

31.08.2019

To
The Corporate Relationship Department,
BSE Limited,
P.J.Towers, Dalal Street,
MUMBAI-40001.

Dear Sir/Madam,

Sub: Submission of Annual Report as per Regulation 34 of SEBI (LODR) Regulations,2015.

Ref: Scrip Code: 526689

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, we herewith submit the Annual Report of the Company for the Financial Year Ended 31.03.2019.

The said Annual Report has also been uploaded on the Company's website www.fenoplast.com

This is for your information and necessary records.

Thanking you,
For FENOPLAST LIMITED



Mohith Kumar Khandelwal
Company Secretary



Encl:A/a



Fenoplast
Limited

44th Annual Report
2018-2019

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Board of Directors

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

Bankers

Canara Bank
State Bank of India
Syndicate Bank

Statutory Auditors

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

Internal Auditors

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

**Secretarial Auditors
Company Secretaries**

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

Registrar & Share Transfer Agent

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

Registered Office

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

Factories:**Unit-I**

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

Unit-II

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

Unit-III

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

Depot/ Marketing Offices:**Hosur**

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

Gurgaon

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

Baddi

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

Mumbai

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

NOTICE

Notice is hereby given that the 44th Annual General Meeting of the members of the Company will be held on Thursday, the 26th day of September, 2019 at 11.00 A.M. at Kapu Sangam, 1-7-155, M.G. Road, Secunderabad - 500003, to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the Financial Year ended 31st March, 2019, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri. Haridas Krishna Kumar (DIN:00260198), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Ratification of Remuneration payable to Cost Auditors:

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration not exceeding Rs.60,000/- (Rupees Sixty Thousand Only) payable to Mr.Sanisetty Venkata Rama Rao of M/s. SVRR & Associates, Cost Accountants (Regd.No.M/31669) to conduct the audit of the cost records maintained by the Company for the Financial Year ending 31st March, 2020, excluding taxes as may be payable, in addition to reimbursement of all out of pocket expenses, be and is hereby approved and ratified.”

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

RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and other applicable provisions if any, of the Companies Act,2013 (“Act”), the Companies (Appointment and Qualification of Directors)Rules,2014 read with Schedule IV of the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr.B.Kamalakar Rao (DIN:00038686), who was appointed as an Independent Director of the Company at the 39th Annual General Meeting for a period of five years, who meets the criteria of independence as provided in Section 149 (6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for re-appointment as an Independent Director of the Company, the Consent of the Company be and is hereby accorded for his re-appointment as an Independent Non-Executive Director of the Company for a further consecutive period of five years with effect from 01st April,2019.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149,150,152 and other applicable provisions if any, of the Companies Act,2013 (“Act”), the Companies (Appointment and Qualification of Directors)Rules,2014 read with Schedule IV of the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Dr.K.Malhar Rao (DIN:00294715) who was appointed as an Independent Director of the Company at the 39th Annual General Meeting for a period of five years, who meets the criteria of independence as provided in Section 149 (6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for re-appointment as an Independent Director of the Company, the Consent of the Company be and is hereby accorded for his re-appointment as an Independent Non-Executive Director of the Company for a further consecutive period of five years with effect from 01st April, 2019.”

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

RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and other applicable provisions if any, of the Companies Act,2013 (“Act”), the Companies (Appointment and Qualification of Directors)Rules,2014 read with Schedule IV of the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr.P.Niroop (DIN:03110997) who was appointed as an Independent Director of the Company at the 39th Annual General Meeting for a period of five years ,who meets the criteria of independence as provided in Section 149 (6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for re-appointment as an Independent Director of the Company, the Consent of the Company be and is hereby accorded for his re-appointment as an Independent Non-Executive Director of the Company for a further consecutive period of five years with effect from 01st April, 2019.”

7. To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and in accordance with Section 152 of the Companies Act,2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and Statutory modification (s) or re-enactment (s) thereof for the time being in force) and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 (“SEBI Listing Regulations”),2015 (as amended from time to time), Mr. Haridas Narsaiah (DIN:00292864),whose period of office is liable to retire by rotation be and is hereby appointed as Non-Independent, Non-Executive Director of the Company with effect 01st Apri, 2019.”

Place: Secunderabad
Date : 09-08-2019

For Fenoplast Limited
Sd/-
Haridas Kishen
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than Forty-Eight hours before the commencement of the meeting.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business items is annexed hereto.
3. The register of members and Share Transfer Books of the Company will remain closed during the period from **20-09-2019 to 26-09-2019 (both days inclusive)**.
4. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate.
In case you are holding Company's shares in physical form, please inform Company's RTA viz., M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad- 500 018 by enclosing a photo copy of blank cancelled cheque of your bank account.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. Members are requested to send all communications relating to shares and any change in address to the Registrar and Share Transfer Agent, M/s. Venture Capital And Corporate Investments Private Limited. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing the share certificates to enable the Company to consolidate their holding into one folio.
7. Members/ Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Additional copy of Annual Report and duplicate attendance slip will not be issued at the place of the meeting.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting, so that the information required by them may be made available at the meeting.
9. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be re-appointed/ appointed is given in the **Annexure-A** to the notice.
10. Trading in the Equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is **INE138D01014**.
11. The members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.
13. Electronic Copies of the Annual Report 2018-19 and Notice of the 44th Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of Annual Report and Notice of the 44th Annual General Meeting are sent in permitted mode. Members requiring physical copies can send a request to the Company.

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

15. Instructions about Voting:

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

A) Voting through electronic means:

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

The instructions for e-voting are as under:

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

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

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

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

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

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

- (vii) After entering these details appropriately, click on **“SUBMIT”** tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through

CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN for **FENOPLAST LIMITED**.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “**YES/NO**” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “**Resolutions File Link**” if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- (xiv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting with your mobile.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details, they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- II. The voting period begins on **23-09-2019 (9.00 AM) and ends on 25-09-2019 (5.00 PM)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **19-09-2019** (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com
- IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on **19-09-2019**.
- V. Mrs.N.Vanitha, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

B) Other Instructions:

- I. The Scrutinizer will collate the votes downloaded from the e-voting system to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website www.fenoplast.com and be communicated to the StockExchange where the Company is listed, viz.BSE Ltd.
- III. Members may address any query to Mohith Kumar Khandelwal, Compliance Officer at the Registered Office of the Company, Tel. No. 040-27840322, e-mail address: cs.mohith@fenoplast.com, Website: www.fenoplast.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

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

Item No. 3:

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. Sanisetty Venkata Ramarao of M/s. SVRR & Associates, Cost Accountants (Regd. No. M/31669) and remuneration payable to them, to conduct the audit of the cost records of the Company for the Financial Year ended 31st March, 2019. In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2020.

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

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

Item No.4 to 6:

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, on the recommendation of the Nomination and Remuneration Committee, recommends to the members the re-appointment of Mr. B.Kamalakar Rao, Dr.K.Malhar Rao and Mr. P.Niroop as the Independent Non-Executive Directors of the Company for a further consecutive period of five years with effect from 01st April,2019.

