

RED ROTOPACK PRIVATE LIMITED

Annual Report
2018-2019

Auditors
H.V.Viradiya & Co.
(Chartered Accountants)
FF 16, 3rd Floor, Samruddhi Bhavan,
Gondal Road, Rajkot - 360002



H. V. Viradiya & Co.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Red Rotopack Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

We have determined that there are no key audit matters to communicate in our report.



Other Information

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material



if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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



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

- i. 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;
- ii. 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;
- iii. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- iv. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- v. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- vii. In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - 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 H V Viradiya & Co.
Chartered Accountants
ICAI Firm Registration Number: 129561W

CA Harshil Viradiya
Proprietor
Membership Number: 131136

Place of Signature: Rajkot
Date: May 20, 2019



Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Red Rotopack Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment and Investment property are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) The Company has not granted loans to parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, goods and services tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks. As informed, the Company does not have any borrowings from a financial institution or by way of debentures or from Government.



- (ix) In our opinion and according to information and explanations given by the management, company has not raised monies by way of initial public offer and no term loans were raised by the company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For H V Viradiya & Co.
Chartered Accountants
ICAI Firm Registration Number: 129561W

CA Harshil Viradiya
Proprietor
Membership Number: 131136

Place of Signature: Rajkot
Date: May 20, 2019



Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Red Rotopack Private Limited

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

We have audited the internal financial controls over financial reporting of Red Rotopack Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.



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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

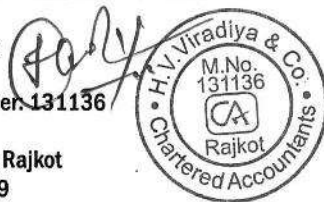
Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For H V Viradiya & Co.
Chartered Accountants
ICAI Firm Registration Number: 129561W

CA Harshil Viradiya
Proprietor
Membership Number: 131136



Place of Signature: Rajkot
Date: May 20, 2019

Red Rotopack Private Limited

Standalone Balance Sheet as at 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	31 March 2019 INR lakhs	31 March 2018 INR lakhs	1 April 2017 INR lakhs
I ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	3	275.87	323.21	367.47
(b) Financial assets				
(i) Other non-current financial assets	4	3.72	10.29	10.29
(c) Deferred tax assets (net)	14	0.67	2.60	-
(d) Tax assets (net)	5	2.80	-	-
TOTAL NON-CURRENT ASSETS		283.06	336.10	377.76
CURRENT ASSETS				
(a) Inventories	6	33.93	280.17	200.67
(b) Financial assets				
(i) Trade receivables	7	8.05	1.63	35.09
(ii) Cash and cash equivalents	8	47.16	26.41	34.51
(iii) Bank balance (other than (ii) above)	9	15.00	-	-
(c) Other current assets	10	27.93	4.59	64.28
TOTAL CURRENT ASSETS		132.07	312.80	334.55
TOTAL ASSETS		415.13	648.90	712.31
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	11	75.00	75.00	75.00
(b) Other equity	12	136.72	105.81	47.62
TOTAL EQUITY		211.72	180.81	122.62
LIABILITIES				
NON-CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings	13	-	-	286.70
(b) Deferred tax liabilities (net)	14	-	-	0.34
(c) Tax liabilities (net)	17	-	5.23	1.75
TOTAL NON-CURRENT LIABILITIES		-	5.23	288.79
CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings	13	200.00	400.15	24.34
(ii) Trade payables				
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	15	2.29	58.42	264.84
(b) Other current liabilities	16	1.13	4.29	11.72
TOTAL CURRENT LIABILITIES		203.42	462.86	300.90
TOTAL LIABILITIES		203.42	468.09	589.69
TOTAL EQUITY AND LIABILITIES		415.13	648.90	712.31

Summary of significant accounting policies

2.3

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

As per our report of even date

For H V Viradiya & Co.

