the affairs of the Company. Some of the performance indicators, based on which the Independent Directors are evaluated, are:

- Contribution to and monitoring Corporate Governance practices.
- Ability to contribute to address top management issues.
- Active participation in long term strategic planning.
- Commitment to the fulfillment of obligations and responsibilities.

The performance evaluation of Independent or non-executive members is done by the Board annually based on criteria of attendance and contributions at Board/Committee Meetings as also the role played by them other than at Meetings.

The Nomination and Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Other Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendations to the Board and acts in terms of reference of the Board from time to time. The Company's Remuneration policy as applicable to Directors, Key Managerial Persons and other Senior Management Personnel of the Company is annexed as **Annexure - 3** to the Board's Report.

The details of remuneration benefits paid during the year to the Managing Director and Whole-time Director (s) is as under:

(Amt in ₹)

Name of Director	Salary & Allowances	Others	Designation	Gross Remuneration
Mr.H.Kishen	84,00,000/-	Nil	Managing Director	84,00,000/-
Mr.H.Krishna Kumar	81,00,000/-	Nil	Whole-time Director	81,00,000/-
Mr. H. Sanjay Kumar	29,97,000/-	Nil	Whole-time Director	29,97,000/-

For Non-Executive Directors:

Sitting Fee is paid to Non-Executive Directors for attending Board and Committee Meetings in addition to reimbursement of incidental expenses. The details of Sitting Fee paid to Non-executive directors and their shareholding are as follows:

Name of the Director	Sitting Fee paid during F.Y.2017-2018 (₹)	No. of shares held on 31-03-2018
Mr. H.Narsaiah	39,000/-	324792
Mr. B.Kamalaker Rao	80,700/-	NIL
Dr. K.Malhar Rao	77,000/-	NIL
Mr. P.Niroop	26,000/-	NIL
Dr. BatulAlladinArif	45,000/-	NIL

Other than the sitting fees to Non-executive Directors, there was no material pecuniary relationship or transaction with the Company.

The company has not issued any stock options to its Directors/ Employees.

(c) Stakeholders' Relationship Committee:

The present composition of the Stakeholders' Relationship Committee is as under:

Name of the Director	Designation	No. of meetings held during the year	No. of Meetings attended
Mr. H. Krishna Kumar	Member	4	4
Dr. K. Malhar Rao	Chairman	4	4

The Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints. In accordance with the provisions of SEBI (LODR) Regulations, 2015, the Board has authorized the Compliance Officer, to approve share transfers/transmissions and comply with other formalities in relation thereto.

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

Compliance Officer:

The Company Secretary is designated as the Compliance Officer of the Company and during the year under review Mr. Mohith Kumar Khandelwal was the Company Secretary & Compliance Officer.

(4) General Body Meetings & Shareholders Information:

(i) The Details of the last three Annual General Meetings are given below:

Year	Place of Meeting	Date & Time	Special Resolutions
2016-17	Kapu Sangam, 1-7-155, M.G.Road, Secunderabad-3	27-09-2017 11.00 AM	1.Re-appointment of Mr. Haridas Kishen as the Managing Director of the Company.
2015-16	Kapu Sangam, 1-7-155, M.G.Road, Secunderabad-3	28-09-2016 9.30 AM	NIL
2014-15	Kapu Sangam, 1-7-155, M.G.Road, Secunderabad-3	30-09-2015 10.00 A.M.	Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

ii) The Details of Extra-Ordinary General Meetings held during the last Three years:

No Extra-Ordinary General Meetings were held during the last Three years.

iii) Special Resolution passed last year through postal ballot.

No Special Resolution has been passed by the Company through postal ballot during the year under review.

(5) Disclosures

Details of Non-Compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the capital markets.

Whistle Blower Policy:

The Audit Committee has formulated Whistle Blower Policy, as per the Policy and Internal Code of Conduct, all personnel of the Company have been given access to the Audit Committee.

CEO/CFO Certification:

The Managing Director and Chief Financial Officer have certified and submitted a certificate on the financial results and other compliance of statutory requirements, to the Board in accordance with Regulation 17 (8) of SEBI (LODR) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2018.

Compliance Certificate:

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this Report.

Code of Conduct:

The Company has posted the Code of Conduct for Directors and Senior Management on its website. The Code of Conduct is applicable to all Directors and Senior Management Personnel of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the Financial Year ended 31st March, 2018.

Details of Compliance with Mandatory Requirements and Adoption of the Non-mandatory Requirements:

The Company has complied with the mandatory requirement of Corporate Governance as per Listing Regulations and is in the process of implementation of Non-mandatory requirements.

Disclosure on Materially Significant Related Party Transactions:

During the financial year ended 31st March, 2018 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The policy on dealing with related party transactions has been posted on the website of the Company.

(6) Means of Communication

Your Company complied with the requirements of Regulations 33 of SEBI (LODR) Regulations, 2015. Quarterly Results, Half Yearly and Annual Results are normally published in the Business Standard (English Newspaper) and Andhra Prabha (Telugu- Regional).

The Financial Results are regularly submitted to the Stock Exchanges in accordance with the SEBI (LODR) Regulations, 2015 and simultaneously displayed on the Company's website. No presentations have been made to institutional investors or to the Analysts.

Management Discussion & Analysis forms part of the Annual Report.

(7) General Shareholder Information:

- i) **Registered Office:**
306-308, Chenoy Trade Centre, Parklane, Secunderabad- 500003.
- ii) **Annual general Meeting Date, Time and Venue:**
Thursday, the 27th day of September, 2018 at 9.30 A.M.
at Kapu Sangam.1-7-155,M.G.Road, Secunderabad-500003.
- iii) **Financial Year:** 1st April 2017 to 31st March, 2018
- iv) **Date of Book Closure:**
21-09-2018 to 27-09-2018 (both days inclusive)
- v) **Listing on the Stock Exchange:**
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
- vi) **Stock Codes:**
• BSE - 526689

The listing fee and custodial fee has been paid up to date to the Stock Exchange(s) and Depositories.

vii) Market Price Data: High, Low and No. of shares traded during each month in last Financial Year 2017-18 at BSE Limited is given below:

Month	High (₹)	Low (₹)	Monthly Volume
April-2017	69.80	46.05	26,732
May- 2017	88.55	58.90	54,216
June-2017	76.80	66.50	5,422
July- 2017	75.00	65.45	2,738
August -2017	65.95	53.30	4,159
September- 2017	58.50	48.10	6,175
October- 2017	53.05	43.75	13,112
November- 2017	58.45	47.05	12,069
December- 2017	63.10	49.10	9,436
January- 2018	86.95	59.15	19,069
February- 2018	84.75	61.65	5,996
March -2018	87.70	80.55	1,534

(viii) Relative Performance of Company Share Price to BSE SENSEX during the Financial Year 2017-18:



(ix) Registrar and Transfer Agents:

M/s. Venture Capital And Corporate Investments Private Limited acts as Registrar and Share Transfer Agent and Demat Registrar.

Address:

M/s. Venture Capital and Corporate Investments Private Limited
 12-10-167, Bharat Nagar, Hyderabad, 500018.
 Telephone No. 040-23818475/23818476/23868023.

(x) Share Transfer System

To expedite the share transfer process in the physical segment, authority has been delegated to the share transfer committee, which comprises of:

- Mr. H.Krishna Kumar : Chairman
- Mr. V.B.V.R Ratnaji : Member

Share transfer/transmissions approved by the Committee are placed at the Board Meeting from time to time.

Demat requests are normally confirmed within 21 days from the date of receipt of request.

Pursuant to Regulation 40 of SEBI (LODR) Regulations, 2015, certificates on half-yearly basis, have been given by a Practicing Company Secretary duly certifying due compliance of shares transfer formalities.

(xi) Shareholding pattern as on 31-03-2018:

Category	No. of Shareholders	No. of shares held	Percentage of shareholding
A. Promoters' holding			
1. Indian Promoters & Persons Acting in Concert.	25	28,54,916	62.06
B. Non- Promoters' holding			
1. Institutional Investors	--	---	---
2. Others			
a) Private Corporate Bodies	31	100046	2.17
b) Indian Public	3525	1541208	33.50
c) NRIs/OCBs	120	101972	2.22
d) Clearing Members	2	1858	0.04
Sub-Total	3678	1745084	37.94
GRAND TOTAL	3703	4600000	100.00

(xii) Distribution of Shareholding as on 31-03-2018:

Shares	Holders		Shares	
	Number	% to Total Shareholders	No. of Shares	% to Total Capital
Upto - 500	3401	91.65	342552	7.45
501 - 1000	155	4.18	135942	2.96
1001 - 2000	47	1.27	72171	1.57
2001 - 3000	16	0.43	41974	0.91
3001 - 4000	13	0.35	46007	1.00
4001 - 5000	16	0.43	74158	1.61
5001 - 10000	18	0.49	149963	3.26
10001 and above	45	1.21	3737233	81.24
Total	3711	100.00	4600000	100.00

(xiii) Dematerialization of Shares and liquidity:

Your Company's shares are under compulsory Demat. Therefore, shareholders are requested to demat their physical shares for the liquidity benefit. 39,42,458 shares out of total shares (i.e. 46,00,000 equity shares) are dematerialized as on 31/03/2018.

(xiv) Outstanding GDRs/ADRs/Warrants or any Converting Instruments conversion date and likely impact on equity:

Your Company had not issued any GDRs/ADRs/warrants or any Convertible instruments.

(xv) Plant Locations:

Company has three units and its locations are as follows:

Unit-I

Plot No. 21/A, Industrial Development Area Patancheru,
Sangareddy Dist., T.S.-502319

Unit- II

Survey No.132 & 133, Nandigaon Village, Patancheru Mandal,
Sangareddy Dist., T.S.-502300

Unit-III

Survey No. 165 & 166, Nandigaon Village, Patancheru Mandal,
Sangareddy Dist., T.S.-502300

(xvi) Address for Correspondence:

(i) For all matters relating to Shares:

M/s. Venture Capital and Corporate Investments Private Limited
12-10-167, Bharat Nagar, Hyderabad, 500018.
Telephone No. 040-23818475/23818476/23868023.
Fax No: +91 040-23868024 E-mail : info@vccilindia.com

(ii) For any other general matters or incase of any difficulties/grievances:

The Compliance Officer

Fenoplast Limited,
306-308, Cheney Trade Center, Parklane,
Secunderabad- 500003, India.
Telephone No : 27840322, 27840722 and 27814651
Fax No : 27721739
E-mail : inbox@fenoplast.com

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Developments

The Company is engaged in manufacturing of PVC Film and PVC Leather Cloth.

PVC Film is majorly used in the pharma application for tablets packaging, healthcare products packaging and is gaining acceptance in the packaging of consumer goods like shaving products, tooth brushes, batteries, tools and toys etc.

PVC Leather Cloth is mostly used for car upholstery, motor cycle seat covers, auto rickshaw hoods and seats, tractors, trucks and buses. It is also used for making ladies bags and footwear.