As Mr. B.Kamalakar Rao and Dr.K.Malhar Rao are of above 75 years, the approval of the members is deemed to be given, pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015,(as amended), effective from 1st April,2019.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. B.Kamalakar Rao, Dr.K.Malhar Rao and Mr. P.Niroop, being eligible, offer themselves for re-appointment, and are proposed to be re-appointed as Independent Directors for a term as stated in the Resolutions.

Mr. B.Kamalakar Rao,Dr.K.Malhar Rao and Mr. P.Niroop, Non-Executive Independent Directors of the Company, have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act,2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act,2013 and the rules made there under for their re-appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being re-appointed in terms of Section 164 of the Companies Act,2013 and they have given their consent to act as Directors.

Copies of the draft letter for re-appointment of Mr. B.Kamalakar Rao, Dr.K.Malhar Rao and Mr. P.Niroop as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day.

A brief profile of the Independent Directors to be re-appointed, including nature of their expertise is provided as **Annexure-A** to this notice.

Except Directors themselves being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions ser out at **item Nos. 4 to 6**

Item no:7

The Board of Directors of the company at its meeting held on 09.08.2019, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, approved the re-appointment of Mr. Haridas Narsaiah as the Non-Executive, Non-Independent Director of the company and he is liable to retire by rotation, effective from 1st April, 2019.

Mr. Haridas Narsaiah is the Promoter Director. Since he isof more than 75 Years, his re-appointment is proposed subject to the approval of the members in the ensuing Annual General Meeting by way of a Special Resolution, pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015. The Board places on record the immense contribution of Mr. Haridas Narsaiah and feels that his continued services are of immense need for the growth and development of the Company.

Place: Secunderabad

Date : 09-08-2019

For Fenoplast Limited

Sd/-

Haridas Kishen

Managing Director

Annexure – A

Details of Directors as on March 31, 2019, seeking appointment/re-appointment/regularization at the ensuing Annual General Meeting pursuant to SEBI (LODR) Regulations, 2015 are given below:

Name of the Director	Mr.B.Kamalakar Rao	Mr. K.Malhar Rao	Mr.P.Niroop	Mr.H.Narsaiah
Date of birth	2703/1949	14/12/1934	08/06/1958	09/11/1936
Date of appointment	28/09/2005	30/04/2004	13/05/2010	Since incorporation
Relationship with Directors	None	None	None	Related to Mr.H.Kishen (Managing Director), Mr.H.Krishna Kumar (Whole-time Director) and Mr. Sanjay Haridas (Whole-time Director)
Expertise in specific functional area	More than 4 decades in Finance and Management	He is a retired Professor of Pediatrics, Kakatiya University. He has wide contacts in Pharma Industry, which would help the Company to improve the business in the PVC Film.	He is a Supreme Court Lawyer having good experience and exposure to various matters related to Company Law, Environment Law etc.	He has good expertise in textile trading business as well as marketing of similar products. He has immensely contributed to the development of marketing network of the Company. He is a member of the Audit Committee
Qualifications	B.Tech, MBA, FIE	M.B.B.S, M.D	Law Graduate	Graduate
Board Membership of other Companies as on 31.03.2019	1.Aishwarya Holdings Private Limited 2.Pennar Engineered Building Systems Limited 3.Pennar Industries Limited	None	1.Vaya Advisory Services Private Limited	1. Rex-o-Knits Private Limited- Managing Director

Chairman/ member of the Committee of the Board of Directors as on 31.03.2019 Chairman/ Member of the Committee of Directors of other Companies in which he is a Director as on 31.03.2019@	Audit & Nomination and Remuneration Committee	Audit, Nomination and Remune- ration and Stake- holders' Relationship Committee	Audit and Nomination and Remuneration Committee	Member of Audit Committee
a) Audit committee	2	NIL	NIL	NIL
b) Stakeholders' Relationship Committee	1	NIL	NIL	NIL
c) Nomination & Remuneration Committee	1	NIL	NIL	NIL
Number of shares held in the Company as on 31.03.2019 #	0	0	0	324792

Note:

@ This does not include position in foreign Companies, position as an advisory board member and position in companies under section 8 of the Companies Act, 2013.

includes shares held jointly with immediate family members

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting herewith the 44th Annual Report on the business of Your Company together with the Audited Accounts for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

(₹ In Lakhs)

PARTICULARS	2018-19	2017-18
Gross Income	21,208.08	27,210.44
Gross Income (Net of Excise Duty)	18,578.76	24,597.31
Less: Expenditure	16,912.18	22,684.68
Gross Profit	1,666.58	1,912.62
Less: Interest & Finance Charges	1,360.70	1,488.51
Less: Depreciation	182.42	168.50
Profit before Tax	123.46	255.61
Less: Current Tax	31.82	47.52
Less: Tax for the earlier years	-	-
Less: Deferred Tax	24.66	(13.40)
Profit available for appropriations	66.98	221.49
Profit brought forward	2,706.68	2,582.07
Revised Depreciation of earlier years	-	-
Additional Deferred Tax Liability, Adjustment on Sale of Investment, Total Comprehensive Income	60.28	96.89
Balance carried forward	2,766.96	2,706.68

BUSINESS REVIEW

During the year under review your Company has achieved gross revenues amounting to Rs. 21208.08 Lakhs as against Rs.27210.44 Lakhs in the previous year.

OPERATIONS:

For the year under review, production of PVC LC was 72.31 LLn. Mtrs as against the previous year's production of 81.70 LLn. Mtrs. Production of PVC Film was 5611.88 MT as against the previous year's production of 10,095.60 MT.

There has been a decline in the sales for the year 2018-19 in both the segments due to the prevailing market conditions.

The main reasons of slow down in the PVC Leather Cloth division is due to slow down in the OEM market and financial liquidity crunch in the domestic market.

The company is working in getting into other market sectors such as shoe industry, to bolster the production.

The decline in the PVC Film division is primarily due to the fear of ban on short life PVC. This ban was actually on one time use and low gauge thickness of carry bags. Unfortunately, this was misconstrued by the market and until clarification and orders from the National Green Tribunal came, there was a confusion in the market.

This period was utilised by the Company to re condition it's machines to improve productivity, reduce rejections and this upgradation should also help the company to develop better value added products.

Furthermore, the implementation of GST had it's own effects on the domestic market.

The company is further working on forward integration in this division like thermo forming and PVC insulation tapes .

DIVIDEND:

Your Directors did not recommend any dividend for the year 2018-19

TRANSFER TO RESERVES:

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

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

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

The Board of Directors, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee recommend the re-appointment of Mr. B. Kamalakar Rao, Dr. K. Malhar Rao and Mr. P. Niroop as Independent Non-Executive Directors for a further consecutive period of 5 years with effect from 1st April, 2019, in accordance with section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors also recommend to the members the re-appointment of Mr. Haridas Narsaiah, as the Non-Executive, Non-Independent Director in terms of regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

AUDITORS

Statutory Auditors:

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

Cost Auditors:

The Board has appointed Mr. Sanisetty Venkata Ramarao of M/s. SVRR & Associates, Cost Accountants for conducting the audit of cost records of the Company for various segments for the Financial Year 2019-20 as recommended by the Audit Committee. As required under section 148 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 a resolution is being placed at the ensuing AGM for ratification of remuneration payable to said Cost Auditors.

