



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NEYCER INDIA LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NEYCER INDIA LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2018, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the standalone 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies Indian Accounting (Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

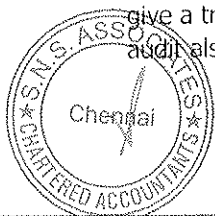
Auditor's Responsibility

Our duty is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness





of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone Ind AS financial statements.

Basis for Qualified Opinion

As stated in Note No.30, the Company has not recognised interest on loans from Banks aggregating to Rs.639 lakhs upto the earlier years and also interest on loans from a body corporate aggregating to Rs.504 lakhs upto 31st March 2018, as a result of which the accumulated is understated by the said amounts.

Opinion

In our opinion and to the best of our information, and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion Paragraph*, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give an true and fair view in conformity with the accounting practices generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March 2018 and its Profit (financial performance including Other Comprehensive Income), the cash flows and the Changes in Equity for the year ended on that date.

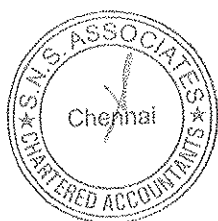
Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2996, audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 27th July 2017 and 29th July 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited us.

Our opinion is not modified in respect of the above matter.

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order 2016. Issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

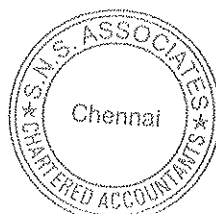




- c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the Directors as on 31st March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. [Please refer Note No.27(d) to 27(i).
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

Chennai

Dated: 29th May 2018



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)

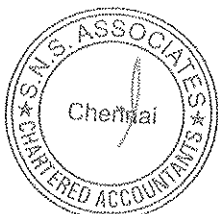

(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899



**Annexure A to the Independent Auditors' Report
To the Members of Neycer India Limited**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of the verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the Company.
- ii) Physical verification of inventories has been conducted by the Management at reasonable intervals and material discrepancies were noticed on such verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of the investments made by it.
- v) The Company has not accepted deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Company in respect of products where the Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, excise, income tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been deposited belatedly by the Company with appropriate authorities. According to the information and explanations given to us, the following undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, excise, service tax, cess and other statutory dues which were in arrears as on 31st March 2018 for a period of more than six months from the date they became payable:

Details	Amount
Excise Duty	1,13,72,430
Tamil Nadu Sales Tax Collection	4,30,469
Goods and Services Tax	32,16,037

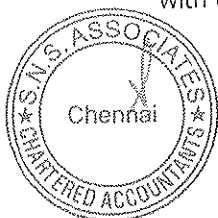




(b) There are no dues of income tax, sales tax, value added tax, duty of customs, excise, service tax, cess or other statutory dues that have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues	Amount Disputed	Amount Paid	Forum where the dispute is pending
Tamil Nadu General Sales tax Act	Sales tax	93,20,618	NIL	Deputy Commercial tax Officer
TNGST Act	Sales tax	3,44,15,091	NIL	Appellate Assistant Commissioner (CT)
CST Act	CST	50,56,861	NIL	Appellate Assistant Commissioner (CT)
TN VAT Act	VAT	57,93,862	NIL	Hon'ble High Court of Madras
ESI Act	ESI	6,47,330	1,61,890	ESI Labour Court
PF Act	PF	47,22,090	NIL	Employees Provident Fund Appellate Tribunal, Delhi

- viii) The Company has defaulted in the repayment of dues to banks or financial institutions. The Company does not have any outstanding debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.
- x) As per the records of the Company and according to the information and explanations given to us, no frauds on the company by its officers or employees have been noticed or reported during the year.
- xi) According to the information and explanations given to us, the Company has not paid/provided any remuneration to its managerial personnel since their appointment is without any remuneration.
- xii) The Company is not a nidhi company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under review.
- xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with the Directors.

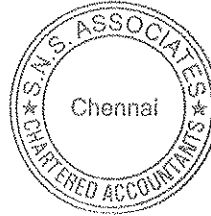




xvi) In our opinion, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

Chennai

Dated: 29th May 2018



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)

S. Nagarajan
(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899



**"Annexure B" to the Independent Auditor's Report
To the Members of Neycer India Limited**

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

We have audited the internal financial controls over financial reporting of **NEYCER INDIA LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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





Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

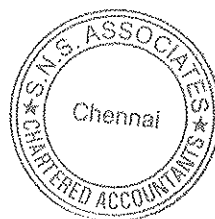
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

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

Chennai

Date: 29th May 2018



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.0062975)