India is one of the most promising exporters of plastics among developing countries. Demand from original equipment manufacturers (OEMs) has led the Indian plastic industry to focus more on delivering products customized in line with end-user needs like design, style, and pattern. The Indian plastics industry offers excellent potential in terms of capacity, infrastructure and cheap labour availability. Among the industry's major strengths is the availability of raw materials in the country. With increasing usage of plastics in automobiles, consumer packaging and impact of increased infrastructure spending in India, the plastic industry will emerge as a giant in the industrial scenario of India.

b) Opportunities and Threats:

Opportunities: Growth in industry will be majorly impacted by the increased growth from end use industries, growing consumerism, government initiatives etc. The Company is already an established supplier to Suzuki, Hyundai Motors, TVS Motor Company, Maruti, Mahindra and Mahindra, Volkswagen and Daimler Benz. Growth of the automotive industry pushes the demand for the Company's product, PVC Leather.

PVC Film is consumed by a large number of small and medium sized manufacturers to make finished products. In recent years, manufacturing of finished PVC products has experienced rapid growth and it remains one of the fastest growing sectors in India and around the world. There has been growth in demand from pharma sector and new applications for visual packaging auguring well for PVC film. This would be definitely a positive and good opportunity to your Company which is one of the prominent players.

Threats:

Major threat is due to increased cost of raw materials, high cost of finished plastic products, ever increasing crude oil prices, high finance cost, and import threat from other countries due to specialized processing, replacement threat from substitutes which would affect the margins.

c) Risks and concerns:

The major risks and concerns as perceived by the Company relate to increase in prices of principal raw material due to increase in the prices of crude oil and rupee devaluation. The Company has devised a system to identify and take corrective and quick decision as and when this risks and concerns arise.

d) Segment-wise performance

The demand from automobile and pharma sector helped the Company in optimizing the capacity utilization for PVC leather and PVC film respectively and the future looks bright with automobile companies coming out with various models at different levels.

PVC Leather Cloth: The production during the year is 81.70 LLn. Mtrs. as against 71.31 LLn. Mts. in the previous year.

PVC Film: Production of PVC Film was 10,095.67MT as against the previous year's production of 10,471.50 MT in the previous year.

e) Financial Performance

The net profit before tax for the year is Rs. 255.61 Lakhs as compared to previous year Rs.82.09 Lakhs.

f) Adequacy of Internal Control Systems

The Company has implemented an enterprise resource plan, SAP which facilitates the management to access all the systems and to have control on operations. The final costs have gone up due to increase in the raw materials cost and also due to payment of salaries and wages arrears on finalization of agreement with workers.

Internal Audit is conducted regularly at the plants, depots and marketing offices covering the key areas of operations. It is an independent objective and assurance function responsible for evaluating and improving the effectiveness of risk management control and governance processes.

The Audit Committee monitors performance of internal audit on a periodic basis through review of audit score, audit finding and action taken on the observation.

Effective implementation of internal controls has yielded better results. The Company has good internal audit system to monitor and check the systems periodically.

The members are informed that the Company has been accredited with quality standards of ISO/TS16949:2009, Periodical internal quality audits and management review meetings ensure successful implementation of the Quality Management System. Surveillance audit for continuation of ISO certification will be conducted by external auditors.

g) Human Resources

The Company's industrial relations continued to be harmonious with its workforce during the year under review. The Company would be imparting training to employees at all levels for proper implementation and running of the new ERP package SAP and to get maximum benefit out of the same. The total number of employees are 294.

a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The percentage increase in remuneration of each Director and Chief Financial Officer during the Financial Year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 are as under:

S.No	Name of Director/ KMP and Designation	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	The Percentage increase in remuneration of each director, CFO, CEO in the financial year	The percentage increase in the median remuneration of employees in the financial year
1.	H. Kishen	38.67	7.69	10.48
2.	H. Krishna Kumar	37.29	12.50	10.48
3.	H. Sanjay Kumar	13.81	0	10.48
4.	V.B.V.R. Ratnaji	7.35	0	10.48
5.	K.Mohith Kumar	2.15	0	10.48

Note: Except Managing Director, and Whole-time Directors, none of the other Directors are paid any remuneration except sitting fees and reimbursement of expenses for attending Board and Committee Meetings. The details sitting fees paid are given in the Report on Corporate Governance which forms part of this Annual Report.

- i) The median remuneration of employees of the Company during the Financial Year was Rs. 17,574/-
- ii) In the Financial Year, there was an increase of 10.48% in the median remuneration of employees;
- iii) There were 294 permanent employees on the rolls of Company as on March 31, 2018;
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2017-18 was 29.79% whereas the decrease/ increase in the managerial remuneration for the same financial year was 4.90%.
- v) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Place : Secunderabad
Date : 10-08-2018

Sd/-
B.KAMALAKER RAO
CHAIRMAN

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2018, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis are as follows:

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹. in Lakhs)
Job work charges Rex-O-Knits Private Limited	Mr. H. Sanjay (Son of Managing Director) and Mr. H. Narsaiah (Father of Mr. H. Krishna Kumar, Whole-time Director) are Common Directors	On the basis of order	Job Work at arm's length basis	86.27
H. Praveen Kumar Chief Executive- Calendering Division	Relative of Managing Director	As per the Appointment Letter	Chief Executive -Calendering Division	30.00
Mr. H. Mahesh Kumar Chief Executive- Domestic Sales	Relative of Managing Director	As per the Appointment Letter	Chief Executive- Domestic Sales	30.00

CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

- A. We have reviewed financial statements along with the cash flow statement of our Company for the financial year ended 31st March, 2018 and that to the best of our knowledge and belief we hereby certify that:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) These statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- 1) Significant changes in internal control over financial reporting during the year;
 - 2) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Secunderabad
Date : 24-05-2018

Sd/-
H. Kishen
Managing Director
Place: San Francisco, USA
Date: 24-05-2018

Sd/-
V.B.V.R.Ratnaji
C.F.O.

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personal have confirmed compliance with the code of Conduct as applicable to them for the year ended 31st March, 2018.

Place : Secunderabad
Date : 24-05-2018

For FENOPLAST LIMITED
Sd/-
H. Kishen
Managing Director

Independent Auditors' Certificate on Corporate Governance

To
The Members of
Fenoplast Limited.

We, Venugopal & Chenoy, Chartered Accountants, the Statutory Auditors of FENOPLAST LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purposes of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2018.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR VENUGOPAL & CHENOY
CHARTERED ACCOUNTANTS
Sd/-

(P.V.SRI HARI)

Partner

Membership No.021961

Place: Hyderabad
Date: 10.08.2018

INDEPENDENT AUDITORS' REPORT

To
The Members of Fenoplast Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Fenoplast Limited ("the Company"), which comprise the IND AS Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and 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 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (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 34 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

For VENUGOPAL & CHENYOY,
CHARTERED ACCOUNTANTS,
FRN: 004671S

(P.V.SRI HARI)

Partner

Membership No.021961

Hyderabad
Date:24.05.2018

Fenoplast Limited

Annexure “A” to the Auditors’ Report

The Annexure referred to in our report to the members of Fenoplast Limited for the year ended on 31st March, 2018. We report that:

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b) According to the information and explanations given to us and the records of the Company examined by us, the fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventories have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) During the year, the Company has not granted any loans secured or unsecured to parties covered in the register maintained under section 189 of the Act. Hence paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, during the year company has not given any loans, made investments, given guarantees or given security to parties covered under provisions of section 185 and 186 of the Companies Act, 2013. Hence, paragraph 3(iv) of the Order is not applicable.
- (v) The company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) In our opinion and according to the information and explanations given to us, the Company has made and maintained accounts and records prescribed by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, value added tax, service tax, customs duty, excise duty, cess and any other statutory dues as applicable with the appropriate authorities and there are no arrears of outstanding statutory dues as at year ended concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, particulars of provident fund, employees’ state insurance, income-tax, sales-tax, value added tax, service tax, customs duty, excise duty, cess as at 31st March, 2018 which have not been deposited on account of any dispute pending, are as under:

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	2.20	1999-2000	Income-tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	31.90	2000-2001	Income-tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	10.44	2001-2002	Income-tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	1.89	2002-2003	Income-tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	4.55	2003-2004	Income-tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	13.91	2009-2010	Commissioner of Income Tax appeal
Income-tax Act, 1961	Income-tax	28.86	2015-2016	Commissioner of Income Tax appeal
Employees' Provident fund & Miscellaneous Provisions Act, 1952	Provident Fund	20.85	April 2012 to December 2013	PF Appellate Tribunal, Delhi
Central Sales Tax Act, 1956	Central Sales Tax	28.76	2006-2007	Telangana Value Added Tax Tribunal At Hyderabad
Central Sales Tax Act, 1956	Central Sales Tax	0.75	2008-2009	Telangana Value Added Tax Tribunal, Hyderabad
Central Sales Tax Act, 1956	Central Sales Tax	13.34	2009-2010	Telangana Value Added Tax Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	(7.36)	2010-2011	Telangana Value Added Tax Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	6.41	2011-2012	Telangana Value Added Tax Tribunal, Hyderabad
VAT Act	Value Added Tax and penalty	0.12	2011-12 and 2012-2013	Company is in the process of filing appeal before Value Added Tax Tribunal, Hyderabad
VAT Act	Value Added Tax and penalty	1.23	2011-12 and 2012-2013	Company is in the process of filing appeal before Value Added Tax Tribunal, Hyderabad
VAT Act	Value Added Tax and penalty	22.79	2013-14	Company is in the process of filing appeal before Value Added Tax Tribunal, Hyderabad
VAT Act	Value Added Tax and penalty	40.95	2014-15	Company is in the process of filing appeal before Value Added Tax Tribunal, Hyderabad
VAT Act	Value Added Tax and penalty	4.54	2013-14	Company is in the process of filing appeal before Value Added Tax Tribunal, Hyderabad

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
VAT Act	Value Added Tax and penalty	8.60	2014-15	Company is in the process of filing appeal before Value Added Tax Tribunal, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax	0.017	2011-12	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax	1.47	2012-13	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax	22.73	2013-14	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax	21.68	2014-15	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax	11.44	2015-16	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax	4.37	2016-17	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or by its officers or employees was noticed or reported during the period.
- (xi) During the year, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Hence, paragraph 3 (xii) of the Order is not applicable.