Secretarial Auditors:

M/s.P.S.Rao & Associates, Practicing Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rule 9 thereunder. The Secretarial Audit report for the Financial Year 2018-19 forms part of this Report as **Annexure - 1**. The Board has appointed M/s.P.S.Rao & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the Financial Year 2019-20.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO

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

RISK MANAGEMENT POLICY

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

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

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

NOMINATION AND REMUNERATION POLICY

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178, Schedule IV of the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As recommended by the Committee the Board adopted a policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters to frame proper systems

for identification, appointment of Directors & KMPs, Payment of Remuneration, Evaluation of their performance. Nomination and Remuneration Policy of the Company is enclosed herewith as **Annexure – 3** and is available on Company's website www.fenoplast.in.

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. In preparation of annual accounts for the Financial Year ended 31st March, 2019 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2019 and of the profit and loss of the Company for the year;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Annual Accounts for the year 2018-19 have been prepared on a 'going concern' basis;
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN:

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

OTHER DISCLOSURES:

Board Meetings

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

Committees of Board

Your company has the following Committees:

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

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

Corporate Governance Report

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

Management Discussion and Analysis

A brief note on the Management discussion and analysis for the year is enclosed as Annexure - 6 to this report

Vigil Mechanism:

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

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

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

PARTICULARS OF EMPLOYEES:

No employee of the Company was in receipt of remuneration, during the Financial Year 2018-19, in excess of the sum prescribed under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

DEPOSITS:

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

RELATED PARTY TRANSACTIONS:

Related party transactions entered during the Financial Year under review are disclosed in **Note No.44E** of the Financial Statements of the Company for the Financial Year ended 31st March, 2019. These transactions were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. **Form AOC-2**, containing the note on the aforesaid Related Party Transactions is enclosed herewith as **Annexure –8**.

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

GENERAL

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

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

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

Sd/-

B.KAMALAKAR RAO

CHAIRMAN

Place : Secunderabad

Date : 09-08-2019

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To,
**The Members,
Fenoplast Limited,
Secunderabad. TG- 500 003.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Feno Plast Limited (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the company has, during the audit period covering the Financial Year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2019 according to the provisions of:

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

-
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (vi) The industry specific laws that are applicable to the company are as follows:
- a) The Factories Act, 1948;
 - b) Environment (Protection) Act, 1986;
 - c) The Water (Prevention and Control of Pollution) Act, 1974 and
 - d) The Air (Prevention and Control of Pollution) Act, 1981.

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

- a. Secretarial Standards SS-1 and SS-2 with respect to Meetings of the Board of Directors and General Meetings, respectively, issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

We report that during the period under review, the Company has duly complied with the provisions of the Companies Act, 2013, Regulations of SEBI and other acts, as specified above, applicable to the industry of the Company, except the following:

- (i). Certain persons of the Promoter Group have not complied with the provisions of SEBI Circular No. CIR/ISD/3/2011 dated June 17, 2011 which requires all the shares of Promoters and Persons of Promoter Group to be in dematerialized form.

We further report that

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

Adequate notice has been given to all the directors to schedule the Board meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As a general practice of the Board, decisions were taken on unanimous consent.

We further report that no prosecutions were initiated and no fines or penalties were imposed for the year, under the Companies Act, FEMA, SEBI Act, SCRA or other SEBI Regulations, on the Company or its directors and officers during the period under review.

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

For P.S. Rao & Associates
Company Secretaries
Sd/-
P.S.RAO
Company Secretary
FCS No: 10322
C P No: 3829

Place: Hyderabad
Date : 09th August, 2019

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

To,
**The Members,
Fenoplast Limited,
Secunderabad. TG- 500 003.**

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

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

**For P.S. Rao & Associates
Company Secretaries
Sd/-
P.S.RAO
Company Secretary
FCS No: 10322
C P No: 3829**

Place : Hyderabad
Date : 09th August, 2019

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

(A) Conservation of energy-

During the year under review, consumption of the power per LLn. Mtr. of PVC Leather Cloth was 0.20Kwh/ Ln.Mtr(previous year 0.17 KWH per LLn. Mtr.). The consumption of Coal was 0.58Kwh/ Ln.Mtr. (previous year 0.67Kwh/Ln.MtrLLn. Mtr.). Power consumption of PVC film was at 0.51 KWH per Kg. (previous year 0.45 KWH per Kg.) of production. Details are attached in **Form – A**.

(B) Technology absorption-

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

(C) Foreign exchange earnings and Outgo-

The Company used Rs. 1550.18 Lakhs on foreign exchange for its imports during the year, against its export earnings of Rs. 495.65 Lakhs. Previous year the Company has used Rs. 2533.90 Lakhs as against Rs. 274.92 Lakhs earned.

For and on behalf of the Board of Directors

Sd/-

B.KAMALAKAR RAO

CHAIRMAN

Place : Secunderabad

Date : 09-08-2019

ANNEXURE TO THE DIRECTORS' REPORT

FORM –A

A. Power and Fuel Consumption:

		2018-2019		2017-2018	
		PVC Leather cloth/ Cellular Sheets	PVC Film	PVC Leather cloth/Cellular Sheets	PVC Film
1). Electricity:					
a) Purchased from APCPDCL					
No. of units	Kwh	13,90,893	31,04,759	13,94,823	45,37,355
Total Amount	Rs.	1,16,29,881	2,96,48,149	1,20,22,131	3,87,62,909
Rate per Unit	Rs.	8.36	9.55	8.62	8.54
b) Own generation through Diesel generator.					
No. of Units.	Kwh	1,15,676	55,223	1,45,561	60,883
Units per lit. of diesel	Rs.	2.31	2.45	2.79	2.45
Cost per Unit of Kwh	Rs.	28.96	27.35	24.01	27.35
2). Coal:					
(Round coal used in Heat treatment)					
Quantity consumed	M.T	1,107	NIL	1507	NIL
Total Cost	Rs.	92,63,914	NIL	95,20,232	NIL
Average Rate (per ton)	Rs.	8,369	NIL	6,317	NIL
3) Briquettes:					
Quantity consumed	MT	1,705	887	2,082	1,624
Total Cost	Rs.	65,17,727	33,90,170	1,23,52,693	92,40,850
Average Rate (per ton)	Rs.	3,823	3,823	5,993	5,690

B. Consumption per unit of production:

	Unit	2018-2019	2017-2018
1). Electricity:			
a) PVC Leather cloth/ Cellular Sheets	Kwh/Ln.mtr.	0.20	0.17
b). PVC Film	Kwh/kg.	0.51	0.45
2). Coal / Briquettes:			
a) PVC Leather cloth/ Cellular Sheets	Kwh/Ln.mtr.	0.58	0.67

REMUNERATION POLICY

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

PRINCIPLES

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

MANAGERIAL REMUNERATION

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

Your Company has 286 permanent employees and any pay revision is done by way of wage agreements done in consultation with the respective unions.

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

For and on behalf of the Board of Directors

Sd/-

B.KAMALAKAR RAO

CHAIRMAN

Place : Secunderabad

Date : 09-08-2019

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31-03-2019

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31st March, 2019.