ICAI Firm registration number: 129561W

Chartered Accountants

CA Harshil Viradiya
Proprietor

Membership no.: 131136



Place: Rajkot

Date: 20 May 2019

For and on behalf of the Board of Directors of
Red Rotopack Private Limited

Rajesh

Rajeshbhai Mansukhbhai Savani
Director
DIN - 07357631

Neel Rasikbhai Jagani

Neel Rasikbhai Jagani
Director
DIN - 07357621



Place: Rajkot

Date: 20 May 2019

Red Rotopack Private Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2019 INR lakhs	Year ended 31 March 2018 INR lakhs
I Revenue from operations	18	1,719.19	2,362.01
II TOTAL INCOME (I)		1,719.19	2,362.01
III EXPENSES			
(a) Cost of materials consumed	19	1,437.86	2,090.88
(b) Changes in inventories of finished goods and stock-in-trade	20	95.53	(105.89)
(c) Employee benefits expense	21	44.77	157.93
(d) Finance costs	22	17.93	28.80
(e) Depreciation and amortisation expense	23	38.78	67.81
(f) Other expenses	24	42.28	41.93
TOTAL EXPENSES		1,677.15	2,281.46
IV Profit before tax and exceptional item (II - III)		42.04	80.55
V Profit before tax (IV)		42.04	80.55
VI Tax expenses			
(a) Current tax	14	9.20	25.30
(b) Deferred tax	14	1.93	(2.94)
Total tax expenses		11.13	22.36
VII Profit for the year (V - VI)		30.91	58.19
VIII Total comprehensive income for the year (VII)		30.91	58.19
IX Earnings per equity share:			
[Equity shares of face value of INR 10 (31 March 2018: INR 10) each]			
(a) Basic	25	4.12	7.76
(b) Diluted	25	4.12	7.76

Summary of significant accounting policies 2.3

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

As per our report of even date

For H V Viradiya & Co.

ICAI Firm registration number: 129561W

Chartered Accountants

CA Harsh Viradiya
Proprietor

Membership no.: 131136



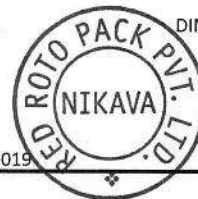
**For and on behalf of the Board of Directors of
Red Rotopack Private Limited**

Rajeshbhai Mansukhbhai Savani
Director

DIN - 07357631

Neel Rasikbhai Jagani
Director

DIN - 07357621



Place: Rajkot

Date: 20 May 2019

Place: Rajkot

Date: 20 May 2019

Red Rotopack Private Limited

Standalone Statement of Changes in Equity for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL:

Equity shares issued, subscribed and fully paid

At 1 April 2017

At 31 March 2018

At 31 March 2019

No. in lakhs	INR lakhs
7.50	75.00
7.50	75.00
7.50	75.00

B. OTHER EQUITY:

For the year ended 31 March 2019

	Capital reserve	Securities premium	Retained earnings	Total other equity
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
As at 31 March 2018	-	-	105.81	105.81
Net profit for the year	-	-	30.91	30.91
Total comprehensive income	-	-	30.91	30.91
As at 31 March 2019	-	-	136.72	136.72

For the year ended 31 March 2018

	Capital reserve	Securities premium	Retained earnings	Total other equity
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
As at 1 April 2017	-	-	47.62	47.62
Net profit for the year	-	-	58.19	58.19
Total comprehensive income	-	-	58.19	58.19
As at 31 March 2018	-	-	105.81	105.81

As per our report of even date

For H V Viradiya & Co.

ICAI Firm registration number: 129561W

Chartered Accountants

CA Harshil Viradiya
Proprietor

Membership no.: 131136



For and on behalf of the Board of Directors of
Red Rotopack Private Limited

Rajesh

Rajeshbhai Mansukhbhai Savani
Director

DIN - 07357631

Place: Rajkot

Date: 20 May 2019

Neel R. Jagani
Neel Rasikbhai Jagani
Director

DIN - 07357621



Place: Rajkot

Date: 20 May 2019

Red Rotopack Private Limited

Cash Flows Statement for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	42.04	80.55
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expense	38.79	67.82
Interest expenses	17.91	28.63
Operating profit before working capital changes	98.74	177.00
Working capital adjustments:		
Decrease / (increase) in inventories	246.24	(79.50)
Decrease / (increase) in trade receivables	(6.42)	33.49
Decrease / (increase) in other financial assets	6.56	-
Decrease / (increase) in other assets	(23.34)	59.69
Increase / (decrease) in trade payables	(56.13)	(206.42)
Increase / (decrease) in other financial liabilities	(3.16)	(7.42)
	262.49	(23.16)
Income tax paid (including TDS) (net)	(17.23)	(21.82)
NET CASH FLOWS FROM OPERATING ACTIVITIES	245.26	(44.98)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(6.43)	(23.55)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(6.43)	(23.55)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	89.06
Repayment of short-term borrowings	(200.17)	-
Interest paid	(17.91)	(28.63)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(218.08)	60.43
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	20.75	(8.10)
Cash and cash equivalents at the beginning of the year	26.41	34.51
Cash and cash equivalents at the end (refer Note 8)	47.16	26.41

As per our report of even date

For H V Viradiya & Co.