-
- (xiii) According to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence paragraph 3(xiv) of the Order is not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, company has not entered into any non-cash transactions with directors or persons connected with them, hence paragraph 3(xv) of the Order is not applicable.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,
FRN: 004671S

(P.V.SRI HARI)

Partner

Membership No.021961

Hyderabad
Date:24.05.2018

Annexure – “B” to the Auditors’ Report

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

We have audited the Internal Financial Controls Over Financial Reporting of Fenoplast Limited (“the Company”) as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For VENUGOPAL & CHENAY,
CHARTERED ACCOUNTANTS,
FRN: 004671S

(P.V.SRI HARI)
Partner
Membership No.021961

Hyderabad
Date:24.05.2018

Balance Sheet as at 31st March, 2018

(₹ In Lakhs)

Particulars	Note No.	31 st March, 2018	31 st March, 2017	01 st April, 2016
I Assets				
Non-Current assets				
(a) Property, Plant & Equipment	1	2,797.47	2,726.99	2,845.60
(b) Capital work in progress		62.26	123.17	16.76
(c) Investment property		-	-	-
(d) Goodwill		-	-	-
(e) Other Intangible assets	1	1.74	6.11	24.33
(f) Intangible assets under development		11.40	6.60	-
(g) Financial assets		-	-	-
(i) Investments	2	42.92	41.52	38.07
(ii) Trade receivables		-	-	-
(iii) Loans	3	106.85	100.88	97.77
(iv) Others		-	-	-
(h) Other non-current assets	4	182.59	196.08	141.25
Current assets				
(a) Inventories	5	5,571.96	4,805.81	3,932.22
(b) Financial assets		-	-	-
(i) Investments		-	-	-
(ii) Trade receivables	6	7,598.23	7,724.03	7,414.11
(iii) Cash & Cash Equivalents	7	371.40	362.45	497.51
(iv) Bank balances other than above		-	-	-
(v) Loans	8	32.39	13.74	33.24
(vi) Other financial assets	9	8.83	9.21	7.59
(c) Current tax assets (net)	10	43.37	36.82	24.83
(d) Other Current assets	11	342.08	616.42	718.98
Total Assets		17,173.49	16,769.83	15,792.26
II Equity & Liabilities				
Equity				
(a) Equity share capital	12	459.67	459.67	459.67
(b) Other Equity	13	2,706.69	2,582.07	2,549.69
Liabilities				
Non Current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	170.61	436.76	699.32
(ii) Trade payables		-	-	-
(iii) Other financial liabilities		-	-	-
(b) Provisions	15	222.73	193.18	122.17
(c) Deferred tax liabilities (net)	16	167.65	181.60	237.84
(d) Other non-current liabilities	17	590.06	-	-
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	5,950.34	6,304.76	5,778.39
(ii) Trade payables	19	5,900.27	5,425.86	4,910.48
(iii) Other financial liabilities	20	861.65	889.40	823.61
(b) Other current liabilities	21	51.25	250.19	198.84
(c) Provisions	22	60.05	11.34	12.24
(d) Current tax liabilities (net)	23	32.52	34.99	-
Total Equity and Liabilities		17,173.49	16,769.83	15,792.26

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy

Chartered Accountants

CA P.V. Sri Hari

Partner

M No. 021961

H.Kishen

Managing Director

Place: San Francisco, USA

Date: 24-05-2018

H. Krishna Kumar

Whole-time Director

Place: Secunderabad

Date : 24th May, 2018

V.B.V.R.Ratnaji

Chief Financial Officer

K.Mohith Kumar

Company Secretary

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

(₹ In Lakhs)

Particulars	Note	31 st March, 2018	31 st March, 2017
Revenue from operations	24	23,736.20	22,453.79
Other income	25	861.12	47.36
Total Revenue (I)		24,597.31	22,501.15
Expenses:			
Cost of materials consumed	26	18,479.52	17,088.35
Changes in inventories	27	(179.19)	(474.10)
Employee benefits expense	28	1,396.91	1,109.05
Finance costs	29	1,488.51	1,618.05
Depreciation	1	168.50	196.97
Other expenses	30	2,987.45	2,880.74
Total Expenses (II)		24,341.69	22,419.07
Profit before tax and exceptional items (I-II)		255.61	82.09
Exceptional Items		-	-
Profit before tax		255.61	82.09
Tax expense:			
Current tax		47.52	62.14
Deferred tax		(13.40)	(43.66)
Profit after tax		221.49	63.61
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss (net of tax)		(75.49)	(32.66)
B (i) Items that will be reclassified to items that will be reclassified to profit or loss		2.92	1.43
Total Comprehensive Income after tax		148.92	32.37
Earnings per equity share:			
Basic		4.82	1.38
Diluted		4.82	1.38
Accounting Policies	47		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy
Chartered Accountants

CA P.V. Sri Hari
Partner
M No.021961

H.Kishen
Managing Director
Place: San Francisco, USA
Date: 24-05-2018

H. Krishna Kumar
Whole-time Director

Place: Secunderabad
Date : 24th May, 2018

V.B.V.R.Ratnaji
Chief Financial Officer

K.Mohith Kumar
Company Secretary

Cash Flow Statement for the year ended 31st March, 2018

(₹ In Lakhs)

Particulars	31 st March, 2018	31 st March, 2017
A. Cash flows from Operating Activities		
Net Profit before tax	255.61	82.09
Adjustments for:		
Depreciation	168.50	196.97
Profit on sale of Assets	(806.21)	(2.27)
Finance Cost	1,488.51	1,618.05
Adjustment relating to defined benefit plans	(93.71)	(47.25)
Provision for Doubtful debts	72.75	73.57
Foreign Exchange fluctuation gain(Net)	(16.79)	(17.73)
Interest Income	(22.20)	(24.36)
Operating profit before working capital changes	1,046.47	1,879.07
Working capital changes:		
(Increase) / Decrease in Inventories	(766.15)	(873.59)
(Increase) / Decrease in Trade Receivables	69.81	(365.76)
(Increase) / Decrease in Loans & Advances	(24.62)	16.39
(Increase) / Decrease in Other current assets	267.79	90.57
(Increase) / Decrease in Other Non current assets	13.49	(54.83)
(Increase) / Decrease in Other Financial assets	0.38	(1.62)
Increase / (Decrease) in Current Liabilities & Provisions	548.86	585.49
Increase / (Decrease) in Other Financial Liabilities	(27.75)	65.79
Increase / (Decrease) in Other current liabilities	391.12	51.35
Cash Generated from Operations	1,519.40	1,392.87
Direct Taxes	(49.99)	(27.15)
Net Cash Flow from Operating Activities	1,469.41	1,365.72
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(254.65)	(60.39)
(Increase) / Decrease in Capital Work-in -Progress	56.11	(113.01)
Proceeds from sale of Fixed Assets	824.94	2.50
(Increase) / Decrease in Investments	0.02	--
Interest Income	22.20	24.36
Net Cash used in investing Activities	648.62	(146.54)
C. Cash flows from Financing Activities		
Increase/ (Decrease) in bank borrowings	(620.57)	263.81
Finance Cost	(1,488.51)	(1,618.05)
Net Cash used in Financing Activities	(2,109.08)	(1,354.24)
Net increase/(decrease) in Cash and Cash Equivalents	8.95	(135.06)
Cash and Cash equivalents at the beginning of the year	362.45	497.51
Cash and Cash equivalents at the end of the year	371.40	362.45

The accompanying notes are an integral part of the Financial Statements.

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Ind AS-7 issued by the Institute of Chartered Accountants of India.
- The Previous years figures have been regrouped wherever necessary in order to confirm to this year's presentation.
- Cash and cash equivalents include margin money with banks.

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy

Chartered Accountants

CA P.V. Sri Hari

Partner

M No.021961

H.Kishen

Managing Director

Place: San Francisco, USA

Date: 24-05-2018

H. Krishna Kumar

Whole-time Director

Place: Secunderabad

Date : 24th May, 2018

V.B.V.R.Ratnaji

Chief Financial Officer

K.Mohith Kumar

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

Note:1 Property, Plant & Equipment

Name of the asset	Gross Block			Depreciation			Net Block	
	As on 01.04.2015	Additions	Deletions/ Adjustments	As on 01.04.2016	For the Year ended	Deletions/ Adjustments	As on 01.04.2016	As on 01.04.2016
Land	88.33	-	-	88.33	-	-	-	88.33
Building	1,274.06	34.85	263.97	1,044.94	39.28	205.53	320.93	724.01
Plant & Machinery	5,531.82	4.59	1,379.17	4,157.24	141.57	1,043.36	2,317.36	1,839.88
Electrical Installations	328.58	-	-	328.58	5.19	-	294.10	34.48
Office Equipment	146.22	1.97	-	148.19	11.88	-	123.18	25.01
Furniture & Fixtures	47.76	0.66	-	48.42	3.10	-	28.09	20.33
Vehicles	226.36	53.60	21.82	258.14	24.81	14.89	144.58	113.56
Total	7,643.13	95.67	1,664.96	6,073.84	225.83	1,263.78	3,228.24	2,845.60
Less: Amount transferred to revaluation reserve					38.43			
Total Tangible Assets (A)	7,643.13	95.67	1,664.96	6,073.84	187.40	1,263.78	3,228.24	2,845.60
Computer Software	83.11	-	-	83.11	18.44	-	58.78	24.33
Total Intangible assets (B)	83.11	-	-	83.11	18.44	-	58.78	24.33
Grand total (A+B)	7,726.24	95.67	1,664.96	6,156.95	205.84	1,263.78	3,287.02	2,869.93

Note:1 Property, Plant & Equipment

Name of the asset	Gross Block			Depreciation			Net Block	
	As on 01.04.2016	Additions	Deletions/ Adjustments	As on 31-03-2017	For the Year ended	Deletions/ Adjustments	As on 31.03.2017	As on 31.03.2016
Land	88.33	-	-	88.33	-	-	88.33	88.33
Building	1,044.94	2.15	-	1,047.09	32.97	-	693.19	724.01
Plant & Machinery	4,157.25	34.12	-	4,191.37	103.80	-	1,770.21	1,839.88
Electrical Installations	328.58	21.21	-	349.79	4.77	-	50.92	34.48
Office Equipment	148.19	2.29	-	150.48	9.69	-	17.61	25.01
Furniture & Fixtures	48.42	0.79	-	49.21	3.11	-	18.01	20.33
Vehicles	258.14	-	32.66	225.48	24.41	32.23	88.72	113.56
Total Tangible Assets (A)	6,073.85	60.56	32.66	6,101.75	178.75	32.23	3,374.76	2,845.60
Computer Software	83.11	-	-	83.11	18.22	-	6.11	24.33
Total Intangible assets (B)	83.11	-	-	83.11	18.22	-	6.11	24.33
Grand total (A+B)	6,156.96	60.56	32.66	6,184.86	196.97	32.23	2,733.10	2,869.93

Note:1 Property, Plant & Equipment

Name of the asset	Gross Block			Depreciation			Net Block	
	As on 01.04.2017	Additions	Deletions/ Adjustments	As on 31.03.2018	For the Year ended	Deletions/ Adjustments	As on 31.03.2018	As on 31.03.2017
Land	88.33	-	0.19	88.14	-	-	88.14	88.33
Building	1,047.09	19.61	-	1,066.70	27.84	-	381.74	684.96
Plant & Machinery	4,191.37	147.02	24.40	4,313.99	98.72	10.48	2,509.40	1,804.59
Electrical Installations	349.79	-	-	349.79	5.20	-	304.07	45.72
Office Equipment	150.48	22.24	-	172.72	10.93	-	143.80	28.92
Furniture & Fixtures	49.21	1.49	-	50.70	3.35	-	34.55	16.15
Vehicles	225.48	64.29	9.40	280.37	18.09	3.47	151.38	128.99
Total Tangible Assets (A)	6,101.75	254.65	33.99	6,322.41	164.13	13.95	3,524.94	2,797.47
Other Intangible assets								
Computer Software	83.11	-	-	83.11	4.37	-	81.37	1.74
Total Intangible assets (B)	83.11	-	-	83.11	4.37	-	81.37	1.74
Grand Total (A+B)	6,184.86	254.65	33.99	6,405.52	168.50	13.95	3,606.31	2,799.21
								2,733.10

Note:2 Investments (Financial assets)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Investment in mutual fund			
Series 3	-	24.33	22.30
Series 4	18.14	17.19	15.77
Robeco Regular Growth	24.78	-	-
Total	42.92	41.52	38.07

Note:3 Long term loans & Advances (Financial assets)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Unsecured Considered good			
Rent deposits	12.48	12.48	12.96
Security deposits with Government	91.50	88.40	84.81
Custom duty receivable	2.87	-	-
Total	106.85	100.88	97.77