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held of at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2737116	117800	2854916	62.06	2678516	117800	2796316	60.79	-1.27
Sub-total (A)(1):-	2737116	117800	2854916	62.06	2678516	117800	2796316	60.79	-1.27
(2) Foreign	--	--	--	--	--	--	--	--	--
Sub-total (A)(2):-	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	2737116	117800	2854916	62.06	2678516	117800	2796316	60.79	-1.27
B. Public Shareholding									
1. Institutions	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corp.	92746	7300	100046	2.17	85439	7300	92739	2.02	-0.16
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	339633	342142	681775	14.82	353005	329442	682447	14.84	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	754133	105300	859433	18.68	822852	105300	928152	20.18	1.49
c) Others									
- Non –resident Individuals	16972	85000	101972	2.22	17472	82500	99972	2.17	-0.04
- Clearing members	1858	--	1858	0.04	374	--	374	0.01	-0.03
Sub-total (B)(2):-	1205342	539742	1745084	37.94	1279142	524542	1803684	39.21	1.27
Total Public Shareholding (B) = (B)(1) + (B)(2)	1205342	539742	1745084	37.94	1279142	524542	1803684	39.21	1.27
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A + B + C)	3942458	657542	4600000	100.00	3957658	642342	4600000	100.00	---

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	H.NARSAIAH	324792	7.06	0.00	324792	7.06	0.00	--
2	H.SAPARNA	319000	6.93	0.00	319000	6.93	0.00	--
3	H.KRISHNA KUMAR	293500	6.38	0.00	293500	6.38	0.00	--
4	H.PUSHPA	229900	5.00	0.00	229900	5.00	0.00	--
5	H.MAHESH KUMAR	219000	4.76	0.00	219000	4.76	0.00	--
6	H.KISHEN	206646	4.49	0.00	206646	4.49	0.00	--
7	H.RAVIRAJ	175700	3.82	0.00	175700	3.82	0.00	--
8	H.ANURADHA	230400	5.01	0.00	172400	3.78	0.00	-1.23
9	H. SANJAY HARIDAS	164078	3.57	0.00	164078	3.57	0.00	--
10	H. PRAVEEN KUMAR	127500	2.77	0.00	127500	2.77	0.00	--
11	H. SAMPATH KUMAR	99700	2.17	0.00	1100	0.02	0.00	-2.15
12	H. SIDDARTH	87900	1.91	0.00	87900	1.91	0.00	--
13	H. LATHA	76000	1.65	0.00	174000	3.78	0.00	+2.13
14	H. GANGADHAR	69400	1.51	0.00	69400	1.51	0.00	--
15	H. RAHUL	37700	0.82	0.00	37700	0.82	0.00	--
16	H. POOJALATHA	18500	0.40	0.00	18500	0.40	0.00	--
17	H. SRAVANTHI	10000	0.22	0.00	10000	0.22	0.00	--
18	H. VANDANA	10000	0.22	0.00	10000	0.22	0.00	--
19	H. PADMAJA	6600	0.14	0.00	6600	0.14	0.00	--
20	H. PRASANNARANI	4400	0.10	0.00	4400	0.10	0.00	--
21	H. RANIKA	1600	0.03	0.00	1600	0.03	0.00	--
22	H.REKHA	1500	0.03	0.00	1500	0.03	0.00	--
23	SUNANDA PONNALA	68700	1.49	0.00	68700	1.49	0.00	--
24	BHAGYA LAKSHMI ENUGULA	47400	1.03	0.00	47400	1.03	0.00	--
25	VIJAYALAXMI NEELAKANTAM	25000	0.54	0.54	25000	0.54	0.00	--

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

S.No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	H.NARSAIAH At the beginning of the year At the end of the year	324792	7.06	324792 324792	7.06
2	H.SAPARNA At the beginning of the year At the end of the year	319000	6.93	319000 319000	6.93
3	H.KRISHNA KUMAR At the beginning of the year At the end of the year	293500	6.38	293500 293500	6.38
4	H.PUSHPA At the beginning of the year At the end of the year	229900	5	229900 229900	5
5	H.MAHESH KUMAR At the beginning of the year At the end of the year	219000	4.76	219000 219000	4.76
6	H.KISHEN At the beginning of the year At the end of the year	206646	4.49	206646 206646	4.49
7	H.RAVIRAJ At the beginning of the year At the end of the year	175700	3.82	175700 175700	3.82
8	H.ANURADHA At the beginning of the year At the end of the year	230400	5.01	230400 172400	3.75
9	H. SANJAY HARIDAS At the beginning of the year At the end of the year	164078	3.57	164078 164078	3.57
10	H.PRAVEEN KUMAR At the beginning of the year At the end of the year	127500	2.77	127500 127500	2.77
11	H.SAMPATH KUMAR At the beginning of the year At the end of the year	99700	2.17	99700 1100	0.02
12	H.SIDDARTH At the beginning of the year At the end of the year	87900	1.91	87900 87900	1.91

13	H.LATHA At the beginning of the year At the end of the year	76000	1.65	76000 174700	3.78
14	H.GANGADHAR At the beginning of the year At the end of the year	69400	1.51	69400 69400	1.51
15	H.RAHUL At the beginning of the year At the end of the year	37700	0.82	37700 37700	0.82
16	H.POOJALATHA At the beginning of the year At the end of the year	18500	0.4	18500 18500	0.4
17	H.SRAVANTHI At the beginning of the year At the end of the year	10000	0.22	10000 10000	0.22
18	H.VANDANA At the beginning of the year At the end of the year	10000	0.22	10000 10000	0.22
19	H.PADMAJA At the beginning of the year At the end of the year	6600	0.14	6600 6600	0.14
20	H. PRASANNARANI At the beginning of the year At the end of the year	4400	0.1	4400 4400	0.1
21	H. RANIKA At the beginning of the year At the end of the year	1600	0.03	1600 1600	0.03
22	H.REKHA At the beginning of the year At the end of the year	1500	0.03	1500 1500	0.03
23	SUNANDA PONNALA At the beginning of the year At the end of the year	68700	1.49	68700 68700	1.49
24	BHAGYA LAKSHMI ENUGULA At the beginning of the year At the end of the year	47400	1.03	47400 47400	1.03
25	VIJAYALAXMI NEELAKANTAM At the beginning of the year At the end of the year	25000	0.54	25000 25000	0.54

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

S.No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	G.SAROJA At the beginning of the year At the end of the year	230034	5	230034 230034	5
2	T.H.MURLIDHAR At the beginning of the year At the end of the year	62300	1.35	62300 62300	1.35
3	S.SANGEETHA At the beginning of the year At the end of the year	47770	1.04	47770	1.04
4	VIDHYA NAIDU At the beginning of the year At the end of the year	46920	1.02	46920	1.02
5	RAGHUNADHA REDDY M. At the beginning of the year At the end of the year	46100	1	46100 46100	1
6	J.PRASOONA DEVI At the beginning of the year At the end of the year	43000	0.93	43000 43000	0.93
7	VIL MEDIA LIMITED At the beginning of the year At the end of the year	39131	0.85	39131 39131	0.85
8	ARUN BHONGIR At the beginning of the year At the end of the year	37665	0.82	37665 37665	0.82
9	SUJANA ADI At the beginning of the year At the end of the year	37250	0.81	37250 37250	0.81
10	G.VIVEKANAND At the beginning of the year At the end of the year	36817	0.8	36817 94817	2.06