ICAI Firm registration number: 129561W

Chartered Accountants

CA Harshil Viradiya
Proprietor

Membership no.: 131136



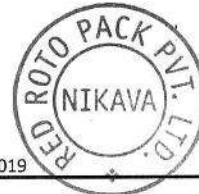
For and on behalf of the Board of Directors of
Red Rotopack Private Limited

Rajeshbhai Mansukhbhai Savani
Director

DIN - 07357631

Neel Rasikbhai Jagani
Director

DIN - 07357621



Place: Rajkot
Date: 20 May 2019

Place: Rajkot
Date: 20 May 2019

Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 1: Corporate information

Red Rotopack Private Limited ('RRPL' or 'the Company') is a Company limited by shares domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Company is located at Survey No 128, Plot No 3, Opposite Supertech Industries, Nikava, Kalawad 361162, India having CIN U25199GJ2015PTC085423. The Company is principally engaged in the business of production of laminate for packing material.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 20 May 2019.

Note 2.2: Basis of preparation

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

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in India Rupee ('INR') and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

Note 2.3: Summary of significant accounting policies

A) Current vs Non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B) Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and assumptions

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

(i) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2. 2 (E) , (F) and (G) for management estimate of useful lives.



Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 2.3: Summary of significant accounting policies (Cont'd.)

(ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised.

(iii) Sales related cost

The Company provides discount and rebates on sales to certain customers based on sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. To estimate the amount of discount, the company applies accumulated experience using the most likely method. The Company determines that the estimates of discounts are not constrained based on its historical experience, business forecast and the current economic conditions. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected discount.

C) Revenue from operations

(i) Revenue from contract with customer

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

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the good is transferred to the customer, generally on delivery of the goods. The normal credit term is 15 to 30 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., discount and rebates on sales). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

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

The Company provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A refund liability included in other current financial liabilities is recognised for expected discounts and rebates payable to customers in relation to sales made until the end of the reporting period.

The Company does not generally accept sales return, except in limited cases where the goods supplied are damaged in transit / production related issues occur subsequently. Historical experience is used to estimate such returns at the time of sale. No asset is recognised for products to be recoverable from these returns, as they are not anticipated to be resold.

The Company does not expect to have any contracts where the period between the transfer of promised goods to the customers and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Contract balancesContract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement.



Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 2.3: Summary of significant accounting policies (Cont'd.)Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

D) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Government grants such as sales tax incentive schemes are recognised in the statement of profit and loss as a part of other operating revenues.

E) Property, plant and equipment

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

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

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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

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

Depreciation on property, plant and equipment is calculated on a straight line method over estimated useful lives of the assets. The management has estimated the below useful life and the same is supported by technical advice:

Property, plant and equipment	Useful lives
Factory building	30 years
Plant and equipments	10 years
Electrical installations	10 years
Furniture and fixtures	10 years
Computers	3 years
Office equipments	3 years
Vehicles	8 years



Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 2.3: Summary of significant accounting policies (Cont'd.)

G) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

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

A summary of amortisation policies applied to the Company's intangible asset is as below:-

Intangible assets	Useful lives
Computer software	5 years

H) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price 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 risks specific to the asset. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

I) Inventory

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actual.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

J) Segment reporting

Based on "management approach" as defined in Ind AS 108 - Operating segments, the management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company has only one business segment 'snacks food'.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

K) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that cash out flow may be required and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 2.3: Summary of significant accounting policies (Cont'd.)

L) Retirement and other employee benefits

Short term employee benefits

All short term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences (such as casual leave) are recognised on an undiscounted basis and charged to the statement of profit and loss.

Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

Defined benefit plan

The gratuity benefits are classified as post-retirement benefits as per Ind AS 19. The service cost and the net interest cost would be charged to the statement of profit and loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognises these re-measurements in other comprehensive income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the statement of profit and loss when the plan amendment or when a curtailment or settlement occurs.

For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by the actuary.

M) Taxation

Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 2.3: Summary of significant accounting policies (Cont'd.)