Note:4 Other non-current assets

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Advances for Capital Goods	16.06	22.48	17.08
Sales Tax refundable	12.31	12.31	12.31
Amounts paid under protest	147.38	147.38	106.39
Other Assets	6.84	13.91	5.46
Total	182.59	196.08	141.25

Note:5 Inventories

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Raw materials	2,485.17	1,898.66	1,428.93
Stores and spares	177.30	176.86	247.10
Work-in-progress	2,281.47	2,065.20	1,698.21
Finished goods	628.02	665.09	557.98
Total	5,571.96	4,805.81	3,932.22

Note:6 Trade Receivables (Financial assets)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Unsecured Considered good unless stated otherwise			
Outstanding for a period exceeding six months from the date they are due for payment	591.79	587.71	449.80
Others	7,569.97	7,627.10	7,389.27
Less: Allowance or doubtful debts	563.53	490.78	424.96
Total	7,598.23	7,724.03	7,414.11

Note:7 Cash & Bank Balances (Financial assets)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Cash & Cash equivalents:			
Cash on hand	3.36	0.69	65.91
Balances with banks in current accounts	25.16	25.31	87.56
Cheques on hand	23.07	27.58	69.11
Other Bank Balances			
Balances with banks against margin money deposits	319.81	308.87	274.94
Total	371.40	362.45	497.51

Note:8 Short term loans and advances (Financial assets)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Unsecured Considered good			
Employee Advances	32.39	13.74	33.24
Total	32.39	13.74	33.24

Note:9 Other Financial assets

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Interest receivable	8.83	9.21	7.59
Total	8.83	9.21	7.59

Note:10 Current tax assets (net)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Advance Tax, TDS receivable (Net of Provision)	43.37	36.82	24.83
Total	43.37	36.82	24.83

Note:11 Other Current assets

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Cenvat and Vat input credit	1.27	165.20	171.22
Prepaid expenses	37.35	45.13	34.78
lease rent receivable	0.09	0.09	-
Supplier Advances	303.37	406.00	512.98
Total	342.08	616.42	718.98

Note 12: Share Capital

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Authorized shares			
60,00,000 Equity Shares of Rs.10/- each	600.00	600.00	600.00
(P.Y.60,00,000 Equity Shares of Rs.10/- each)			
60,00,000 Preference Shares of Rs.10/- each	600.00	600.00	600.00
(P.Y.60,00,000 Preference Shares of Rs.10/- each)			
Issued, subscribed and Called Up shares			
46,00,000 Equity Shares of Rs.10/- each	460.00	460.00	460.00
(P.Y.46,00,000 Equity Shares of Rs.10/- each)			
Less: Calls in Arrears	0.33	0.33	0.33
Total	459.67	459.67	459.67

Note 13: Other Equity:

(Rs. in lakhs)

Particulars	Reserves and Surplus					Other Comprehensive income	Total
	Securities Premium Reserve	General Reserve	Revaluation reserve	Investment allowance reserve	Retained Earnings		
Balance as at 31st March, 2016 as per IGAAP	360.00	24.38	394.26	10.96	2 412.02		3 201.61
Adjustments:-							-
Less: Additional deferred tax liability					158.77		158.77
Add: Fv of Investments in MF						3.07	3.07
Less: Reversal of Revaluation of fixed assets			(394.26)		394.26		-
Less: Restating the value of fixed assets to cost model					(394.26)		(394.26)
Add: Deferment of processing charges					5.46		5.46
Less: Expected Credit loss					(424.96)		(424.96)
Less: Additional Employee stock option expenses							-
Balance as per Ind AS as at 01.04.2016	360.00	24.38	-	10.96	2,151.29	3.07	2,549.69
Adjustments:-							
Additional deferred tax liability						(2.02)	(2.02)
Fv of Investments in MF						3.45	3.45
Total comprehensive income					63.60	(32.65)	30.95
Additional Employee stock option expenses							
Closing Balance as per Ind AS as at 31.03.2017	360.00	24.38	-	10.96	2,214.89	(28.15)	2,582.07
Adjustments:-							
Adjustment on sale of investment						(4.42)	(4.42)
Additional deferred tax liability					(19.90)		(19.90)
Total comprehensive income	-	-	-	-	221.49	(72.57)	148.92
Closing Balance as per Ind AS as at 31.03.2018	360.00	24.38	-	10.96	2,416.48	(105.14)	2,706.69

Note:14 Borrowings - Non Current liabilities

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
a) Secured loans			
Term Loans from Banks	40.40	110.00	179.60
Vehicle Loans from Banks	57.82	38.65	61.18
b) Unsecured loans			
Loan from Financial Institutions	72.39	288.11	458.54
Total	170.61	436.76	699.32

Note:15 Long term provisions

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Employee benefits:			
Gratuity	186.20	150.77	116.94
Leave encashment	36.53	42.41	5.23
Total	222.73	193.18	122.17

Note:16 Deferred tax liabilities (Net)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Deferred tax liabilities			
On account of Depreciation	267.73	418.34	436.00
Deferred tax Asset			
On account of Employee Benefits	(100.08)	(73.93)	(39.40)
Less: IND AS Adjustments	-	(162.81)	(158.77)
Total	167.65	181.60	237.84

Note:17 Other non current liabilities

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Advances From others	590.06	-	-
Total	590.06	-	-

Note:18 Short term borrowings (Financial liabilities)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Secured loans			
Working Capital Loans from banks	5,950.34	6,304.76	5,778.39
Total	5,950.34	6,304.76	5,778.39

Note:19 Trade payables (Financial liabilities)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Dues to micro and small enterprises	44.30	42.96	40.82
Other Suppliers	5,855.97	5,382.90	4,869.66
Total	5,900.27	5,425.86	4,910.48

Note:20 Other Financial liabilities

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Current maturities of long term debts	145.42	172.27	158.19
Other Payables	715.10	714.07	661.36
Interest accrued but not due	1.13	3.06	4.07
Total	861.65	889.40	823.61

Note:21 Other Current liabilities

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Advances From Customers	-	10.90	7.27
Statutory liabilities	50.73	238.79	191.57
Others	0.52	0.50	-
Total	51.25	250.19	198.84

Note:22 Provisions

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Provision for Employee Benefits			
Gratuity	43.10	4.85	5.56
Leave Encashment	16.95	6.49	6.68
Total	60.05	11.34	12.24

Note:23 Current tax liabilities (net)

(₹ In Lakhs)

Particulars	31 Mar. 18	31 Mar. 17	01 Apr. 16
Provision for income tax	32.52	34.99	-
Total	32.52	34.99	-

Note 24 : Revenue from operations

(₹ in Lakhs)

Particulars	31 st March, 2018	31 st March, 2017
Sale of products		
- Finished Goods	27,202.44	24,848.64
- Other Operating Revenue	8.00	7.10
Less: Excise Duty	527.04	2,323.23
Less : GST paid	2,947.20	-
Less:Discounts and Commission	-	78.72
Revenue from operations (net)	23,736.20	22,453.79
Breakup for Sales of products:		
PVC Leather Cloth	12,965.27	11,502.76
PVC Film	14,237.17	13,345.88
	27,202.44	24,848.64

Note 25 : Other income

(₹ in Lakhs)

Particulars	31 st March, 2018	31 st March, 2017
Insurance claims	-	0.94
Interest on deposits and others	22.20	24.36
Foreign exchange gain (net)	16.79	17.73
Rental Income	0.90	0.36
Profit on sale of investments	5.02	-
Credit balances written back	0.60	1.70
Profit on Sale of Assets	815.62	2.27
Total	861.12	47.36

Note 26 : Cost of material consumed

(₹ in Lakhs)

Particulars	31 st March, 2018	31 st March, 2017
Inventory at the beginning of the year	1,898.66	1,428.93
Add: Purchases	19,066.03	17,558.08
	20,964.69	18,987.01
Less: Inventory at the end of the year	2,485.17	1,898.66
Cost of raw material consumed	18,479.52	17,088.35
Details of raw material consumed		
PVC Resin	10,608.79	10,175.08
Plasticizers	2,613.42	1,909.36
Knitted Cloth/Cloth	2,861.61	2,888.17
Others	2,395.70	2,115.74
	18,479.52	17,088.35
Details of inventory		
PVC Resin	136.33	133.58
Plasticizers	57.33	95.94
Knitted Cloth/Cloth	689.58	520.54
Others	1,601.93	1,148.60
Total	2,485.17	1,898.66

Note 27 : Changes in inventories

(₹ in Lakhs)

Particulars	31 st March, 2018	31 st March, 2017
Work-in-progress		
Inventory at the beginning of the year	2,065.20	1,698.21
Inventory at the closing of the year	2,281.47	2,065.20
	(216.26)	(366.99)
Finished Goods		
Inventory at the beginning of the year	665.09	557.98
Inventory at the closing of the year	628.02	665.09
	37.07	(107.11)
Changes in Inventories	(179.19)	(474.10)

Note 28 : Employee benefits expense

(₹ in Lakhs)

Particulars	31 st March, 2018	31 st March, 2017
Salaries, Wages and Bonus	1,031.21	802.58
Directors' Remuneration	194.97	179.97
Gratuity expenses	38.56	20.54
Contribution to Provident Fund	45.66	34.82
Contribution to ESI	23.48	14.60
Staff and Workmen Welfare Expenses	63.04	56.54
Total	1,396.91	1,109.05

Note 29 : Finance costs

(₹ in Lakhs)

Particulars	31 st March, 2018	31 st March, 2017
On Short Term loans	1,231.71	1,356.51
On Long Term Loans	21.95	30.08
Other Borrowing Cost	234.85	231.46
Total	1,488.51	1,618.05

Note 30 : Other expenses

(₹ in Lakhs)

Particulars	31 st March, 2018	31 st March, 2017
Power, Fuel & Consumable Stores	972.93	951.19
Repairs and Maintenance		
Buildings	2.16	9.59
Plant and Equipment	128.22	160.80
Others	56.47	93.33
Rates and Taxes	20.19	29.13
Conveyance & Vehicle Maintenance	88.94	81.37
Travelling Expenses	4.17	8.80
Office Maintenance	60.10	46.42
Postage, Telegrams & Telephones	30.03	38.28
Printing & Stationery	7.58	8.50
Bad debts Written Off	-	7.75
Insurance	29.63	26.66
Carriage outwards	641.27	679.52
Advertisement and Sales Promotion	152.01	80.62
Expected credit loss	72.75	65.82
Donations	3.20	1.31
Contract wages	405.45	353.53
Miscellaneous Expenses	312.33	238.12
Total	2,987.45	2,880.74

Auditors Remuneration

Particulars	31 st March, 2018	31 st March, 2017
Payments to Auditors (included in Miscellaneous Expenses)		
As Auditor		
- Statutory Audit	6.40	6.40
- Tax Audit	2.40	2.40
- For Limited Review	2.40	2.40
- Out of Pocket Expenses	0.82	0.78
Total	12.02	11.98

Earnings per share (EPS)

Particulars	31 st March, 2018	31 st March, 2017
Profit after tax	221.49	63.61
Weighted average number of equity shares in calculating basic and diluted EPS (Nos In Lakhs)	45.97	45.97
Basic Earnings per Equity Share of Nominal value of Rs.10/- per share (Rs.)	4.82	1.38
Diluted Earnings per Equity Share of Nominal value of Rs.10/- per share (Rs.)	4.82	1.38
Face Value per Share (Rs)	10.00	10.00

31. General Information

Incorporated in 1975, Fenoplast Limited is today a leading manufacturer of PVC Leather Cloth with a world-class reputation for product quality. As part of planned expansion, the Company added a second coating line adapting the transfer coating process in 1982.