(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

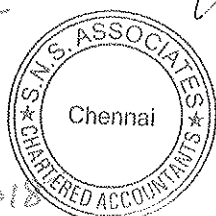
NEYCER INDIA LIMITED
BALANCE SHEET AS AT 31ST MARCH 2018

	Note No.	Figures as at the end of the current reporting period 31-3-2018	Figures as at the end of the previous reporting period 31-3-2017	Figures as at the transition date 1-4-2016
ASSETS				
Non Current Assets				
i) Property, Plant and Equipment	4	135,985,116	145,071,060	153,500,398
ii) Capital Work in Progress				-
iii) Financial Assets				
a) Investments	5	150,000	150,000	150,000
b) Other Financial Assets	6	2,099,812	3,852,987	3,727,200
iv) Deferred Tax Assets		46,434,994	46,434,994	46,434,994
Total Non current Assets	(A)	<u>184,669,922</u>	<u>195,509,041</u>	<u>203,812,592</u>
Current Assets				
Inventories	7	74,089,579	72,257,662	78,136,010
i) Financial Assets				
a) Trade Receivables	8	31,734,605	32,902,532	35,150,348
b) Cash and cash equivalents	9	3,411,797	2,766,320	2,616,949
ii) Other current assets	10	31,113,421	27,897,430	24,998,542
Total current assets	(B)	<u>140,349,402</u>	<u>135,823,944</u>	<u>140,901,849</u>
Total Assets	(A)+(B)	325,019,324	331,332,985	344,714,441
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	11	101,519,160	101,519,160	101,519,160
b) Other Equity				
Reserves and Surplus	12	167,127,202	146,649,620	130,455,337
Total Equity	(c)	<u>268,646,362</u>	<u>248,168,780</u>	<u>231,974,500</u>
LIABILITIES				
Non Current Liabilities				
i) Financial Liabilities				
a) Borrowings	13	48,294,542	49,345,018	64,195,677
b) Other non current liabilities	14	11,906,294	10,811,294	10,761,294
ii) Long Term Provisions	15	10,644,075	17,516,011	25,830,067
Total Non Current Liabilities	(D)	<u>70,844,911</u>	<u>77,672,323</u>	<u>100,787,038</u>
Current Liabilities				
i) Financial Liabilities				
a) Borrowings	16	37,151,236	54,095,569	62,078,247
b) Trade Payables		44,538,435	36,835,235	35,015,057
c) Other Financial Liabilities	17	182,655,125	164,889,573	142,138,064
ii) Other current liabilities	18	33,014,870	21,671,876	19,834,292
iii) Short Term Provisions	19	22,422,789	21,298,869	13,797,920
Total Current Liabilities	(E)	<u>319,782,455</u>	<u>298,791,122</u>	<u>272,863,580</u>
Total Equity and Liabilities	C+D+E	325,019,324	331,332,985	344,714,441

See accompanying notes to the financial statements
Vide our Report of even date attached

For S.N.S ASSOCIATES
Chartered Accountants
Firm Reg No. 006297S

S. Nagarajan
Partner
Membership No. 020899



Place: Chennai
Date: 29/5/2018

For and on behalf of the Board

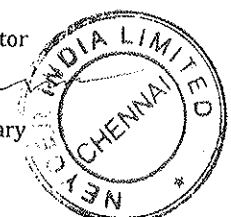
W. Mohan Prasad A. Jayalalithy

Whole Time Director

P. Thimmarasu
Chief Financial Officer

Director

G. Anjan
Company Secretary



NEYCER INDIA LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

	Note No.	Figures for the current reporting period	Figures for the previous reporting period
		31-3-2018	31-3-2017
INCOME			
Revenue From Operations	20	181,312,122	194,967,023
Less: Excise Duty		4,273,708	17,996,931
		<u>177,038,414</u>	<u>176,970,092</u>
Other Income	21	8,035,086	6,433,633
Total Revenue		<u><u>185,073,500</u></u>	<u><u>183,403,725</u></u>
EXPENSES			
Cos t of raw materials and components consumed	22	19,045,420	17,249,685
Purchase of stock-in-trade		24,667,723	20,942,067
Changes in inventories of finished goods and work-in-progress	23	576,664	5,814,576
Employee Benefit Expenses	24	51,487,415	51,895,338
Finance Cost	14	11,007,582	16,200,653
Depreciation and amortisation expenses	4	10,062,294	10,824,064
Other Expenses	26	95,608,383	82,338,132
		<u><u>211,302,153</u></u>	<u><u>205,264,515</u></u>
Profit before exception and extraordinary items and tax		- 26,228,653	- 21,860,790
Extraordinary items			
Profit before tax		- 26,228,653	- 21,860,790
Tax Expenses			
Current Tax			
Deferred Tax			
Profit after tax		- 26,228,653	- 21,860,790
Other Comprehensive Income			
Remeasurement of Defined Benefit Plans		- 5,751,071	- 5,666,507
Tax effect on above			
Total Other Comprehensive Income for the year		- 5,751,071	- 5,666,507
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		- 20,477,582	- 16,194,283
Earnings per Equity Share (Basic and Diluted)		- 2.58	- 2.15