When the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT')

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

N) Foreign currencies

The Company's standalone financial statements are presented in Indian rupees (INR), which is also the Company's functional currency.

O) Fair value measurement

A number of Company's accounting policies and disclosures requires the measurement of fair values for both financial and non-financial assets and liabilities.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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



Note 2.3: Summary of significant accounting policies (Cont'd.)

P) Financial instruments

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

1) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. Fair value through statement of profit and loss ('FVTPL')), or recognised in OCI (i.e. Fair value through OCI ('FVTOCI')).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through the statement of profit and loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. Removed from the Company's balance sheet) when the right to receive cash flows from the asset is transferred or expired.

Impairment of financial assets

The Company assesses impairment based on expected credit losses ('ECL') model to the financial assets measured at amortised cost.

ECL are measured through a loss allowance at an amount equal to the 12 months ECL (ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.



Note 2.3: Summary of significant accounting policies (Cont'd.)

II) Financial liabilities

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using EIR method.

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

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

De-recognition

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

III) Offsetting of financial instruments

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

Q) Investment in subsidiaries

The Company's investment in subsidiaries is carried at cost.

R) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

S) Borrowing cost

Borrowing cost includes interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they incurred.



Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 2.3: Summary of significant accounting policies (Cont'd.)

T) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

U) Contingent liability and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.



Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

	Leasehold improvement INR lakhs	Freehold land INR lakhs	Factory building INR lakhs	Plant and equipment INR lakhs	Furniture and fixtures INR lakhs	Office equipments INR lakhs	Computers INR lakhs	Total INR lakhs
I Gross carrying amount								
At 1 April 2017	-	4.04	16.79	400.79	-	5.69	-	427.31
Additions	-	-	-	22.16	0.22	0.41	0.76	23.55
Disposals	-	-	-	-	-	-	-	-
Transfer/capitalised	-	-	-	-	-	-	-	-
At 31 March 2018	-	4.04	16.79	422.95	0.22	6.10	0.76	450.86
Additions	-	-	-	2.43	2.89	1.12	-	6.44
Disposals	-	-	-	15.00	-	-	-	15.00
Transfer/capitalised	-	-	-	-	-	-	-	-
At 31 March 2019	-	4.04	16.79	410.38	3.11	7.22	0.76	442.30
II Accumulated depreciation and impairment losses								
At 1 April 2017	-	-	1.32	57.42	-	1.10	-	59.84
Depreciation charge for the year	-	-	1.47	64.57	0.05	1.27	0.45	67.81
Disposals	-	-	-	-	-	-	-	-
At 31 March 2018	-	-	2.79	121.99	0.05	2.37	0.45	127.65
Depreciation charge for the year	-	-	0.50	37.25	0.25	0.63	0.15	38.78
Disposals	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	3.29	159.24	0.30	3.00	0.60	166.43
III Net book value								
At 31 March 2019	-	4.04	13.50	251.14	2.81	4.22	0.16	275.87
At 31 March 2018	-	4.04	14.00	300.96	0.17	3.73	0.31	323.21
At 1 April 2017	-	4.04	15.47	343.37	-	4.59	-	367.47
IV Net book value								
At 31 March 2019	275.87	323.21	367.47					
Property, plant and equipment	275.87	323.21	367.47					



Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Other non-current financial assets

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Measured at amortised cost			
Security deposits	3.72	10.29	10.29
	3.72	10.29	10.29

Note 5: Non-current tax assets (net)

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Advance income-tax [Net of provision for taxation: Nil (31 March 2018: 5.23 lakhs), (1 April 2017: INR 1.75 lakhs)]	2.80	-	-
	2.80	-	-

Note 6: Inventories

(At cost or net realisable value, whichever is lower)

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Raw materials [including stock-in-transit: Nil [(31 March 2018: Nil), (1 April 2017: Nil)]]	16.24	166.95	193.34
Finished goods [including stock-in-transit: Nil [(31 March 2018: Nil), (1 April 2017: Nil)]]	17.69	113.22	7.33
	33.93	280.17	200.67

Notes:

1. The Company follows a suitable provisioning norms for writing down the value of inventories towards slow moving and non-moving. Provision for the year - INR 00 (31 March 2018: Nil).

Note 7: Trade receivables

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Receivables considered good - Unsecured	8.05	1.63	35.09
	8.05	1.63	35.09
Of the above, trade receivables from			
- Related parties	7.03	-	34.56
- Others	1.02	1.63	0.53
	8.05	1.63	35.09

Notes:

1. No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person.
2. For terms and conditions relating to related party receivables, refer Note 27.
3. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.