The next step was to diversify into the manufacture of unsupported PVC rigid film by the Calendaring Process in 1994. Another state-of-the-art Calendaring line with auto-dosing was built in 2008 catering growing demand. In 2012, a PVDC Coating line was added to enhance product value and increase market share.

Fenoplast today, is a market leader in the OEM segment for Faux Leather and is known for its commitment to quality and impeccable service to its customers. This has enabled us to build lasting relationships with leading international players such as TVS, Hyundai, Daimler, Volkswagen, BMW among others. The very same expertise extends to the manufacture of rigid PVC and PVDC Coated films ensuring innovative packaging solutions to Pharma and Non-Pharma applications.

PRODUCT APPLICATION :

The products of the company have the following applications:

PVC LEATHER CLOTH:

PVC Leather Cloth is widely used in the following industries. It forms as a core material in making final products in the following industries.

- Automobile upholstery
- General upholstery
- Luggage and Baggage industry
- Stationery industry
- House furnishing

PVC RIGID FILM / PVC SOFT FILM:

PVC Film has its application in the following industries. It is generally used as a packing material purely for its transparency, easy to handle, dust resistance, glossiness and visual packaging.

- Pharmaceutical blister packing (Rigid film)
- Consumer product blister packing (Rigid film)
- Insulation tape industry (Soft film)
- Automobile wind shield and upholstery (Soft)
- Luggage and Baggage industry (Soft)
- Stationery industry (Rigid film and Soft film)
- Household usage (Soft film).

MARKET :

The products of the Company are marketed directly either through direct sales to Original Equipment Manufacturers or through its retail dealers.

PVC LEATHER CLOTH:

The PVC Leather cloth industry in India is spread both in organized sector and unorganized small scale sector. India has around 30 units engaged in the manufacture of PVC Leather cloth, out of which around 15 units are in organized sector and the balance in unorganized small scale sector. The total business in PVC Leather cloth is approximately 750 lakh Ln meters, which includes organized sector share of approximately 500 lakh meters. FPL is having a business of 72 lakh meters in this segment having roughly 14.5 % market share in the organized sector. FPL occupies the Number One position in supplies to Original Equipment Manufacturers, in whole India.

For PVC film :

Domestic :

FPL also has a very good Blue Chip Corporate Customers for its PVC Film product. The PVC Film is being used as a packing material on account of its transparency, durability, dust resistance and longevity.

32. Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. All amounts included in the financial statements are reported in Indian rupees (in Rupees) except number of equity shares and per share data, unless otherwise stated.

The accounting policies have been applied consistently to all periods presented in these financial statements.

33. Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

34. Contingent Liabilities:

(Rs. In Lakhs)

Particulars	31 st March, 2018	31 st March, 2017	1 st April, 2016
A. Contingent Liabilities:			
Income Tax Disputes	93.75	68.36	236.02
Sales Tax Disputes	181.85	155.09	96.17
Provident Fund Dispute	20.85	21.41	21.41
Bank Guarantees and Letter of Credits	347.55	317.57	377.16

35. Commitments

- (a) **Capital Commitments:** Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on capital account and not provided for is Rs.NIL (P.Y. Rs.NIL).
- (b) **Other Commitments:** Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on account of external projects and not provided for is Rs.NIL (P.Y. Rs.NIL).

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

Value of imports calculated in CIF basis

(Rs. In Lakhs)

Particulars	31 st March, 2018	31 st March, 2017	1 st April,2016
a. Raw Materials	2,525.85	2,803.67	3,314.98
b. Capital Goods	8.05	17.57	6.99

Expenditure in Foreign Currency

(Rs. In Lakhs)

Particulars	31 st March, 2018	31 st March, 2017	1 st April,2016
Foreign Travel	1.97	2.77	1.94

Earnings in Foreign Exchange

(Rs. In Lakhs)

Particulars	31 st March, 2018	31 st March, 2017	1 st April,2016
Export of Goods (On FOB Basis)	274.92	616.02	1,132.45

Value of Raw Materials, Stores and Spares Consumed and Percentage

(Rs. In Lakhs)

Particulars	31 st March, 2018		31 st March, 2017		1 st April,2016	
	%	Value	%	Value	%	Value
a. Raw Materials						
i. Indigenous	85.13	15,732.29	87.50	14,951.66	82.22	13,434.84
ii. Imported	14.87	2,747.22	12.50	2,136.69	17.78	2,904.81
	100.00	18,479.52	100.00	17,088.35	100.00	16,339.65
b. Stores and Spares						
i. Indigenous	100.00	224.23	100.00	170.62	100.00	59.42
ii. Imported	-	-	-	-	-	-
	100.00	224.23	100.00	170.62	100.00	59.42

37. Financial Instruments- Fair Values and Risk Management

a. Financial Instruments by Categories

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Amount in lakhs as of March 31, 2018)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Mutual funds	40.00		2.92	42.92	42.92
Cash & Cash Equivalents (Ref Note No. 7)	371.40	-	-	371.40	371.40
Trade Receivable (Ref Note No.6)	7,598.23	-	-	7,598.23	7,598.23
Loans given (Ref Note No. 8)	32.39	-	-	32.39	32.39
Security Deposits (Ref Note No.3)	91.50	-	-	91.50	91.50
Other Financial Assets (Ref Note No.9)	8.83	-	-	8.83	8.83
Liabilities:					
Trade Payable (Ref Note No.19)	5,900.27	-	-	5,900.27	5,900.27
Borrowings (Ref Note No 14 and 18)	6,120.95	-	-	6,120.95	6,120.95
Other Financial Liabilities (Ref Note No.20)	861.65	-	-	861.65	861.65

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2017:

(Amount in lakhs as of March 31, 2017)

Assets:					
Investments in Mutual funds	35	-	6.52	41.52	41.52
Cash & Cash Equivalents (Ref Note No.7)	362.45	-	-	362.45	362.45
Trade Receivable (Ref Note No.6)	7,724.03	-	-	7,724.03	7,724.03
Loans given (Ref Note No. 8)	13.74	-	-	13.74	13.74
Security Deposits (Ref Note No. 3)	88.4	-	-	88.4	88.4
Other Financial Assets (Ref Note No.9)	9.21	-	-	9.21	9.21
Liabilities:					
Trade Payable (Ref Note No.19)	5,425.86	-	-	5,425.86	5,425.86
Borrowings (Ref Note No.14 and 18)	6,741.52	-	-	6,741.52	6,741.52
Other Financial Liabilities (Ref Note No.20)	889.4	-	-	889.4	889.4

The carrying value and fair value of financial instruments by categories were as follows as on April 01, 2016:

(Amount in lakhs as of April 01, 2016)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Mutual funds	35		3.07	38.07	38.07
Cash & Cash Equivalents (Ref Note No.7)	497.51	-	-	-	497.51
Trade Receivable (Ref Note No.6)	7,414.11	-	-	-	7,414.11
Loans given (Ref Note No. 8)	33.24	-	-	-	33.24
Security Deposits (Ref Note No. 3)	84.81	-	-	-	84.81
Other Financial Assets (Ref Note No.9)	7.59	-	-	-	7.59
Liabilities:					
Trade Payable (Ref Note No.18)	4,910.48	-	-	-	4,910.48
Borrowings (Ref Note No.14 and 19)	6,477.71	-	-	-	6,477.71
Other Financial Liabilities (Ref Note No.20)	823.61	-	-	-	823.61

b. Fair Value Hierarchy

- **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- **Level 2** - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

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

(Amount in lakhs as at March 31, 2018)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Investments in Mutual Funds	42.92			42.92	Measured at FVTOCI	
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Financial Liabilities						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	0.02	-	0.02	-	-

(Amount in lakhs as at March 31, 2017)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Investments in Mutual Funds	41.52	-	-	-	Measured at FVTOCI	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Financial Liabilities						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-

(Amount in lakhs as at April 01, 2016)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Investments in Mutual Funds	38.07	-	-	-	Measured at FVTOCI	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Financial Liabilities						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-

The following tables show assets and liabilities which are measured at amortized cost for which fair values are disclosed:

(Amount in lakhs as at March 31, 2018)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	32.39	32.39	-	-
Security deposits	-	-	91.50	91.50	-	-
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	123.89	123.89	-	-
Financial Liabilities						
Borrowings	-	-	6,120.95	6,120.95	-	-
Others (current maturities of long term debt))	-	-	145.42	145.42	-	-
Total financial liabilities	-	-	6,266.37	6,266.37	-	-

(Amount in lakhs as at March 31, 2017)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	13.74	13.74	-	-
Security deposits	-	-	88.4	88.4	-	-
Others (specify)	-	-	-	-	-	-
Total financial assets	-	-	102.14	102.14	-	-
Financial Liabilities						
Borrowings	-	-	6,741.52	6,741.52	-	-
Others (current maturities of long term debt))	-	-	172.27	172.27	-	-
Total financial liabilities	-	-	6,913.79	6,913.79	-	-

(Amount in lakhs as at April 01, 2016)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	33.24	33.24	-	-
Security deposits	-	-	84.81	84.81	-	-
Others (specify)	-	-	-	-	-	-
Total financial assets	-	-	118.05	118.05	-	-
Financial Liabilities						
Borrowings	-	-	6,477.71	6,477.71	-	-
Others (current maturities of long term debt))	-	-	158.19	158.19	-	-
Total financial liabilities	-	-	6,635.90	6,635.90	-	-

c. Financial risk management

The company's activities expose it to the following financial risks:

- market risk (see (a));
- credit risk (see (b)); and
- liquidity risk.(see (c)).

The company has not arranged funds that have any interest rate risk.

a) Market risk

(i) Foreign Exchange Risk

The company has import and export transactions and hence has foreign exchange risk. The short term foreign currency loans (buyer's credit) availed from banks are fixed interest rate borrowings. As a result, the company does not have any interest rate risk. The company's risk management policy is to use hedging instruments to hedge the risk of foreign exchange.

The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company designates the spot element of forward contracts with reference to relevant spot market exchange rate. The difference between the contracted forward and the spot market exchange rate is treated as the forward element.