See accompanying notes to the financial statements
Vide our Report of even date attached

For S.N.S ASSOCIATES
Chartered Accountants
Firm Reg No. 006297S

For and on behalf of the Board

S. Nagarajan
S. Nagarajan
Partner

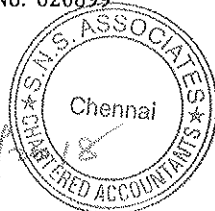
P. Thirumagan
Whole Time Director

A. Jayalalitha
Director

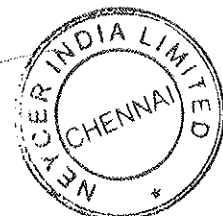
Membership No. 020899

G. Rajaram
Company Secretary

Place: Chennai
Date: 29/5/18



P. Thirumagan
Chief Financial Officer



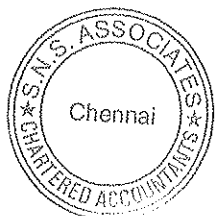
NEYCER INDIA LIMITED

CASH FLOW STATEMENT

	Year ended	
	31-3-2018	31-3-2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	- 26,228,653	- 21,860,790
Adjustments for		
Depreciation	10,062,294	10,824,064
Interest Expense	11,007,582	16,200,653
Interest income	210,519	323,362
Profit on sale of assets		2,499
Operating profit before working capital changes	- 5,369,296	4,838,066
Adjustments for changes in		
Other Non current financial assets	1,753,175	- 125,787
Trade Receivables	1,167,927	2,247,816
Inventories	- 1,831,917	5,878,348
Other Current Assets	- 3,215,991	2,898,888
Trade Payables	7,703,200	1,820,178
Bank deposits under lien	- 601,607	159,379
Remeasurement of defined benefit obligations	5,751,071	5,666,507
Other Financial Liabilities	17,765,552	22,751,509
Other Current Liabilities	11,342,994	1,837,584
Other Non-Current Liabilities	1,095,000	50,000
Long Term Provisions	- 6,871,936	8,314,056
Short term provisions	1,123,920	7,500,949
Cash Generated from operations	29,812,092	41,092,847
Income tax paid (net)	-	-
Net Cash generated from Operations (A)	29,812,092	41,092,847
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	- 976,350	2,394,726
Proceeds from sale of Property, Plant and Equipment	-	2,499
Interest income	210,519	323,362
Net cash (used in)/from Investing activities (B)	- 765,831	2,068,865
C. CASH FROM FINANCING ACTIVITIES		
Interest expense	- 11,007,582	16,200,653
Repayment of Non Current Borrowings	- 1,050,476	14,850,659
Proceeds from current borrowings	- 16,944,333	7,982,678
Net cash (used in)/from Financing Activities ©	- 29,002,391	39,033,990
Net increase/(decrease) in cash and cash equivalents (A)+(B)+©	43,870	10,008
Opening Cash and Cash Equivalents (excluding deposits under lien)	223,795	233,803
Closing Cash and Cash Equivalents	267,665	223,795

See accompanying notes to the financial statements
Vide our Report of even date attached

For S.N.S ASSOCIATES
Chartered Accountants
Firm Reg No. 0062975
S. Nagarajan
Partner
Membership No. 020899



29/3/2018

For and on behalf of the Board

S. Nagarajan

S. Nagarajan
Partner

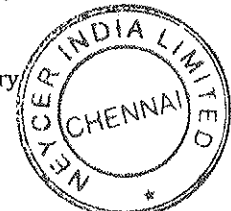
Membership No. 020899

M. Mohan Prasad
Whole Time Director

B. Thirumala
Chief Financial Officer

A. Jayalalitha
Director

G. Jayaram
Company Secretary



Place: Chennai
Date:

NEYCER INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1 Basis of preparation on Financial Statements

The Financial Statements upto the year ended 31st March 2017 were prepared under the Accounting Standards Rules 2006 (as amended) and other relevant provisions of the Companies Act, 2013 (Indian GAAP)

As per the Notification issued by the Ministry of Corporate Affairs, the adoption of Ind AS has become mandatory for the Company with effect from the financial year commencing on 1st April 2017. Accordingly the Company has adopted Ind AS from 1st April 2017 (the Transition Date) and the Financial Statements for the year ended 31st March 2018 have been prepared in accordance with the principles laid down in Ind AS.