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Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 8: Cash and cash equivalents

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Balances with banks:			
In current accounts	46.52	25.08	34.23
Cash on hand	0.64	1.33	0.28
	47.16	26.41	34.51

Note 9: Bank balance other than cash and cash equivalents

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Deposits with remaining maturity for less than twelve months but more than three months	15.00	-	-
	15.00	-	-

Note 10: Other current assets

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Advances to vendors:			
Unsecured considered good	27.73	0.15	-
Prepaid expenses	-	-	2.16
Balances with statutory / government authorities	0.20	4.44	62.12
	27.93	4.59	64.28



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Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 11: Share capital

(a) Authorised share capital

	Equity shares	
	No. in lakhs	INR lakhs
At 1 April 2017	7.50	75.00
At 31 March 2018	7.50	75.00
At 31 March 2019	7.50	75.00

(b) Issued subscribed and fully paid-up equity capital

	No. in lakhs	INR lakhs
At 1 April 2017 (Equity shares of INR 10 each issued)	7.50	75.00
At 31 March 2018 (Equity shares of INR 10 each issued)	7.50	75.00
At 31 March 2019 (Equity shares of INR 10 each issued)	7.50	75.00

(c) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
Equity shares						
Dilipbhai V Lalani	-	0.00%	-	0.00%	1.20	16.00%
Kalpeshbhai C Gami	-	0.00%	-	0.00%	1.50	20.00%
Neel R Jagani	-	0.00%	-	0.00%	1.20	16.00%
Rajeshbhai M Savani	-	0.00%	-	0.00%	1.80	24.00%
Sanju R Savani	-	0.00%	-	0.00%	1.80	24.00%
Avadh Snacks Private Limited	7.50	100.00%	7.50	100.00%		0.00%

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

Note 12: Other equity

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Retained earnings	136.72	105.81	47.62
	136.72	105.81	47.62

Retained earnings

	INR lakhs
At 1 April 2017	47.62
Add: Profit during the year	58.19
At 31 March 2018	105.81
Add: Profit during the year	30.91
At 31 March 2019	136.72



Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 13: Borrowings

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Non-current			
Measured at amortised cost			
Secured			
From banks			
Indian rupee loan from banks	-	-	286.77
	-	-	286.77
Current			
Secured			
Indian rupee loan from banks	-	255.39	-
Unsecured			
Indian rupee loan from Holding Company	200.00	144.78	24.34
	200.00	400.17	24.34
	200.00	400.17	311.11



Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 14: Deferred tax assets / liabilities

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
(a) Tax expense recognised in the statement of profit and loss		
Current income tax:		
Current income tax charge	9.20	25.30
Deferred tax	1.93	(2.94)
Income tax expense reported in the statement of profit and loss	<u>11.13</u>	<u>22.36</u>
(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:		
Profit/(loss) before tax	42.04	80.55
Income tax expense calculated at 27.82% (31 March 2018: 27.5525%)	11.70	22.19
Effect of:		
Effect of expenses that is non-deductible in determining taxable profit	0.13	-
Effect of change in tax rate	(0.71)	0.18
Income tax expense recognised in the statement of profit and loss	<u>11.12</u>	<u>22.37</u>

(c) The movement in deferred tax assets and liabilities during the year ended 31 March 2019 and 31 March 2018:

	Balance sheet			Statement of profit and loss	
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018
	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs
Deferred tax assets					
Expenditure debited to statement of profit and loss but allowed for tax purposes in the following years	(0.30)	-	-	(0.30)	-
Deferred tax liabilities					
Accelerated depreciation for tax purposes	(0.38)	(2.60)	-	2.22	(2.60)
Net deferred tax liabilities/ (assets) (net)	<u>(0.68)</u>	<u>(2.60)</u>	<u>-</u>		
Deferred tax (income)/ expenses				<u>1.92</u>	<u>(2.60)</u>

The tax rate used for above deferred tax reconciliation for 31 March 2019 and 31 March 2018 is 27.82% and 27.5525% respectively.