(v) Shareholding of Directors and Key Managerial Personnel:

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

INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6159.87	105.32	-	6265.19
ii) Interest due but not paid	0	0	-	-
iii) Interest accrued but not due	1.13	0	-	1.13
Total (i+ii+iii)	6161	105.32	-	6266.32
Change in Indebtedness during the financial year				
• Addition	684.75	-	-	684.75
• Reduction	102.85	66.16	-	102.85
Net Change	581.19	66.16	-	515.74
Indebtedness at the end of the financial year				
i) Principal Amount	6742.13	105.32	-	6265.19
ii) Interest due but not paid	0	0	-	-
iii) Interest accrued but not due	0.77	0	-	1.13
Total (i+ii+iii)	6742.9	105.32	-	6266.32

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

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

ii) Whole-time Directors

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	H. Krishna Kumar - -	81,00,000 - -
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - Others, specify...	- -	- -
5	Others, please specify	-	-
	Total (i)		81,00,000
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	H. Sanjay Kumar - -	40,48,750 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - Others, specify...	- -	- -
5	Others, please specify	-	-
	Total (ii)	-	40,48,750
	Total (i+ii)	-	2,05,48,750
	Ceiling as per the Act	As per members' resolution	

B. Remuneration to other directors:

S.No	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors • Fee for attending board / committee meetings	B. Kamalakar Rao K. Malhar Rao P. Niroop	56,000 64,000 56,000
	Total (1)		1,76,000
2	Other Non-Executive Directors • Fee for attending board / committee meetings	H. Narasaiah Dr. Batul Alladin Arif	52,000 35,000
	Total (2)		87,000
	Total (B)=(1+2)		2,63,000
	Total Managerial Remuneration		2,63,000
	Overall Ceiling as per the Act		

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

S.No	Particulars of Remuneration	Name of KMP	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	C.F.O. CS	14,63,341 5,61,600
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)		20,24,941

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place : Secunderabad
Date : 09-08-2019

Sd/-
B.KAMALAKAR RAO
CHAIRMAN

CORPORATE GOVERNANCE REPORT

Annexure - 5

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

(1) Company Philosophy on Corporate Governance:

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

(2) Board of Directors:

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

Name of the Director	Category	FY 2018-2019 Attendance at		As on date		
		BM	Last AGM	No. of other Directorships ¹	Committee	positions ²
					Member	Chairman
B. Kamalakar Rao	Non-Executive Chairman, Independent	4	Yes	3	5	4
H. Narsaiah	Non-Executive Director Promoter	4	No	1	1	NIL
H. Kishen	Managing Director Promoter	4	Yes	NIL	NIL	NIL
H. Krishna Kumar	Whole time Director Promoter	4	Yes	1	1	NIL
Dr. K. Malhar Rao	Non-Executive Director Independent	4	Yes	NIL	2	1
Dr. Batul Alladin Arif	Non-Executive Director Independent	3	Yes	1	NIL	NIL
P. Niroop	Non-Executive Director Independent	4	No	1	1	NIL
H. Sanjay Kumar	Whole time Director Promoter	4	Yes	1	NIL	NIL

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

² Only Audit Committee and Stakeholders' Relationship Committee positions

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

During the year under review, Four (4) Board meetings were held on 24th May,2018, 10th August,2018, 14th November,2018 and 14th February,2019.

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

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

Share holding of Non-Executive Directors

S.No.	Name of the Director(s)	No. of Shares
1	Sri.B.Kamalakar Rao	NIL
2	Sri.H.Narsaiah	324792
3	Sri.P.Niroop	NIL
4	Dr.K.Malhar Rao	NIL
7	Dr. Batul Alladin Arif	NIL

Details of the Directorship(s) of the Director(s) in other Listed entities:

S.no	Name of the Director	Directorship (s) in other Listed Entity (ies)
1	Sri.B.Kamalakar Rao	i. Pennar Industries Limited, ii. Pennar Engineered Building Systems Limited
2	Sri.H.Narsaiah	NIL
3	Sri.H.Kishen	NIL
4	Dr.K.Malhar Rao	NIL
5	Sri.H.Krishna Kumar	NIL
6	Sri.P.Niroop	NIL
7	Dr. Batul Alladin Arif	NIL
8	Sri. Sanjay Haridas	NIL

Skills, Expertise and Competencies of the Board:

Apart from the basic tenets of ethics, honesty and integrity, the Company requires skills, expertise and competencies in the areas of Marketing, Finance, Accounting, Business Strategy, Legal and Regulatory matters, technical competencies in Calendaring Division (for PVC Film), Coating Division (For PVC Leather Cloth) for domestic and international markets, to carry on its business such as manufacturing PVC Leather Cloth, PVC Film, PVC Coated with PVDC and other allied products.

The Board comprises of qualified members who bring in the required skills, expertise and competence as mentioned above which allows them to make effective contributions to the Board and its committees. The members of the Board are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance.

Confirmation from the Board:

The Board, based on the disclosures received from all the Independent Directors, confirms that all Independent Directors fulfill the conditions of Independence as specified in SEBI Listing Regulations and are independent of the management of the company for the year ended 31.03.2019.

None of the Independent Directors have resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended 31.03.2019.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February 2019 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management, the Board and its Committees which is necessary for effective performance of their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting. Terms of appointment of Independent Directors is available on the Company's Website.

Relationships inter-se among Directors:

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

Familiarization programmes of Independent Directors:

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

(3) Committees of Directors:

a) Audit Committee:

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

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

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

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

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

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

Audit Committee meetings were held during the year under review on 24th May, 2018, 10th August, 2018, 14th November, 2018 and 14th February, 2019. Company Secretary acts as the Secretary for the meeting.

b) Nomination and Remuneration Committee:

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

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

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

Performance evaluation criteria for Independent Directors:

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

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

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

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

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

(Amt in Rs.)

Name of Director	Salary & Allowances	Others	Designation	Gross Remuneration
Mr.H.Kishen	84,00,000/-	Nil	Managing Director	84,00,000/-
Mr.H.Krishna Kumar	81,00,000/-	Nil	Whole-time Director	81,00,000/-
Mr. H. Sanjay Kumar	40,48,750/-	Nil	Whole-time Director	40,48,750/-

For Non-Executive Directors:

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

Name of the Director	Sitting Fee paid during F.Y.2018-2019 (₹)	No. of shares held on 31-03-2019
Mr. H.Narsaiah	52,000	324792
Mr. B.Kamalakar Rao	56,000	NIL
Dr. K.Malhar Rao	64,000	NIL
Mr. P.Niroop	56,000	NIL
Dr. BatulAlladinArif	35,000	NIL

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

The company has not issued any stock options to its Directors/Employees during the year under review.