The Financial Statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial assets and liabilities measured at fair values (please refer accounting policy regarding financial assets and financial liabilities)

2 First time adoption of IND AS

The Company has restated the Financial Statements as at 1st April 2016, being the Transition Date on the following basis:

- (i) The Property, Plant and Equipment have been valued at historical cost and the revaluation of certain assets carried out in earlier years have been reversed and the value of Property, Plant and Equipment considered at the historical cost as on the Transition Date.
- (ii) The accounting for employee benefits have been carried out in accordance with the provisions of Ind AS 19 and necessary adjustments have been made in the Financial Statements.

Exemptions availed under Ind AS 101

a) Property, Plant and Equipments

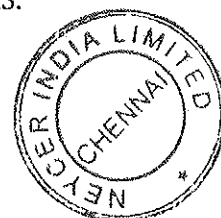
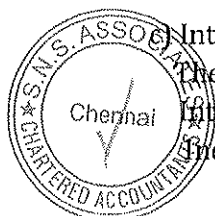
The historical cost of the Property, Plant and Equipment as at the Transition Date is adopted as the deemed cost.

b) Investments in other companies

The Company has decided to carry its investments in other companies at deemed which is the previous GAAP carrying amount as on the date of transition to Ind AS.

Interest Free Sales tax Loan

The Company has elected to use the previous GAAP carrying amount of the Interest Free Sales Tax Loan as the carrying amount of the Loan in the opening Ind AS Balance Sheet.



c) Fair Value of Financial Assets and Liabilities

As per Ind AS Exemption, the Company has not fair valued the financial assets and liabilities retrospectively, and has measured the same prospectively.

3 Significant Accounting Policies

a) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that affect the reported amounts of the assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, the actual results could differ from these estimates.

b) Property, Plant and Equipments

Property, Plant and Equipments are accounted for at the deemed cost which is the historical cost as per the previous GAAP.

Depreciation is provided over the remaining useful life of the assets, as per Schedule II of the Companies Act, 2013 on Straight Line Basis in the case of Property, Plant and Equipment of PTFE Segment and written down value basis in respect of other assets.

c) Inventories

The Inventories of raw materials, stores and spares, Finished Goods and Work-in-progress are valued at lower of cost or realisable value. The cost in respect of Raw Materials and Stores and Spares are determined on the basis of weighted average cost.

d) Foreign Currency Transactions

Foreign exchange transactions are accounted for at the exchange rates prevailing on the date of the transactions. Assets and liabilities in foreign currency are translated at the rate of exchange difference prevailing on the reporting date. Gains or losses, if any, arising therefrom are recognised in the Profit and Loss Account.

e) Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards of the ownership of the goods is passed to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the value of the consideration received or receivable, net of returns and discounts.

f) Research and Development

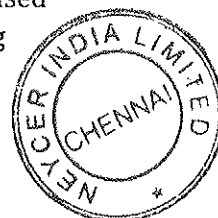
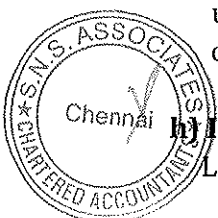
Research and Development expenses not resulting in tangible property/equipment are charged to Revenue.

g) Borrowing Costs

Interest and other cost in connection with borrowing of funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

h) Investments

Long Term Investments are carried at cost.



i) Employee Benefits

- i) The Company is contributing to Provident Fund for the employees and the same is remitted to Regional Provident Fund Commissioner and charged to the Statement of Profit and Loss.
- ii) The Company has a group gratuity scheme duly recognised by the Commissioner of Income tax and the annual liability determined by the Life Insurance Corporation of India is remitted as premium and charged to the Statement of Profit and Loss as actuarially based determined on Projected Unit Credit Method as per Ind AS 19.
- iii) The liability in respect of leave wages is being accounted for on accrual basis based on actuarial valuation using Projected Unit Credit Method.