Reflected in the balance sheet as follows:

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Deferred tax assets	(0.29)	-	0.34
Deferred tax liabilities	(0.38)	(2.60)	-
Deferred tax liabilities/ (assets) (net)	<u>(0.67)</u>	<u>(2.60)</u>	<u>0.34</u>

(d) Reconciliation of deferred tax assets/ liabilities (net):

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Opening balance as of 1 April	(2.60)	0.34
Tax (income)/expense during the year recognised in the statement of profit and loss	1.93	(2.94)
Closing balance as at 31 March	<u>(0.67)</u>	<u>(2.60)</u>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The impact of the change in tax rate has been recognised in tax expense in the statement of profit and loss, except to the extent that it relates to items previously recognised outside profit or loss.



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Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 15: Trade payables

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Dues to micro and small enterprises*	-	-	-
Trade payables	2.29	58.42	264.84
Trade payables to related parties	-	-	-
	2.29	58.42	264.84

*Based on the information available with Company as at period end there are no dues outstanding to the suppliers who are registered as micro and small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006". This has been relied upon by the auditors.

Trade payables are non interest bearing and are normally settled in 0 to 45 days terms. There are no other amounts paid / payable towards interest / principal under the MSMED.

Note 16: Other current liabilities

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Statutory dues	1.13	4.29	11.72
	1.13	4.29	11.72

Note 17: Non-current tax liabilities (net)

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Income tax provision	-	5.23	1.75
	-	5.23	1.75



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Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 18: Revenue from operations

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Sale of products*		
Finished goods	1,699.18	2,353.77
	1,699.18	2,353.77
Other operating revenues		
Government grant	20.01	8.24
	20.01	8.24
	1,719.19	2,362.01

* The Government of India introduced Goods and Services Tax (GST) with effect from 1 July 2017 which subsumes excise duty and various other indirect taxes. As required under IND AS 115, revenue for the period from 1 July 2017 to 31 March 2018 is reported net of GST. Sales / Income from operations upto 30 June 2017 are reported inclusive of excise duty.

Note 19: Cost of materials consumed

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Inventory at the beginning of the year	166.95	193.34
Add: Purchases	1,287.15	2,064.49
	1,454.10	2,257.83
Less: Inventory at the end of the year	(16.24)	(166.95)
Cost of materials consumed	1,437.86	2,090.88

Note 20: Changes in inventories of finished goods and stock-in-trade

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Opening stock:		
Finished goods	113.22	7.33
	113.22	7.33
Less: Closing stock:		
Finished goods	17.69	113.22
	17.69	113.22
(Increase) / Decrease in inventories	95.53	(105.89)

Note 21: Employee benefits expense

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Salaries, wages and bonus	43.54	157.75
Contribution to provident and other funds	0.48	-
Staff welfare expenses	0.75	0.18
	44.77	157.93

Note 22: Finance costs

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Interest:		
On loans	17.55	28.25
On others	0.36	0.38
Bank charges	0.02	0.17
	17.93	28.80



Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 23: Depreciation and amortisation expense

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Depreciation of property, plant and equipment (refer Note 3)	38.78	67.81
	38.78	67.81

Note 24: Other expense

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Power and fuel	19.48	25.69
Freight and forwarding charges	1.32	1.26
Rates and taxes	0.01	-
Insurance charges	1.05	1.00
Repairs and maintenance:		
-Plant and machinery	10.54	5.00
-Others	0.15	0.38
Advertisement and sales promotion	2.01	2.77
Provision for doubtful receivables and advances	0.03	-
Printing and stationery	0.06	0.61
Legal and professional fees	6.92	0.85
Payment to auditor (refer Note A below)	0.64	0.35
Other expenses	0.07	4.02
	42.28	41.93

A) Payment to auditor:

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
As auditor:		
Audit fee	0.50	0.25
Tax audit fee	0.14	0.10
	0.64	0.35

Note 25: Earnings per share ('EPS')

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

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

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

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Profit attributable to equity shareholders	30.91	58.19
Weighted average number of equity shares for basic EPS	7.50	7.50
Effect of dilution:		
Compulsorily convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	7.50	7.50
Earnings per equity share (in INR)		
Basic (Face value of INR 10 each)	4.12	7.76
Diluted (Face value of INR 10 each)	4.12	7.76

* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.



Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 26: Employee benefits

(a) Defined contribution plans

a. Provident fund

Provident Fund is a defined contribution scheme established under a state plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

The Company has recognised following amounts as expense in the statement of profit and loss :

Included in contribution to provident and other funds
Provident fund

For the year ended 31 March 2019	For the year ended 31 March 2018
INR lakhs	INR lakhs
0.48	



Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 27: Related party transactions

I]. Names of related parties and related party relationship

(a) Other related parties with whom transactions have taken place during the year:

Holding Company:

Prataap Snacks Limited (w.e.f. 01 October 2018)
Avadh Snacks Private Limited (w.e.f. 29 March 2018)

Key management personnel

Mr. Rajeshbhai Mansukhbhai Savani, Director
Mr. Neel Rasikbhai Jagani, Director
Mr. Dilipbhai Lalani
Mr. Sanju Rajeshbhai Savani

Relatives of key management personnel

Mr. Jash Dilipbhai Lalani, Son of Mr. Rajeshbhai Mansukhbhai Savani

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year are disclosed below:

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
a. Sales of goods		
Holding Company:		
Avadh Snacks Private Limited	1,664.44	1,428.18
	1,664.44	1,428.18
	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
b. Remuneration		
Key managerial personnel		
Mr. Dilipbhai Lalani*	4.50	-
Mr. Neel Jagani*	4.50	-
Mr. Rajubhai Savani*	13.50	-
Mr. Sanjubhai Savani*	1.20	-
	23.70	-
* Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.		
c. Loan Taken		
Holding Company:		
Avadh Snacks Private Limited	200.00	-
	200.00	-
	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
		1 April 2017
		INR lakhs
d. Closing balances		
Loans Payable		
Holding Company:		
Avadh Snacks Private Limited	200.00	-
	200.00	-
Trade receivables		
Holding Company:		
Avadh Snacks Private Limited	7.03	-
	7.03	-

Terms and conditions of transactions with related parties

The transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest bearing and settlement will occur in cash. There have been no guarantees provided or received for any related party receivables or payables other than disclosed in aforesaid table. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year end through examining the financial position of the related party and the market in which the related party operates.



Red Rotopack Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 28: Segment information

For management purpose, the Group comprise of only one reportable segment – Packing Material Laminate

The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

A) Information about products and services

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Revenue from sale of goods to external customers		
Finished goods	1,699.18	2,353.77

B) Information about geographical areas

	Sale of goods	Non current operating assets
	INR lakhs	INR lakhs
Year ended 31 March 2019		
India	1,699.18	275.87
Outside India	-	-
Total	1,699.18	275.87
Year ended 31 March 2018		
India	2,353.77	323.21
Outside India	-	-
Total	2,353.77	323.21
Year ended 1 April 2017		
India	1478.41	367.47
Outside India	-	-
Total	1,478.41	367.47

C) Notes

1. The business of the Company comprise of only one reportable segment i.e. Packing Material Laminate. The management monitors the operating results of this segment for the purpose of resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

2. Segment revenue in the geographical segments considered for disclosure are as follows:

a) Revenue within India includes sales to customers located within India.

3. The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.

4. Non current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment property, investment property under development, intangible assets and intangible assets under development



Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 29: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs
Non-current financial assets						
Other non-current financial assets:						
Security deposits	3.72	10.29	10.29	3.72	10.29	10.29
Current financial assets						
Trade receivables	8.05	1.63	35.09	8.05	1.63	35.09
Total	11.77	11.92	45.37	11.77	11.92	45.38

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs
Non-current financial liabilities						
Borrowings	-	-	286.70	-	-	286.70
Current financial liabilities						
Borrowings	200.00	400.15	24.34	200.00	400.15	24.34
Trade payables	2.29	58.42	264.84	2.29	58.42	264.84
	202.29	458.57	575.88	202.29	458.57	575.88

The management assessed that fair value trade receivables, other current financial assets, current loans, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Security deposits, loans and advances and other financial assets are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability. Based on this evaluation, allowances are taken into account for the expected credit losses of these loans and other financial assets.
2. The fair value of bank borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Note 30: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

Assets and liabilities for which fair values are disclosed in Note 29

Current financial assets
Trade receivables
Current financial liabilities
Borrowings
Trade payables

Fair value measurement using		
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
INR lakhs	INR lakhs	INR lakhs

-	8.05	-
-	200.00	-
-	2.29	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

Assets and liabilities for which fair values are disclosed in Note 29

Non-current financial assets
Current financial assets
Trade receivables
Current financial liabilities
Borrowings
Trade payables

Fair value measurement using		
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
INR lakhs	INR lakhs	INR lakhs

-	1.63	-
-	400.15	-
-	58.42	-



Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 30: Fair value hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2017:

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	INR lakhs	INR lakhs	INR lakhs
Assets and liabilities for which fair values are disclosed in Note 29			
Current financial assets			
Trade receivables	-	35.09	-
Current financial liabilities			
Borrowings	-	24.34	-
Trade payables	-	264.84	-

Note 31: Financial risk management objectives and policies

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

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Company is not significantly exposed to other price risk whereas the exposure to currency risk and interest risk is given below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings. However the Company has only current borrowings, hence it is not significantly exposed to interest rate risk.