(c) Stakeholders' Relationship Committee:

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

The Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints. In accordance with the provisions of SEBI (LODR) Regulations, 2015, the

Board has authorized the RTA, to approve share transfers/transmissions and comply with other formalities in relation thereto.

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement. There were no pending share transfers and unresolved share holders grievances pertaining the the Financial Year 31-03-2019

Compliance Officer:

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

(4) General Body Meetings & Shareholders Information:

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

Year	Place of Meeting	Date & Time	Special Resolutions
2017-18	Kapu Sangam, 1-7-155, M.G.Road, Secunderabad-3	27-09-2018 9.30A.M	NIL
2016-17	Kapu Sangam, 1-7-155, M.G.Road, Secunderabad-3	27-09-2017 11.00 A.M.	1.Re-appointment of Mr. HaridasKishen as the Managing Director of the Company.
2015-16	Kapu Sangam, 1-7-155, M.G.Road, Secunderabad-3	28-09-2016 9.30 AM	NIL

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

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

ii) Special Resolution passed last year through postal ballot:

No Special Resolution has been passed by the Company through postal ballot during the year under review. No Special Resolution is proposed to be passed through Postal Ballot at the ensuing AGM.

(5) Disclosures

Details of Non-Compliance and Penalties:

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

i. Certain persons of the Promoter Group have not complied with the provisions of SEBI Circular No. CIR/ISD/3/2011 dated June 17, 2011 which requires all the share of Promoters and Persons of Promoter Group to be in dematerialized form.

Whistle Blower Policy:

The Whistle Blower policy (vigil) mechanism provides channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The Whistle Blower policy is also posted on the website of the company and the weblink: <https://fenoplast.in/policies.html>

CEO/CFO Certification:

The Managing Director has certified and submitted a certificate on the financial results and other compliance of statutory requirements, to the Board in accordance with Regulation 17 (8) of SEBI (LODR) Regulations, 2015 pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2019.

Compliance Certificate:

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

Code of Conduct:

The Company has posted the Code of Conduct for Directors and Senior Management on its website. The Code of Conduct is applicable to all Directors and Senior Management Personnel of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the Financial Year ended 31st March, 2019.

Declaration to this effect duly signed by the Managing Director is annexed hereto and forms part of this report.

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

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

Disclosure on Materially Significant Related Party Transactions:

During the financial year ended 31st March, 2019 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The policy on dealing with related party transactions has been posted on the website of the Company.

(6) Means of Communication

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

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

Management Discussion & Analysis forms part of the Annual Report.

(7) General Shareholder Information:

i) Registered Office:

306-308, Cheney Trade Centre, Parklane, Secunderabad- 500003.

ii) Annual general Meeting Date, Time and Venue:

Thursday, the 26th day of September, 2019 at 11.00 A.M.
at Kapu Sangam.1-7-155, M.G. Road, Secunderabad-500003.

iii) Financial Year: 1st April 2018 to 31st March, 2019

iv) Date of Book Closure:

20-09-2019 to 26-09-2019 (both days inclusive)

Dividend Payment Date : Not applicable

v) Listing on the Stock Exchanges:

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

vi) Stock Code:

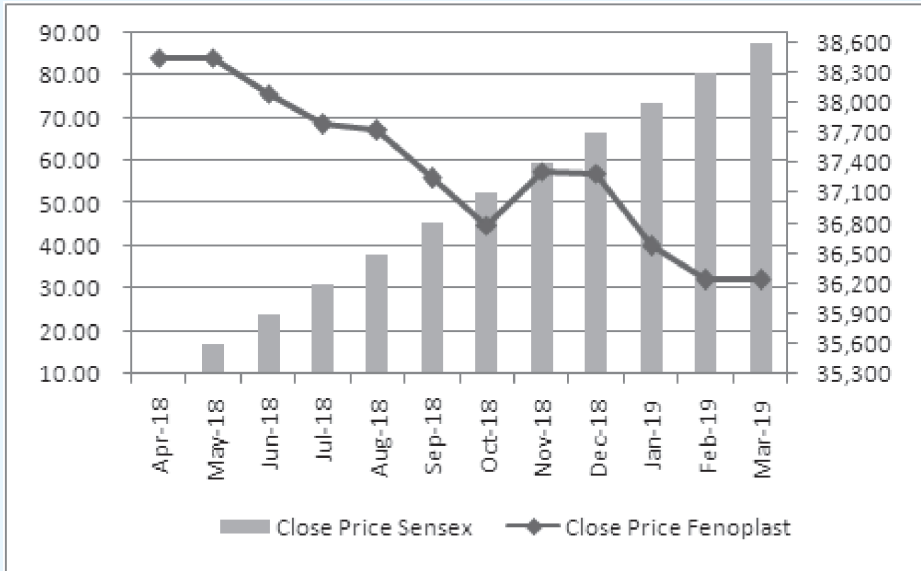
• BSE -526689

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

vii) Market Price Data: High, Low and No. of shares traded during each month in last Financial Year 2018-19 at BSE Limited is given below:

Month	High (₹)	Low (₹)	Monthly Volume
April-2018	96.60	78.80	1,932
May- 2018	88.30	75.75	24,342
June-2018	80.00	72.20	2,978
July- 2018	72.10	68.50	1,045
August -2018	78.80	67.10	4,270
September- 2018	70.40	53.20	3,806
October- 2018	55.00	44.90	350
November- 2018	57.65	43.05	1,165
December- 2018	60.35	54.50	505
January- 2019	58.50	37.10	7,639
February- 2019	38.00	32.00	5,360
March -2019	33.00	29.80	4,325

(viii) Relative Performance of Company Share Price to BSE SENSEX during the Financial Year 2018-19:



(ix) Registrar and Transfer Agents:

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

Address:

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

(x) Share Transfer System

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

Mr. H.Krishna Kumar : Chairman

Mr. V.B.V.R Ratnaji : Member

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

SEBI has barred the transfer of the share in physical form with effect from 01-04-2019. Any investor desirous of transferring shares (which are in physical form) after 01-04-2019 can do so only after such shares are dematerialised vide SEBI circular LIST/COMP/15/2018.

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

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

(xi) Shareholding pattern as on 31-03-2019:

Category	No. of Shareholders	No. of shares held	Percentage of shareholding
A. Promoters' holding			
1. Indian Promoters & Persons Acting in Concert.	25	2796316	60.79
B. Non- Promoters' holding			
1. Institutional Investors	--	—	—
2. Others			
a) Private Corporate Bodies	29	92739	2.02
b) Indian Public	3503	1610599	35.01
c) NRIs/OCBs	118	99972	2.17
d) Clearing Members	5	374	0.01
Sub-Total	3655	1803684	39.21
GRAND TOTAL	3680	4600000	100

(xii) Distribution of Shareholding as on 31-03-2019:

Shares	Holders		Shares	
	Number	% to Total Shareholders	No. of Shares	% to Total Capital
Upto - 500	3383	91.73	339694	7.38
501 - 1000	151	4.09	131599	2.86
1001 - 2000	48	1.30	74035	1.61
2001 - 3000	16	0.43	41873	0.91
3001 - 4000	12	0.33	43360	0.94
4001 - 5000	15	0.41	69158	1.50
5001 - 10000	18	0.49	148929	3.24
10001 and above	45	1.22	3751352	81.55
Total	3688	100	4600000	100.00

(xiii) Dematerialization of Shares and liquidity:

Your Company's shares are under compulsory Demat. Therefore, shareholders are requested to demat their physical shares for the liquidity benefit. 39,57,658 shares out of total shares (i.e. 46,00,000 equity shares) are dematerialized as on 31/03/2019.