The following tables show the summary of quantitative data about the company's exposure to foreign currency risk expressed in INR from financial instruments:

(Amounts as at 31st March, 2018)

Particulars	US Dollars	Euro	Other Currencies
Trade Receivable	1,04,249.50	13,088.00	1,66,817.50
Advances to suppliers	1,38,037.00	27,540.65	-
Total Receivable in foreign currency	2,42,286.50	40,628.65	1,66,817.50
Forward Exchange Contracts	-	-	-
Net Exposure to foreign currency risk (assets)	-	-	-
Trade Payables	4,47,242.00	55,165.00	-
Freight, Demurrage / Despatch Payable	-	-	-
Litigation Settlement payable	-	-	-
Others (if any)	-	-	-
Total Payable in Foreign Currency	4,47,242.00	55,165.00	-
Forward Exchange Contracts	1,04,286.00	55,165.20	-
Net Exposure to foreign currency risk (liabilities)	1,00,669.50	40,628.65	1,66,817.50

(Amounts as at 31st March, 2017)

Particulars	US Dollars	Euro	Other Currencies
Trade Receivable	2,06,175.50	8,288.00	50,271.27
Advances to suppliers	1,03,545.00	-	-
Total Receivable in foreign currency	3,09,720.50	8,288.00	50,271.27
Forward Exchange Contracts	-	-	-
Net Exposure to foreign currency risk (assets)	-	-	-
Trade Payables	2,27,412.50	86,677.50	-
Others (if any)	-	-	-
Total Payable in Foreign Currency	2,27,412.50	86,677.50	-
Forward Exchange Contracts	3,47,700.00	86,677.50	-
Net Exposure to foreign currency risk (liabilities)	-	-	-

(Amounts as at 1st April, 2016)

Particulars	US Dollars	Euro	Other Currencies
Trade Receivable	4,39,515.80	8,288.00	1,58,417.75
Advances to suppliers	1,03,545.00	-	-
Total Receivable in foreign currency	5,43,060.80	8,288.00	1,58,417.75
Forward Exchange Contracts	-	-	-
Net Exposure to foreign currency risk (assets)	-	-	-
Trade Payables	2,29,094.66	74,958.41	-
Freight, Demurrage / Despatch Payable	-	-	-
Others (if any)	-	-	-
Total Payable in Foreign Currency	2,29,094.66	74,958.41	-
Forward Exchange Contracts	4,35,827.50	1,14,347.50	-
Net Exposure to foreign currency risk (liabilities)	-	-	-

Sensitivity:

As of March 31, 2018 , March 31, 2017 and 1st April,2016, increase or decrease of the respective foreign currencies compared to our functional currency had impacted our profit before tax by approximately INR 16.79,17.73,6.29 (in Lakhs)respectively.

(ii) Price Risk

The company's exposure to price risk arise as the investments held by the company are classified in balance sheet at fair value through other comprehensive income.

As of March 31, 2018 , March 31, 2017 and 1st April,2016, every increase or decrease of the respective equity prices would impact other component of equity by approximately INR 2.92 and INR 6.52,INR 3.07 (in Lakhs) respectively. It has no impact on profit or loss.

b) Credit Risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Trade Receivables :

The company has outstanding trade receivables amounting to INR 7598.23(in lakhs), INR 7724.03(in lakhs) and INR 7414.11(in lakhs) as of March 31, 2018 , March 31, 2017 and 1st April,2016, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Impairment on trade receivables is recognized based on expected credit loss in accordance with provisions of Ind AS 109. The company's historical experience for customers, present economic condition and present performance of the customers, future outlook for the industry etc are taken into account for the purposes of expected credit loss.

Credit risk exposure:

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

(As at 31st March 2018, Amount in Rs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	57,96,53,988	-	57,96,53,988
Past due less than 30 days	8,59,24,078	-	8,59,24,078
Past due more than 30 days but not more than 60 days	4,14,40,154	-	4,14,40,154
Past due more than 60 days but not more than 90 days	1,53,73,320	-	1,53,73,320
Past due more than 90 days but not more than 120 days	1,46,04,845	-	1,46,04,845
Past due more than 120 days	7,91,80,057	5,63,53,000	2,28,27,057
Total	81,61,76,442	5,63,53,000	75,98,23,442

(As at 31st March, 2017, Amount in Rs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	55,14,42,362	-	55,14,42,362
Past due less than 30 days	13,07,98,535	-	13,07,98,535
Past due more than 30 days but not more than 60 days	3,97,85,323	-	3,97,85,323
Past due more than 60 days but not more than 90 days	74,71,810	-	74,71,810
Past due more than 90 days but not more than 120 days	1,31,91,303	-	1,31,91,303
Past due more than 120 days	7,87,91,598	4,90,77,637	2,97,13,961
Total	82,14,80,931	4,90,77,637	77,24,03,294

(As at 1st April, 2016, Amount in Rs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	51,57,87,131	-	51,57,87,131
Past due less than 30 days	7,51,47,551	-	7,51,47,551
Past due more than 30 days but not more than 60 days	7,28,46,304	-	7,28,46,304
Past due more than 60 days but not more than 90 days	3,58,85,657	-	3,58,85,657
Past due more than 90 days but not more than 120 days	1,92,61,089	-	1,92,61,089
Past due more than 120 days	6,49,79,675	4,24,95,918	2,24,83,757
Total	78,39,07,407	4,24,95,918	74,14,11,489

Trade receivables are generally considered credit impaired after 120 days past due, unless the amount is considered receivable, when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables.

Financial assets:

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. There will be no credit risk related to employee loans as they are adjusted against their salaries.

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Due to the dynamic nature of underlying businesses, the company maintains flexibility in funding by maintaining availability under committed credit lines.

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

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities.

(Amount in Rs as of March 31, 2018)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	59,00,27,418	-	-	-	-	59,00,27,418
Short term borrowings (cash credit)	59,50,33,885	-	-	-	-	59,50,33,885
Long Term Borrowings	96,57,113	1,27,59,378	87,46,521	4,39,279	-	3,16,02,291
Other Financial Liabilities (Note no:)	-	-	-	-	-	-
Total	1,19,47,18,416	1,27,59,378	87,46,521	4,39,279		1,21,66,63,594

(Amount in Rs as of March 31,2017)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	54,25,86,487	-	-	-	-	54,25,86,487
Short term borrowings (cash credit)*	63,04,75,613	-	-	-	-	63,04,75,613
Long Term Borrowings	95,74,743	76,53,664	2,54,20,858	1,45,41,486	37,12,061	6,09,02,813
Other Financial Liabilities (Note no:)	-	-	-	-	-	
Total	1,18,26,36,843	76,53,664	2,54,20,858	1,45,41,486	37,12,061	1,23,39,64,913

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

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	49,10,48,372					49,10,48,372
Short term borrowings (cash credit)*	57,78,39,046					57,78,39,046
Long Term Borrowings	84,79,376	73,39,624	3,12,08,615	97,47,039	2,90,95,002	8,58,69,656
Other Financial Liabilities (Note no:)						
Total	1,07,73,66,794	72,20,861	3,12,08,615	97,47,039	2,90,95,002	1,15,46,38,311

38. Disclosure in respect of Indian Accounting Standard (Ind AS)-21 “The Effects of changes in Foreign Exchange Rates

The amount of exchange differences adjusted to the Statement of Profit & Loss INR 16.79 (P.Y.INR. 17.73) (in Lakhs)

39. Disclosure in respect of Indian Accounting Standard (Ind AS)-23 “Borrowing Costs”

- The amount capitalized with Property, Plant & Equipments as borrowing cost is RS. NIL & RS. NIL for the year ended March 31, 2018 , March 31, 2017respectively.

40. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 “Impairment of assets”

During the year, the company assessed the impairment loss of assets and ECL debited to Profit & Loss is INR.72.75(P.Y.INR.65.82) (in Lakhs)

41. Disclosure in respect of Indian Accounting Standard (Ind AS)-20 “Accounting for Government Grants and Disclosure of Government Assistance”

- The Company did not receive any Government Grants during the year and Previous year.

42. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 “Employee Benefits”

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

a) Gratuity:

The company operates post retirement gratuity plan with Life Insurance Corporation, the details of post-retirement benefit gratuity plan as follows:

A. Change in Defined Benefit Obligation

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Defined Benefit Obligation at the beginning	1,37,19,059	1,71,53,542
Current Service Cost	9,69,136	12,03,387
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	12,05,997	13,06,888
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(6,38,175)	(16,34,885)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	-	(42,12,847)
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	18,97,525	1,08,32,131
Defined Benefit Obligation at the end	1,71,53,542	2,46,48,215
Discount Rate	8.00%	8.00%
Salary Escalation Rate	2.00%	2.00%

B. Change in Fair Value of Plan Assets

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Fair Value of Plan Assets at the beginning	14,69,415	15,90,642
Interest Income	1,21,227	1,27,251
Employer Contributions	-	-
Employer Direct Benefit Payments	6,38,175	16,34,885
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(6,38,175)	(16,34,885)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	-
Fair Value of Plan Assets at the end	15,90,642	17,17,893

Weighted Average Asset Allocations at the end of current period

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Equities	-	-
Bonds	-	-
Gilts	-	-
Insurance Policies	100%	100%
Total	-	-

C. Changes in Reimbursement Rights

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Reimbursement Rights at the beginning	-	-
Reimbursement Service Cost	-	-
Gain/ (loss) on Settlements	-	-
Interest Income	-	-
Employer Contributions to Reimbursement Rights	-	-
Reimbursements to Employer	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Benefits paid by the Company in prior valuation period and settled by Fund Manager in current 3 Quarter	-	-
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	-	-
Reimbursement Rights at the end	-	-

D. Change in Asset Ceiling / Onerous Liability

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Asset Ceiling / Onerous Liability at the beginning	-	-
Interest Income	-	-
Gain / (Loss) on Settlements	-	-
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	-	-
Asset Ceiling / Onerous Liability at the end	-	-

E. Components of Defined Benefit Cost

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Current Service Cost	9,69,136	12,03,387
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	9,69,136	12,03,387
Interest Expense on DBO	12,05,997	13,06,888
Interest (Income) on Plan Assets	(1,21,227)	(1,27,251)
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	10,84,770	11,79,637
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	20,53,906	23,83,023
Remeasurements - Due to Demographic Assumptions	-	(42,12,847)
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	18,97,525	1,08,32,131
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	18,97,525	66,19,284
Total Defined Benefit Cost recognized in P&L and OCI	39,51,431	90,02,307
Discount Rate	8.00%	8.00%
Salary Escalation Rate	2.00%	2.00%

F. Bifurcation of Present Value of Obligations at the end of the valuation period as per revised Schedule VI of the Companies Act, 2013

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Current Liabilities	20,75,882	60,27,741
Non- current Liabilities	1,50,77,660	1,86,20,475

G. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Defined Benefit Obligation	1,71,53,542	2,46,48,215
Fair Value of Plan Assets	15,90,642	17,17,893
Funded Status	1,55,62,900	2,29,30,322
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	1,55,62,900	2,29,30,322
Of which, Short term Liability	20,75,882	60,27,741

H. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Net Defined Benefit Liability / (Asset) at the beginning	1,22,49,644	1,55,62,900
Defined Benefit Cost included in P & L	20,53,906	23,83,023
Total Remeasurements included in OCI	18,97,525	66,19,284
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(6,38,175)	(16,34,885)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	1,55,62,900	2,29,30,322

I. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Defined Benefit Obligation	1,71,53,542	2,46,48,215
Fair Value of Plan Assets	15,90,642	17,17,893
Funded Status	1,55,62,900	2,29,30,322
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	1,55,62,900	2,29,30,322
Of which, Short term Liability	20,75,882	60,27,741

J. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Net Defined Benefit Liability / (Asset) at the beginning	1,22,49,644	1,55,62,900
Defined Benefit Cost included in P & L	20,53,906	23,83,023
Total Remeasurements included in OCI	18,97,525	66,19,284
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(6,38,175)	(16,34,885)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	1,55,62,900	2,29,30,322

K. Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
(Gain) / Loss on Plan Liabilities	18,97,525	1,08,32,131
% of Opening Plan Liabilities	13.83%	63.15%
Gain / (Loss) on Plan Assets	-	-
% of Opening Plan Assets	-	-

L. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Net Defined Benefit Liability / (Asset) at the beginning	1,22,49,644	1,55,62,900
Defined Benefit Cost included in P & L	20,53,906	23,83,023
Total Remeasurements included in OCI	18,97,525	66,19,284
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(6,38,175)	(16,34,885)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	1,55,62,900	2,29,30,322

M. Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
(Gain) / Loss on Plan Liabilities	18,97,525	1,08,32,131
% of Opening Plan Liabilities	13.83%	63.15%
Gain / (Loss) on Plan Assets	-	-
% of Opening Plan Assets	-	-

Additional Disclosure Items**Expected Cash flow for following years**

Maturity Profile of Defined Benefit Obligations			
Year 1	22,63,556	Year 6	12,94,174
Year 2	16,31,068	Year 7	11,91,204
Year 3	17,82,966	Year 8	11,07,608
Year 4	14,00,612	Year 9	11,48,998
Year 5	13,39,848	Year 10	9,22,565

The weighted average duration of the defined benefit obligation is 8.00

Best Estimate of Contribution during the next year

The Best Estimate Contribution for the Company during the next year would be **INR 1,14,65,161**

Discontinuance Liability

Amount payable upon discontinuance of all employment is **INR 3,62,44,395**

Leave Encashment Plan**A. Change in Defined Benefit Obligation**

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Defined Benefit Obligation at the beginning	11,90,699	48,90,666
Current Service Cost	10,06,740	12,36,675
(Gain) / Loss on settlements	-	-
Interest Expense	96,727	2,39,807
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(2,31,913)	(37,86,158)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	28,28,413	27,67,394
Defined Benefit Obligation at the end	48,90,666	53,48,383
Discount Rate	8.00%	8.00%
Salary Escalation Rate	2.00%	2.00%

B. Change in Fair Value of Plan Assets

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Fair Value of Plan Assets at the beginning	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	2,31,913	37,86,,158
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(2,31,913)	(37,86,158)
Settlement Payments from Plan Assets	-	-

Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	-
Fair Value of Plan Assets at the end	-	-

Weighted Average Asset Allocations at end of Year		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Equities	-	-
Bonds	-	-
Gilts	-	-
Insurance Policies	-	-
Total	-	-

C. Changes in Reimbursement Rights

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Reimbursement Rights at the beginning	-	-
Reimbursement Service Cost	-	-
Gain/ (loss) on Settlements	-	-
Interest Income	-	-
Employer Contributions to Reimbursement Rights	-	-
Reimbursements to Employer	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Benefits paid by the Company in prior valuation period and settled by Fund Manager in current 3 Quarter	-	-
Net Transfer In / (Out) (Including the effect of any business combination / divestiture)	-	-
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	-	-
Reimbursement Rights at the end	-	-

D. Change in Asset Ceiling / Onerous Liability

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Asset Ceiling / Onerous Liability at the beginning	-	-
Interest Income	-	-
Gain / (Loss) on Settlements	-	-
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	-	-
Asset Ceiling / Onerous Liability at the end	-	-

E. Components of Defined Benefit Cost

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Current Service Cost	10,06,740	12,36,675
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	10,06,740	12,36,675
Interest Expense on DBO	96,727	2,39,807
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	96,727	2,39,807
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	11,03,467	14,76,482
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	28,28,413	27,67,394
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	28,28,413	27,67,394
Total Defined Benefit Cost recognized in P&L and OCI	39,31,880	42,43,875
Discount Rate	8.00%	8.00%
Salary Escalation Rate	2.00%	2.00%

F. Bifurcation of Present Value of Obligations at the end of the valuation period as per revised Schedule VI of the Companies Act, 2013

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Current Liabilities	6,49,003	16,94,906
Non- current Liabilities	42,41,663	36,53,477

G. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Defined Benefit Obligation	48,90,666	53,48,383
Fair Value of Plan Assets	-	-
Funded Status	48,90,666	53,48,383
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	48,90,666	53,48,383
Of which, Short term Liability	6,49,003	16,94,906

H. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Net Defined Benefit Liability / (Asset) at the beginning	11,90,699	48,90,666
Defined Benefit Cost included in P & L	11,03,467	14,76,482
Total Remeasurements included in OCI	28,28,413	27,67,394
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(2,31,913)	(37,86,158)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	48,90,666	53,48,383

I. Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
(Gain) / Loss on Plan Liabilities	28,28,413	28,26,809
% of Opening Plan Liabilities	237.54%	57.80%
Gain / (Loss) on Plan Assets	-	-
% of Opening Plan Assets	-	-

Additional Disclosure Items

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations			
Year 1	5,04,249	Year 6	2,60,052
Year 2	3,50,552	Year 7	2,42,026
Year 3	3,20,631	Year 8	2,15,693
Year 4	3,00,807	Year 9	1,90,056
Year 5	2,79,960	Year 10	1,72,215

The weighted average duration of the defined benefit obligation is 7.33

Best Estimate of Contribution during the next year

The Best Estimate Contribution for the Company during the next year would be **INR 26,74,192**

Discontinuance Liability

Amount payable upon discontinuance of all employment is **INR 74,30,281**

43. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments, and are as set out in the significant accounting policies. Business segments of the company are:-

- Pvc Leather Cloth
- Pvc Film

Segment Revenue and Expense

Details regarding revenue and expenses attributable to each segment must be disclosed

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

Segment revenues and results (March 31, 2018)

(March 31, 2017)

Particulars	External	Inter Segment	Total	External	Inter Segment	Total
1) Segment Revenue – Gross						
Pvc leather Cloth	12,965.27	-	12,965.27	11,502.76	-	11,502.76
Pvc film	14,237.17	-	14,237.17	13,345.88	-	13,345.88
Unallocable	-	-	-	-	-	-
Segment Total	27,202.44	-	27,202.44	24,848.64	-	24,848.64

2) Segment Results						
Pvc leather Cloth			1,338.09			2,516.66
Pvc film			532.47			(56.51)
Unallocable						-
Segment Total			1,870.56			2,460.16
Unallocated corporate expenses			(982.27)			(807.36)
Profit before interest etc. and taxation			888.29			1,652.8
Interest Income – Unallocable			22.20			24.36
Other Income – Unallocable			833.64			22.99
Interest Paid - Pvc Film & Unallocable			1,488.51			1,618.05
Profit before tax			255.61			82.10
Tax expense			34.11			18.49
Profit for the year			221.49			63.61

31st March,2018

3) Other Information	Pvc Leather Cloth	Pvc Film	Unallocable	Total
a) Segment Asset	8,534.55	7,733.34	905.60	17,173.49
b) Segment Liabilities	3,062.33	4,217.26	6,727.54	14,007.13
c) Capital Expenditure	79.89	21.94	85.31	187.14
d) Allocable Depreciation	30.60	111.07	26.84	168.51

31st March,2017

Other Information	Pvc Leather Cloth	Pvc Film	Unallocable	Total
a) Segment Asset	6,889.59	9,087.89	792.35	16,769.83
b) Segment Liabilities	2,245.92	4,387.10	7,095.07	13,728.09
c) Capital Expenditure	30.94	141.15	1.48	173.57
d) Allocable Depreciation	28.12	121.56	47.29	196.97

1st April,2016

Other Information	Pvc Leather Cloth	Pvc Film	Unallocable	Total
a) Segment Asset	6405.16	8,888.22	498.88	15792.26
b) Segment Liabilities	1,606.54	4,381.62	6794.74	12782.90
c) Capital Expenditure	1.99	9.79	90.42	102.20
d) Allocable Depreciation	36.55	160.81	46.92	244.28

GEOGRAPHICAL INFORMATION:

Particulars	31 st March,2018			31 st March,2017		
	In India	Outside India	Total	In India	Outside India	Total
1 Revenue from external customers						
External Sales	26,791.70	410.74	27,202.44	24,154.87	693.77	24,848.64
Inter segment Sales				-	-	-
Total Sales	26,791.70	410.74	27,202.44	24,154.87	693.77	24,848.64
2 Non Current Assets						
Carrying Amount of Segment Asset	17,173.49		17,173.49	16,769.83	-	16,769.83
Additions to Fixed Assets	254.65		254.65	60.56	-	60.56

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

Related Party Disclosures

A. Key Managerial Personnel (KMP):

Sri H. Kishen	– Managing Director
Sri H. Krishna Kumar	– Whole time Director
Sri H. Praveen Kumar	– Chief Executive- Calendering Divison
Sri H. Mahesh Kumar	– Chief Executive - Domestic Sales
Sri H. Sanjay Kumar	– Whole time director
Sri V.B.V.R.Ratnaji	– Chief Financial Officer
Mrs. G. Pushkarini	– Company Secretary upto 31.05.2017
Mr. K. Mohith Kumar	– Company Secretary w.e.f 01.06.2017

B. Non-whole-time Directors

Sri Kamalakar Rao Bandari
Sri H.Narsaiah
Sri K. Malhar Rao
Sri P.Niroop Reddy
Dr. Batul Alladin Arif

C. Enterprises in which Key Management Personnel has significant influence

Rex-O-Knits Private Limited

D. Relatives of Key Management Personnel

Sri Anurag H - Son of Sri H.Krishna Kumar

E. Related Party Transactions**(Rs. In Lakhs)**

Enterprises in which significant influence by Key Management Personnel

Particulars	31 st March, 2018	31 st March, 2017	1 st April,2016
Rex-O-Knits Private Limited			
Jobwork Charges	86.27	100.01	94.42
Amount Receivable as on	162.36	124.33	75.30

Key Managerial Personnel:

(Rs. In Lakhs)

Particulars	31 st March, 2018	31 st March, 2017	1 st April, 2016
Professional Charges		-	2.40
Remuneration			
H.Kishen	84.00	78.00	78.00
H. Krishna Kumar	81.00	72.00	72.00
H. Sanjay Kumar	29.97	29.97	29.97
H. Mahesh Kumar	30.00	30.00	30.00
H.Praveen Kumar	30.00	30.00	30.00
V.B.V.R.Ratnaji	15.96	15.96	15.96
K. Mohith Kumar	4.68	-	-
G. Pushkarini	0.60	5.27	2.29

Non-whole-time Directors

(Rs. In Lakhs)

Particulars	31 st March, 2018	31 st March, 2017	1 st April, 2016
Sitting fees	2.68	2.40	2.27

Relatives of Key Managerial Personnel:

(Rs. In Lakhs)

Particulars	31 st March, 2018	31 st March, 2017	1 st April, 2016
Remuneration	9.75	-	1.96

45. Disclosure in respect of Indian Accounting standard (Ind AS) 17 “Leases”**a. As lessee**

- Finance leases: The company does not have any finance lease arrangement during the period.
- Operating lease
 - Future minimum lease payments under non-cancellable operating leases

(Amount in Rs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended 1 st April, 2016
Not later than 1 year			
Later than 1 year and not later than 5 years	Not applicable	Not applicable	
Later than 5 years			

• Payments recognised as an expense

(Amount in Rs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended 1 st April, 2016
Minimum lease payments			
Contingent rentals	Not applicable	Not applicable	
Sub-lease payments received			

- **Leasing arrangement:**

Later than 5 years			
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- **As a lessor**

- Finance leases: The Company does not have any finance lease arrangement during the period.
 - Operating leases
- Future minimum lease receivables under non-cancellable operating lease

(Amount in Rs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended 1 st April, 2016
Not later than 1 year			
Later than 1 year and not later than 5 years	Not applicable	Not applicable	

46. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

- Basic EPS**

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

(Amount in Rs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Earnings used in calculation of basic earnings per share(A)	221.49	63.61
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	45.97	45.97
Basic EPS(A/B)	4.82	1.38

- Diluted EPS**

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(Amount in Rs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Earnings used in calculation of basic earnings per share(A)	221.49	63.61
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	45.97	45.97
Diluted EPS(A/B)	4.82	1.38

47. Accounting Policies under Ind AS:

1. Significant Accounting Policies

1.1 Statement of Compliance and basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

1.2 Application of Indian Accounting Standards (Ind-AS)

All Listed companies are required to adopt Ind AS.