Credit risk

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

Trade receivables

Customer credit is managed by the Company's through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

As on 31 March 2019

Expected loss rate
Gross carrying amount
Loss allowance provision

As on 31 March 2018

Expected loss rate
Gross carrying amount
Loss allowance provision

As on 1 April 2017

Expected loss rate
Gross carrying amount
Loss allowance provision

INR lakhs	
Upto 180 Days	More Than 180 Days
0.00%	100.00%
8.05	-
-	-
0.00%	100.00%
1.63	-
-	-
0.00%	100.00%
35.09	-
-	-



Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Note 31: Financial risk management objectives and policies (cont'd.)**LIQUIDITY RISK****(i) Liquidity risk management**

The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
As at 31 March 2019				
Current liabilities:				
(i) Borrowings	200.00	-	-	200.00
(ii) Trade payables	2.29	-	-	2.29
	<u>202.29</u>	<u>-</u>	<u>-</u>	<u>202.29</u>
As at 31 March 2018				
Current liabilities:				
(i) Borrowings	400.15	-	-	400.15
(ii) Trade payables	58.42	-	-	58.42
	<u>458.57</u>	<u>-</u>	<u>-</u>	<u>458.57</u>
As at 1 April 2017				
Non-current liabilities:				
(i) Borrowings	286.77	-	-	286.77
Current liabilities:				
(i) Borrowings	24.34	-	-	24.34
(ii) Trade payables	264.84	-	-	264.84
	<u>575.95</u>	<u>-</u>	<u>-</u>	<u>575.95</u>

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
As at 31 March 2019				
Current assets:				
(i) Trade receivables	8.05	-	-	8.05
(ii) Bank balance other than cash and cash equivalents	15.00	-	-	15.00
	<u>23.05</u>	<u>-</u>	<u>-</u>	<u>23.05</u>
Year ended 31 March 2018				
Current asset:				
(i) Trade receivables	1.63	-	-	1.63
(iv) Other current financial assets	4.60	-	-	4.60
	<u>6.23</u>	<u>-</u>	<u>-</u>	<u>6.23</u>
As at 1 April 2017				
Current asset:				
(i) Trade receivables	35.09	-	-	35.09
(iv) Other current financial assets	64.35	-	-	64.35
	<u>99.44</u>	<u>-</u>	<u>-</u>	<u>99.44</u>

Note 32: Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, compulsory convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company's policy is to keep healthy debt equity ratio ensuring minimum debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	31 March 2019	31 March 2018	1 April 2017
	INR lakhs	INR lakhs	INR lakhs
Debt (A)	200.00	400.17	311.11
Equity (B)	211.72	180.81	122.62
Debt / Equity ratio (A / B)	0.94	2.21	2.54



Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 34: Standards issued but not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116 - Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The Company is evaluating the requirements of the amendment and the effect on the standalone financial

Amendments to Appendix C to Ind AS 12 Uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company does not operate in a complex tax environment, applying the Interpretation may not have any significant effect on its standalone financial statements. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

Amendments to Ind AS 109: Prepayment features with negative compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the standalone financial statements of the Company.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will have no impact on the standalone financial statements of the Company.



Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in INR lakhs, unless otherwise stated)

Annual improvement to Ind AS (2018):

Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

As per our report of even date

For H V Viradiya & Co.

ICAI Firm registration number: 129561W

Chartered Accountants

CA Harshil Viradiya
Proprietor

Membership no.: 131136



For and on behalf of the Board of Directors of
Red Rotopack Private Limited

Rajesh
Rajeshbhai Mansukhbhai Savani
Director

DIN - 07357631

Neel R. Jagani
Neel Rasikbhai Jagani
Director

DIN - 07357621



Place: Rajkot
Date: 20 May 2019

Place: Rajkot
Date: 20 May 2019