During the reporting period, there were no instances of suspension of trade in the securities of the Company.

There were no shares lying in Demat suspense account.

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

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

(xv) Plant Locations:

Company has three units and its locations are as follows:

Unit-I

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

Unit- II

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

Unit-III

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

(xvi) Address for Correspondence:

(i) For all matters relating to Shares:

M/s. Venture Capital and Corporate Investments Private Limited
12-10-167, Bharat Nagar, Hyderabad, 500018.

Telephone No. 040-23818475/23818476/23868023.

Fax No : +91 040-23868024 E-mail : info@vccilindia.com

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

The Compliance Officer

Fenoplast Limited,

306-308, Chenoy Trade Center, Parklane,

Secunderabad- 500003, India.

Telephone No : 27840322, 27840722

Fax No : 27721739

E-mail : inbox@fenoplast.com

Other Disclosures:

1. The particulars of transactions between the Company and its related parties are set out at Notes to Financial statements. However, these transactions are not likely to have any conflict with the Company's interest.

The policy on related party transactions as approved by the Board is uploaded on the website of the Company and the weblink for the same is <https://fenoplast.in/policies.html>.

2. Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) - Not applicable

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3. A certificate from a company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointment or continuing as directors of Companies by the Board or Ministry of Corporate Affairs or any such other authority is being enclosed.
 4. Total fees for all the services paid by the listed entity on a consolidated basis, to the Statutory Auditor is Rs. 11,80,000/-
 5. Where the Board has not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year - There are no such instances during the year and the Board considered and accepted the re-recommendations of all the committees.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at work Place.

Your company strongly supports the rights of all its employees to work in an environment, free from all forms of harassment. The company has adopted a policy on Prevention, Prohibition and redressal of sexual Harassment at work place as per the Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The policy aims to provide protection to employees at the work place and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Committee, Known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

The company has not received any complaint on sexual harassment during the year.

The company is not carrying on any commodity business and has also not undertaken any hedging activities. Hence, same are not applicable to the Company.

Since the company does not have debt instruments/fixed deposits programme, obtaining of credit rating is not required.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Developments:

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

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

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

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

b) Opportunities and Threats:

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

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

Threats:

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

c) Risks and concerns:

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

d) Segment-wise performance

PVC Leather Cloth: The production during the year is 72.31 LLn. Mtrs.as against 81.70 LLn. Mts. in the previous year.

PVC Film: Production of PVC Film was 5611.88 MT as against the previous year's production of 10,095.67 MT in the previous year.

Financial Performance

The net profit before tax for the year is Rs.123.46Lakhs as compared to previous year Rs.255.61Lakhs.

e) Adequacy of Internal Control Systems

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

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

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

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

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

f) Human Resources

The Company's industrial relations continued to be harmonious with its workforce during the year under review. The Company would be imparting training to employees at all levels for proper implementation and running of the new ERP package SAP and to get maximum benefit out of the same. The total number of employees are 286.

g) Details of Significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation:

During the year, there is no significant change in the financial ratios of the company which are more than 25 % as compared to the previous year.

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with detailed explanation:

There is no significant change during the current financial year 2018-19, comparing with previous financial year 2017-18.

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

The percentage increase in remuneration of each Director and Chief Financial Officer during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

S.No	Name of Director/ KMP and Designation	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	The Percentage increase in remun- eration of each director, CFO, CEO in the financial year	The percentage increase in the median remuneration of employees in the financial year
1.	H. Kishen	38.89	0.00	0.00
2.	H. Krishna Kumar	37.50	0.00	0.00
3.	H. Sanjay Kumar	22.22	60.16	150250
4.	VBVR Ratnaji	7.39	0.00	0.00
5.	K.Mohith Kumar	2.50	0.00	0.00

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

- i) The median remuneration of employees of the Company during the Financial Year was Rs. 18,000/-
- ii) In the Financial Year, there was a decrease of -0.55% in the median remuneration of employees;
- iii) There were 286 permanent employees on the rolls of Company as on March 31, 2019;
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 0.00% whereas the decrease/ increase in the managerial remuneration for the same financial year was NIL
- v) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Place : Secunderabad
Date : 09-08-2019

Sd/-
B.KAMALAKAR RAO
CHAIRMAN

**INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

S. No	Employee Name	Designation	Educational Qualification	Age	Experience	Date of Joining	Gross Remuneration (Rs in Lakhs)	Previous employment and designation, if any	No. Shares held, if any	Whether relative to director or manager
1	HARIDAS KISHEN	MANAGING DIRECTOR	GRADUATE	77	43	Since inception	84.00	-	-	-
2	HARIDAS KRISHNA KUMAR	WHOLE-TIME DIRECTOR	POST GRADUATE	59	36	01-08-82	5.40			
3	SANJAY HARIDAS	WHOLE-TIME DIRECTOR	POST GRADUATE	53	6	01-03-13	40.48			
4	HARIDAS MAHESH KUMAR	CHIEF EXECUTIVE-Domestic Sales	GRADUATE	51	26	4-1-93	38.75			
5	HARIDAS PRAVEEN KUMAR	CHIEF EXECUTIVE-CALENDARING DIVISION	GRADUATE	46	26	4-1-93	38.75			
6	VBVR RATNAJI	CHIEF FINANCIAL OFFICER	FCA	58	12	6-1-06	14.63			
7	BVS ANJANEYULU	SR. MANAGER -MARKETING	POST GRADUATE	52	4	1-12-14	10.20			
8	S. VISWESHWAR RAO	AGM Commercial	GRADUATE	62	43	1-08-76	9.78			
9	VIMAL PATIL	AGM-MARKETING	POST GRADUATE	43	7	1-6-11	9.00			
10	RAJEEV JUWEKAR	MANAGER-PRODUCTION HEAD	GRADUATE	64	35	18-5-83	8.40			

During the year under review, no employee was in receipt of remuneration exceeding one crore and two lakh rupees for the reporting year and no employee was paid for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees for month.

Date:09.08.2019

Place: Secunderabad

For and on behalf of the Board of Directors
Sd/-
For FENOPLAST LIMITED

B.KAMALAKAR RAO, CHAIRMAN

FORM NO. AOC - 2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2019, which were not at arm's length basis.