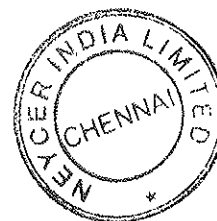
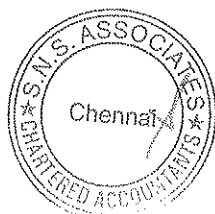
j) Impairment of Assets

As at the Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- i) the extent of recognition of impairment loss, if any, required or
- ii) the reversal, if any, required of impairment loss recognised in the previous periods, Where the carrying amount of an asset exceeds its recoverable amount, such excess is recognised as impairment loss and charged in the Statement of Profit and Loss,

k) Provisions and contingent liabilities

- i) Provision is recognised in respect of present obligation requiring settlement by outflow of resources and of which reliable estimate of the amount of obligation could be made,
- ii) Contingent liability is not recognised and is disclosed unless the possibility of outflow of resources embodying economic benefit is remote. Present obligation arising from the past events and the existence of which is subject to occurrence or non occurrence of an uncertain future event is disclosed.



NEYCER INDIA LIMITED

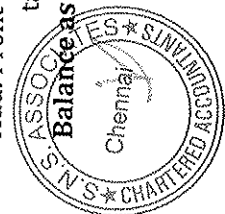
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

A. EQUITY SHARE CAPITAL

	Rs.
Balance as at 31-3-2016	101,519,160
Changes in Equity Share Capital during the year 2016-17	101,519,160
Balance as at 31-3-2017	-
Changes in Equity Share Capital during the year 2017-18	101,519,160
Balance as at 31-3-2018	101,519,160

B. OTHER EQUITY

	Share Premium	Capital Reserve	Central Subsidy	General Reserve	Surplus	Other Comprehensive Income
Balance as at 1-4-2016	74,400	32,468	2,500,000	25,361,450	- 158,423,655	
Add: Profit/OCI for the year					- 21,860,790	5,666,507
Less: Restatement of defined benefit plans transferred to Other Comprehensive Income as at 1-4-2016					- 1,476,508	- 1,476,508
Balance as at 31-3-2017	74,400	32,468	2,500,000	25,361,450	- 178,807,937	4,189,999
Less: Remeasurement of defined benefit plans transferred to Other Comprehensive Income						5,751,071
Add: Profit for the year after tax					- 26,228,653	
Balance as at 31-3-2018	74,400	32,468	2,500,000	25,361,450	- 205,036,590	9,941,070



NEYCER INDIA LIMITED

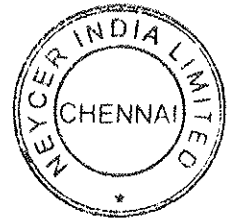
NOTES TO FINANCIAL STATEMENTS

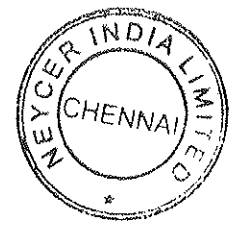
4. PROPERTY, PLANT AND EQUIPMENT

	GROSS BLOCK						
	As at 1-4-2016	Additions 2016-17	Deletions 2016-17	Balance 31-3-2017	Additions 2017-18	Deletions 2017-18	Balance 31-3-2018
Land							
Freehold	527,255			527,255			527,255
Buildings	12,026,489			12,026,489	-		12,026,489
Plant and Equipment	271,480,518			271,480,518	675,092		272,155,610
Furniture and Fixtures	684,962	670,750		1,355,712	36,868		1,392,580
Vehicles	10,492,911	863,938		11,356,849			11,356,849
Office Equipment	1,545,858	714,743		2,260,601	155,976		2,416,577
Computers	2,299,081	145,295		2,444,376	108,414		2,552,790
Software	484,406			484,406			484,406
Research and Development Assets							
Buildings	325,535			325,535			325,535
Plant and Equipment	3,365,974			3,365,974			3,365,974
Electrical installation	80,481		8,860	71,621			71,621
	303,313,470	2,394,726	8,860	305,699,336	976,350	-	306,675,686

DEPRECIATION BLOCK

	DEPRECIATION BLOCK						
	As at 1-4-2016	For the year 2016-17	Deletions 2016-17	Balance 31-3-2017	For the Year 2017-18	Deletions 2017-18	Balance 31-3-2018
Land							
Freehold							
Buildings	11,285,988	110,007		11,395,995	18,132		11,414,127
Plant and Equipment	122,941,399	8,690,741		131,632,140	8,695,535		140,327,675
Furniture and Fixtures	561,717	145,811		707,528	189,217		896,745
Vehicles	7,889,485	1,060,890		8,950,375	773,866		9,724,241