All amounts included in the financial statements are reported in of Indian rupees (Rupees in) except number of equity shares and per share data, unless otherwise stated.

1.3 Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised

1.4 Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

1.5 Revenue Recognition

i) Operating Income

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, it is probable that economic benefits associated with the transaction will flow to the entity, the associated costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing management involvement with the goods. The point of transfer of risks and rewards depends upon the terms of the contract of sale with individual customers.

ii) Other Income

The income relating to the core activities of the company which are not included in revenue from sales / services , are accounted for under Other Income.

iii) Claims

Claims are recognized in the Statement of Profit & Loss (Net of any payable) on accrual basis when it is not unreasonable to expect ultimate collection. Claims recognized but subsequently becoming doubtful are provided for through Statement of Profit and Loss. Insurance claims are accounted upon being accepted by the insurance company

iv) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

v) Revenue Recognition on Actual Realization

Revenue is recognized on accrual basis except in the following items which are accounted for on actual realization since realisability of such items is uncertain, in accordance with the provisions of Ind AS-18 :-

- a) Duty credit / exemption under various promotional schemes of EXIM policy in force, Tax credit, refund of custom duty on account of survey shortage, and refund of income-tax/service tax / sales-tax /VAT and interest thereon etc.
- b) Decrees pending for execution/contested dues and interest thereon, if any:
- c) Interest on overdue recoverable where realisability is uncertain.
- d) Liquidated damages on suppliers/underwriters.

1.6 Property, Plant and Equipment's

All Property, Plant and Equipments (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

The company has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

1.7 Intangible Assets

All Intangible Assets are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for

more than one economic period; and the cost of the asset can be measured reliably. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful lives from the date on which they are available for use. Softwares are amortized over its useful life subject to a maximum period of 5 years or over the license period as applicable.

1.8 Non-Current Assets Held for Sale

The company classifies a non-current asset (or disposal group of assets) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and the fair value less costs to sell.

1.9 Depreciation

Depreciation is provided on straight line method as per the useful lives approved by the Board of Directors, which are equal to those provided under schedule II of the Companies Act, 2013. The useful life of an asset is reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and if the useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The useful lives of the assets are taken as under:-

Name of Assets	Useful life as adopted by the company as per Schedule II
A. General Assets	
Furniture & Fittings	10
Office Equipment	5
Vehicles – Scooter	10
Vehicles – Car	8
Computers - Servers and networks	6
Computers – End User Devices	3
Lease-hold Land	As per Lease Agreement
Wagon Rakes	As per Agreement /
	Wagon Investment Scheme
Electrical installations excluding fans	10
Water Supply, Sewerage and Drainage	5
Roads	
Carpeted Roads – RCC	10
Carpeted Roads - Other than RCC	5
Non Carpeted Roads	3
Culverts	30
Buildings	
RCC	60

Other than RCC	30
Residential Flats (Ready Built)	
RCC	60
Other than RCC	30
Temporary Structure & wooden partition	3
Warehouse / Godown	30
B. Manufacturing Unit's Assets	
Factory Buildings	30
Electronic installations excluding fans	10
Water Supply, Sewerage and Drainage	5
Plant and Machinery	
Single Shift	15
Double Shift	10
Triple Shift	7.5
Plant and Machinery- Wind Energy Generation Plant	22
C. Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company	5
D. Amortization of Intangible Assets	
Softwares	5 years or License period as applicable

1.10 Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset.

The Company recognises other borrowing costs as an expense in the period in which it incurs them.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.11 Foreign currencies

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency monetary items (except overdue recoverable where reliability is uncertain) are converted using the closing rate as defined in the Ind AS-21. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Statement of Profit and Loss.

Liability in foreign currency relating to acquisition of fixed assets is converted using the closing rate. The difference in exchange is recognized in the Statement of Profit and Loss.

1.12 Inventory

Inventories are valued at lower of cost or net realizable value.

Basis of determination of cost remain as follows:

Raw Materials, Packing materials - On Weighted average cost basis.

Spares- at Cost

Work-in-process: At cost of inputs plus overheads up to the stage of completion.

Finished goods are valued at lower of cost or net realizable value.

1.13 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.14 Contingent Liabilities / Assets

Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made

Contingent Liabilities are disclosed in the General Notes forming part of the accounts

Contingent Assets

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

1.15 Employee benefits

Provision for gratuity, leave encashment is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

1.16 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.17 Impairment

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

relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of zero days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future

cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

1.18 Earnings per share

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any shares splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.19 Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively

with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

1.20 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non derivative financial instruments are measured as described below:

a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

- #### **b)**
- Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

1.23 Segment Information

The Managing Director (MD) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS-108, "Operating Segments." The MD of the Company evaluates the segments based on their revenue growth and operating income.

The Company has identified its Operating Segments as PVC Film and PVC Leather cloth.

The Assets and liabilities used in the Company's business that are not identified to any of the operating segments are shown as un-allocable assets/liabilities. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

1.24 Prior Period Errors

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts. Taking into account the nature of activities of the company, prior period errors are considered material if the items of income / expenditure collectively (net) exceed 0.5% of sales turnover of the company.

48. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 24-05-2018.

49. Transition from IGAAP to IND AS

These financial statements, for the year ended March 31st, 2018, are first financial statements prepared by the Company in accordance with Ind AS. For years upto and including the year ended March 31, 2016, the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the company has prepared IND AS compliant financial statements for year ending on March 31st, 2017. In preparing these financial statements, the company has prepared opening IND AS balance sheet as at 1st April, 2016 the company's date of transition to Ind-AS in accordance with requirement of IND AS 101, "First time Adoption of Indian Accounting Standards". The basic approach adopted is summarized hereunder:

- i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.
- ii) All non-current financial assets/liabilities at below market rate of interest or zero interest and outstanding as on 1st April, 2016 have been measured at fair value.

-
- iii) In accordance with IND AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to IND AS.
- iv) The estimates as at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).
- v) IND AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under IND AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per IND AS 101:
- a) **Deemed Cost for Property, Plant & Equipment and Intangible Assets:** The company has availed exemption under para D7AA of appendix D to IND AS 101 which permits a first time adopter to continue with the carrying values for its PPE as at date of transition to IND ASs measured as per previous GAAP.
- b) **Classification & Fair value measurement of financial assets or financial liabilities at initial recognition:** The financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to IND AS. In addition, the exemption permits prospective application of requirements of IND AS 109 to transactions entered into on or after date of transition.

Impairment of financial assets: The Company has availed exemption under para B8D of appendix B which permits the first time adopter to apply the impairment requirement of Ind AS 109 prospectively.

As per our report of even date

For and on behalf of the Board

For Venugopal & Cheney

Chartered Accountants

CA P.V. Sri Hari

Partner

M No. 021961

Place: Secunderabad

Date : 24th May, 2018

H.Kishen

Managing Director

Place: San Francisco, USA

Date: 24-05-2018

V.B.V.R. Ratnaji

Chief Financial Officer

H. Krishna Kumar

Whole-time Director

K.Mohith Kumar

Company Secretary

FENOPLAST LIMITED

CIN: L25209TG1975PLC001942

Registered Office: 306-308, CHENOY TRADE CENTRE, PARKLANE, SECUNDERABAD,
TELANGANA-500003

• E-mail : info@fenoplast.com • Website : www.fenoplast.in

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING (To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Fenoplast Limited.

I hereby record my presence at the 43rd Annual General Meeting of the Shareholders of Fenoplast Limited on Thursday the 27th day of September, 2018 at 9.30 A.M. at Kapu Sangam, 1-7-155, M.G.Road, Secunderabad – 500003..

DP ID*	Regd. Folio No.
Client ID*	No. of Shares

*Applicable if shares are held in electronic form.

Name & Address of Member

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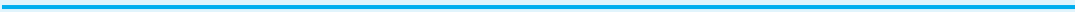
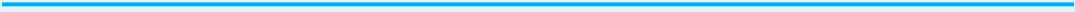
Signature of Shareholder/Proxy/
Representative (Please Specify)

ELECTRONIC VOTING

Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 43rd AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Note (14) to the Notice dated 10th August, 2018 convening the AGM for the procedure with respect to e-voting.

Your e-voting user ID and password are provided below:

Electronic Voting Event Number (EVEN)	User ID	Password
		Use your existing password



FENOPLAST LIMITED

CIN: L25209TG1975PLC001942

Registered Office: 306-308, CHENOY TRADE CENTRE, PARKLANE, SECUNDERABAD, TELANGANA-500003

• E-mail : info@fenoplast.com • Website : www.fenoplast.in

Form No.MGT-11**Proxy Form**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

CIN	L25209TG1975PLC001942
Name of the Company	Fenoplast Limited
Registered Office	306-308, Chenoy Trade Centre, Parklane, Secunderabad, Telangana-500 003
Name of the member(s)	
Registered Address	
E-mail Id	
Folio No./Client ID	DP ID

I / We, being the Member(s) of _____ shares of Fenoplast Limited, hereby appoint

- (1) Name : _____ Address : _____
E-mail ID : _____ Signature : _____
or failing him _____
- (2) Name : _____ Address : _____
E-mail ID : _____ Signature : _____
or failing him _____
- (3) Name : _____ Address : _____
E-mail ID : _____ Signature : _____
or failing him _____

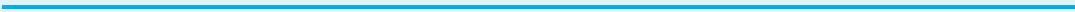
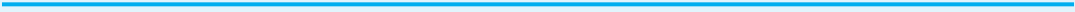
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 43rd Annual General Meeting (AGM) of the Company to be held on Thursday, the 27th day of September, 2018 at 9.30 a.m. at Kapu Sangam, 1-7-155, Secunderabad-500003, Telangana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional (v)	
		For	Against
Ordinary Business			
1	Adoption of Accounts for the Financial Year ended 31 st March, 2018, the Balance Sheet as at that date and the Reports of the Directors and Auditors. thereon.		
2	Appointment of Sri. Haridas Sanjay Kumar who retires by rotation and being eligible offers himself for re-appointment.		
Special Business			
4	Ratification of remuneration payable to Cost Auditors.		
5	Re-appointment of Mr. Haridas Sanjay Kumar as Whole-time Director		
6	Consent U/s. 188 for the payment of remuneration to Mr. H. Mahesh Kumar		
7	Consent U/s. 188 for the payment of remuneration to Mr. H. Praveen Kumar		

Signed this _____ day of _____ 2018. Signature of shareholder: _____

Affix
Revenue

NOTE : This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM i.e. by 9.30 a.m. on 25th day of September, 2018.



ROUTE MAP



PRINTED MATTER / BOOK POST

If undelivered, please return to:



306-308, Chenoy Trade Centre, Parklane,
Secunderabad-500 003, Telangana, India.