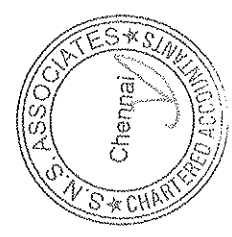




Office Equipment	1,347,317	353,220	1,700,537	78,826	1,779,363
Computers	1,723,250	300,545	2,023,795	297,110	2,320,905
Software	304,800	161,469	466,269	-	466,269
Research and Development Assets					
Buildings	325,534	-	325,534	-	325,534
Plant and Equipment	3,353,102	1,381	3,354,483	9,608	3,364,091
Electrical installation	80,480	-	71,620	-	71,620
	8,860				
	149,813,072	10,824,064	160,628,276	10,062,294	170,690,570

NET BLOCK

	31-3-2018	31-3-2017
Land		
Freehold		
Buildings	527,255	527,255
Plant and Equipment	612,362	630,494
Furniture and Fixtures	131,827,935	139,848,378
Vehicles	495,835	648,184
Office Equipment	1,632,608	2,406,474
Computers	637,214	560,064
Software	231,885	420,581
Research and Development Assets		
Buildings	18,137	18,137
Plant and Equipment	1	1
Electrical installation	1,883	11,491
	1	1
	135,985,116	145,071,060



NEYCER INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS 31-3-2018

5. NON CURRENT INVESTMENTS

	31-3-2018	31-3-2017	1-4-2016
Investments in Equity Instruments (fully paid up)			
Non Trade - Unquoted			
In Others			
Investment in Neycer Employees Co-operative Society	150,000	150,000	150,000
	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

6. OTHER FINANCIAL ASSETS

Unsecured - Considered good			
Security Deposits	2,099,812	3,852,987	3,727,200
	<u>2,099,812</u>	<u>3,852,987</u>	<u>3,727,200</u>

7. INVENTORIES

Raw Materials	1,398,127	1,601,787	2,498,122
Work in progress	1,242,694	950,640	2,082,891
Finished Goods	54,587,017	54,148,746	57,904,565
Stock in trade	6,719,063	6,872,723	7,799,228
Stores and Spares	10,142,678	8,683,766	7,851,204
	<u>74,089,579</u>	<u>72,257,662</u>	<u>78,136,010</u>

8. TRADE RECEIVABLES

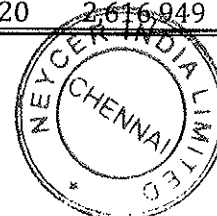
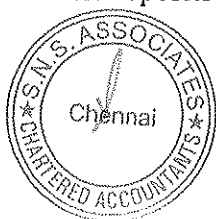
Unsecured - Considered good	32,401,699	32,902,532	35,150,348
Unsecured - Considered doubtful	48,187,272	48,187,272	48,187,272
Less: Provision for doubtful debts	- 48,187,272	- 48,187,272	- 48,187,272
Loss on fair valuation	- 667,094		
	<u>31,734,605</u>	<u>32,902,532</u>	<u>35,150,348</u>

Of the above

Debts outstanding for a period exceeding six months from the date they became due	19,059,821	19,313,095	17,000,747
Other Debts	61,529,150	61,776,709	66,336,873
Receivables are after considering loss on fair valuation amounting to	667,094	-	-

9. CASH AND CASH EQUIVALENTS

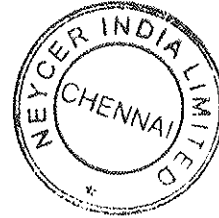
Cash on hand	20,413	34,489	7,693
Balance with Banks			
In Current Account	247,252	189,306	226,110
In Deposits offered as security for credit facilities	3,144,132	2,542,525	2,383,146
	<u>3,411,797</u>	<u>2,766,320</u>	<u>2,616,949</u>



10. OTHER CURRENT ASSETS

Unsecured - Considered Good

Advance to suppliers	15,930,051	21,388,742	19,200,701
Other Advances	14,385,913	5,723,109	5,010,228
Advances to Related Parties - Holding Company, Varun Ventures P Ltd.			
Earnest Money Deposits			
Tax Payments pending adjustment (net of provision	797,457	785,579	787,613
Other Advances - Considered doubtful	1,451,537	1,451,537	1,451,537
Less: Provision	- 1,451,537	- 1,451,537	- 1,451,537
	<u>31,113,421</u>	<u>27,897,430</u>	<u>24,998,542</u>



NOTES TO FINANCIAL STATEMENTS 31-3-2018

11. EQUITY SHARE CAPITAL
SHARE CAPITAL

Authorised:

2,97,00,000 Equity Shares of Rs.10/- each
3,00,00,000 Cumulative Redeemable
Preference Shares of Rs.10/- each

Issued Share Capital

1,01,63,263 Equity Shares of Rs.10/- each
15,00,00,000 9.5% Cumulative Redeemable
Preference Shares of Rs.10/- each

Subscribed and Paid up Equity Share capital

1,01,51,916 Equity Shares of Rs.10 each fully paid up

9.5% Cumulative Redeemable Preference Shares of Rs.10/- each aggregating to Rs.1,50,00,000/- which had fallen due for redemption ON 15 June 1993 has been disclosed under Other Financial Liabilities (Note No.16.)

Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars

Outstanding at the beginning of the year
Outstanding at the end of the year

No. of Shares
10,151,916
10,151,916

Shares in the company held by each shareholder holding more than 5% shares

S.No Name of the shareholder

No. of shares

31.03.2018 31.03.2017

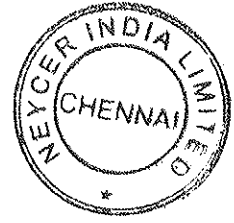
01.04.2016

Percentage of shares held

31.03.2017 01.04.2016

S.No	Name of the shareholder	No. of shares	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
1	Varun Ventures Private Limited	6,000,000	6,000,000	6,000,000	6,000,000	59.10%	59.10%	0.00%
2	Sriven Ventures Private Limited	1,330,000	1,330,000	1,330,000	1,330,000	0.00%	0.00%	59.10%
3	CDS Projects Limited	1,207,789	1,207,789	1,207,789	1,207,789	13.10%	13.10%	13.10%
4	Sparta Holdings Limited	952,960	952,960	952,960	952,960	11.90%	11.90%	11.90%
5	Sparta Holdings Limited	1,330,000	1,330,000	1,330,000	1,330,000	9.39%	9.39%	9.39%
Aggregate Number of Equity Shares allotted as fully paid up without payment being received in cash pursuant to order of BIFR dated 26-10-2018			1,330,000	1,330,000	1,330,000			

Aggregate Number of Equity Shares allotted as fully paid up without payment being received in cash pursuant to order of BIFR dated 26-10-2018



12. OTHER EQUITY

	Share Premium	Capital Reserve	Central Subsidy	General Reserve	Surplus	Other Comprehensive Income	Total
Balance as at 1-4-2016	74,400	32,468	2,500,000	25,361,450	158,423,655		- 130,455,337
Less: Restatement of defined benefit plans transferred to Other Comprehensive Income					- 1,476,508	1,476,508	
Reversal of Revaluation Reserve							-
Add: Profit(Loss) for the year after tax					- 21,860,790	5,666,507	- 16,194,283
Balance as at 31-3-2017	74,400	32,468	2,500,000	25,361,450	178,807,937	4,189,999	- 146,649,620
Less: Remeasurment of defined benefit plans transferred to Other Comprehensive Income							
Add: Profit for the year after tax					- 26,228,653	5,751,071	- 26,228,653
Balance as at 31-3-2018	74,400	32,468	2,500,000	25,361,450	205,036,590	9,941,070	- 167,127,202



NOTES TO FINANCIAL STATEMENTS

13. BORROWINGS	31-3-2018	'31-3-2017	01-4'-2016
From Banks	-	-	-
Term Loan I	-	-	6,084,000
Term Loan II	-	-	7,299,000
Working Capital Term Loan	-	-	1,184,000
Car Loans From Banks			
HDFC Bank	294,542	1,345,018	1,628,677
From Others			
From a company	48,000,000	48,000,000	48,000,000
	<u>48,294,542</u>	<u>49,345,018</u>	<u>64,195,677</u>

The Term Loans from Banks are secured by a first charge on the fixed assets and movables of the Company present and future subject to prior charges created in company's bankers for securing working capital requirements.

Car Loans from Banks are secured by a charge on the cars purchased out of the said loans. The car loans repayable in equated monthly instalments which is being repaid as per the terms and conditions and there are no defaults in respect of these loans.

The Borrowings from a Company is repayable after the completion of the repayment of the loans availed from Banks.

14. OTHER NON CURRENT LIABILITIES

Trade Deposits	11,862,000	10,767,000	10,717,000
Deposits from contractors	44,294	44,294	44,294
	<u>11,906,294</u>	<u>10,811,294</u>	<u>10,761,294</u>

15. OTHER LONG TERM PROVISIONS

Provision for gratuity	9,443,095	16,275,870	24,592,830
Provision for leave salary	1,200,980	1,240,141	1,237,237
	<u>10,644,075</u>	<u>17,516,011</u>	<u>25,830,067</u>

16. BORROWINGS

(i) From Banks

Cash Credit - Secured	37,151,236	54,095,569	62,078,247
Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and also by way of first charge on the fixed assets of the Company and guaranteed by the previous Whole time Director and Spartek Ceramics India Limited			
	<u>37,151,236</u>	<u>54,095,569</u>	<u>62,078,247</u>

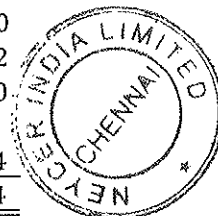
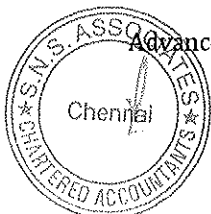
17. OTHER FINANCIAL LIABILITIES

Current Maturities of Long Term Borrowings

Term Loan	78,960,000	85,684,000	74,951,000
Car Loans	1,030,810	1,014,898	862,168
Interest free excise loan	15,000,000	15,000,000	15,000,000
Interest accrued but not due on loans	78,371,768	52,612,920	42,476,762
9.5% Cumulative Redeemable Preferer	150,000	150,000	150,000

(See Note below)

Advance from customers	9,142,547	10,427,755	8,698,134
	<u>182,655,125</u>	<u>164,889,573</u>	<u>142,138,064</u>



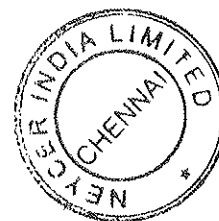
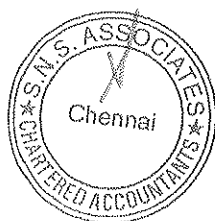
The 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each fell due for redemption on 15.06.1993/ The Company has not yet redeemed the said Redeemable Preference Shares and pending redemption these are shown as Current:

18. OTHER CURRENT LIABILITIES

Other Payables			
Excise Duty	16,367,565	18,873,085	16,585,981
VAT payable	762,330	2,422,559	2,864,142
IGST payable	13,463,661		
Service tax payable	1,486,015		
TDS payable	219,709	163,348	141,879
TCS payable	1,291	2,013	45,186
Others	714,299	210,871	197,104
	<u>33,014,870</u>	<u>21,671,876</u>	<u>19,834,292</u>

19. SHORT TERM PROVISIONS

Provision for employee benefits	21,355,984	20,232,064	12,731,115
Others	1,066,805	1,066,805	1,066,805
	<u>22,422,789</u>	<u>21,298,869</u>	<u>13,797,920</u>



NEYCER INDIA LIMITED
NOTES TO FINANCIAL STATEMENTS 31-3-2018

	31-3-2018	31-3-2017
20. REVENUE FROM OPERATIONS		
Sale of products	146,792,273	161,989,184
Sale of trading goods	33,681,748	32,097,606
Other Operating Income		
Scrap sales	838,101	880,233
	<u>181,312,122</u>	<u>194,967,023</u>
21. OTHER INCOME		
Foreign exchange gains	1,746	
Profit on sale of assets		2,499
Interest received	210,519	323,362
Reversal of provision of Excise Duty on closing stock as at 31-3-2017	6,008,333	-
Credit balances written back	52,696	-
Excess provision written back	1,137,958	
Insurance claim received	199,546	6,082,650
Other income	424,288	25,122
	<u>8,035,086</u>	<u>6,433,633</u>
22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw materials and components	19,045,420	17,249,685
	<u>19,045,420</u>	<u>17,249,685</u>
23. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	61,021,469	65,703,794
Work in progress	950,640	2,082,891
	<u>61,972,109</u>	<u>67,786,685</u>
Closing Stock		
Finished Goods	61,306,080	61,021,469
Work in progress	1,242,693	950,640
	<u>62,548,773</u>	<u>61,972,109</u>
(Increase)/Decrease in inventories of Finished Goods and Work in progress	- 576,664	5,814,576
24. EMPLOYEE BENEFIT EXPENSES		
salaries, Wages and Bonus	40,046,551	34,798,023
Contribution to Provident and Other Funds	3,823,131	4,149,680
Welfare Expenses	4,831,382	3,898,136
Contribution to Gratuity	2,728,445	8,830,517
Provision for Leave Salary	57,906	218,982
	<u>51,487,415</u>	<u>51,895,338</u>
25. FINANCE COSTS		
Interest Expense	10,647,645	15,416,632
Other Borrowing Costs	359,937	784,021
	<u>11,007,582</u>	<u>16,200,653</u>