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

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

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (₹. in Lakhs)
Job work charges Rex-O-Knits Private Limited	Mr. H. Sanjay (Son of Managing Director) and Mr. H. Narsaiah (Father of Mr. H. Krishna Kumar, Whole-time Director) are Common Directors	On the basis of order	Job Work at arm's length basis	59.87
H. Praveen Kumar Chief Executive- Calendering Division	Related to Mr. H. Kishen, Managing Director Mr. Sanjay Haridas, Whole-time Director Mr. H. Krishna Kumar, Whole-time Director and Mr. H. Narsaiah, Director	As per the Appointment Letter	Chief Executive -Calendering Division	38.75
Mr. H. Mahesh Kumar Chief Executive- Domestic Sales	Related to Mr. H. Kishen, Managing Director Mr. Sanjay Haridas, Whole-time Director Mr. H. Krishna Kumar, Whole-time Director and Mr. H. Narsaiah, Director	As per the Appointment Letter	Chief Executive- Domestic Sales	38.75

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

- A. We have reviewed Financial Statements along with the Cash Flow Statement of our Company for the Financial Year ended 31st March, 2019 and that to the best of our knowledge and belief we hereby certify that:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) These statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- 1) Significant changes in internal control over financial reporting during the year;
 - 2) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Secunderabad
Date : 24-05-2019

Sd/-
H. Kishen
Managing Director

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personal have confirmed compliance with the code of Conduct as applicable to them for the year ended 31st March, 2019.

Place : Secunderabad
Date : 24-05-2019

For FENOPLAST LIMITED
Sd/-
H. Kishen
Managing Director

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Fenoplast Limited.

We, Venugopal & Chenoy, Chartered Accountants, the Statutory Auditors of **FENOPLAST LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

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

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

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

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

OPINION

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2019.

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

FOR VENUGOPAL & CHENOY
CHARTERED ACCOUNTANTS

Sd/-

(P.V.SRI HARI)

Partner

Membership No.021961

Place: Hyderabad
Date: 24.05.2019

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To
The Members,
FENO PLAST LIMITED
306, Cheney Trade Centre,
Secunderabad, TG- 500 003.

We have examined the relevant records, forms, returns and disclosures received from the Directors of **FENO PLAST LIMITED** having **CIN: L25209TG1975PLC001942** and having registered office at # 306, Cheney Trade Centre, Secunderabad, TG- 500003 (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read sub-clause 10(i) of Para C of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and the explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ended 31st March, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

S. No.	Name of Director	Nature/ Category of Directorship	DIN
1	Kamalakar Rao Bandari	Chairman, Independent Director	00038686
2	Sanjay Haridas	Whole Time Director	00160545
3	Haridas Kishen	Managing Director	00160625
4	Haridas Narsaiah	Non- Executive Non Independent Director	00292864
5	Katikeneni Malhar Rao	Independent Director	00294715
6	Niroop Patlolla	Independent Director	03110997
7	Batul Alladin Arif	Independent Director	06917518
8	Haridas Krishna Kumar	Whole Time Director	00260198

Ensuring eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Company Secretaries

Sd/-

P.S.Rao

Practising Company Secretary

C.P. No. 3829

Place: Hyderabad
Date: 09th August, 2019

INDEPENDENT AUDITORS' REPORT

To
The Members
Fenoplast Limited
Hyderabad

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Fenoplast Limited** ('the Company'), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in Equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the afore said standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination

<p>operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date</p>	<p>of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>
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Other Information:

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone 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) prescribed under Section 133 of the Act read with relevant rules issued thereunder. 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.

In preparing the standalone financial statements, management and Board of Directors are 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.

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

Auditor's Responsibility for the Audit of the Financial statements.

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to standalone financial statements 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 standalone 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 auditors' 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 financial statements, including the disclosures, and whether the standalone 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 A to this report, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss, the statement of cash flows 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 Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations for the company, that will impact the financial position of the company;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

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- iii. There were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

According to the information and explanations given to us and based on our examination of the records the Company, the managerial remuneration paid to the directors are in accordance with the provisions of section 197 read with Schedule V to the Act.

FOR VENUGOPAL & CHENOY
CHARTERED ACCOUNTANTS
FRN: 004671S

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

Place : Hyderabad
Date : 24.05.2019

Annexure A to the Independent Auditors' Report

The Annexure A referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii) a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii) During the year, the Company has not granted any loans secured or unsecured to parties covered in the register maintained under section 189 of the Act. Hence paragraph 3(iii) of the Order is not applicable.
- iv) In our opinion and according to the information and explanations provided to us, during the year, the company has not given any loans, made investments, given guarantees or given security to parties covered under the provisions of section 185 and 186 of the Companies Act 2013. Hence paragraph 3(iv) of the order is not applicable.
- v) The Company has not accepted any deposits, within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the activities carried on by the Company, wherever applicable and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, Goods and service tax, duty of customs, duty of excise, cess and other material statutory

dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, Goods and services tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable

- b) According to information and explanations given to us and records of the Company examined by us, particulars of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess or Goods and Services Tax outstanding on account of any disputes pending, are as under:

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act 1956	CST	28.76	2006-2007	Telangana Value Added Tax Tribunal At Hyderabad
Central Sales Tax Act 1956	CST	0.75	2008-2009	Telangana Value Added Tax Tribunal At Hyderabad
Central Sales Tax Act 1956	CST	13.35	2009-2010	Telangana Value Added Tax Tribunal At Hyderabad
Central Sales Tax Act 1956	CST	(7.36)	2010-2011	Telangana Value Added Tax Tribunal At Hyderabad
Central Sales Tax Act 1956	CST	6.41	2011-2012	Telangana Value Added Tax Tribunal At Hyderabad
Central Sales Tax Act 1956	CST	284.60	2013-2014	Tax Liability levied by CTO General Bazar is set aside by A.D.C. (CT) Appeals and remanded to CTO General Bazar.
Central Sales Tax Act 1956	CST	208.78	2014-2015	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
VAT ACT	VAT PENALTY	0.12	2011-12 & 2012-13	Telangana Value Added Tax Tribunal At Hyderabad
VAT ACT	VAT	1.23	2011-12 & 2012-13	Telangana Value Added Tax Tribunal At Hyderabad
VAT ACT	VAT	22.79	2013-2014	Telangana Value Added Tax Tribunal At Hyderabad
VAT ACT	VAT	40.95	2014-2015	Telangana Value Added Tax Tribunal At Hyderabad
VAT ACT	VAT PENALTY	4.54	2013-2014	Telangana Value Added Tax Tribunal At Hyderabad
VAT ACT	VAT PENALTY	8.60	2014-2015	Telangana Value Added Tax Tribunal At Hyderabad

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax -CST	0.02	2011-12	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax-CST	1.47	2012-13	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax-CST	22.73	2013-14	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax-CST	21.68	2014-15	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax-CST	11.44	2015-16	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Assessment under Telangana Tax on entry of goods into local Areas Act, 2001	Entry tax -CST	4.38	2016-17	The Appellate Dy.Commissioner (CT), Secunderabad Division, Hyderabad
Income Tax Act, 1961	Income Tax	2.20	1999-2000	ITAT
Income Tax Act, 1961	Income Tax	31.90	2000-2001	ITAT
Income Tax Act, 1961	Income Tax	10.44	2001-2002	ITAT
Income Tax Act, 1961	Income Tax	1.89	2002-2003	ITAT
Income Tax Act, 1961	Income Tax	4.55	2003-2004	ITAT
Income Tax Act, 1961	Income Tax	13.91	2009-2010	ITAT
Employees' Provident fund & Miscellaneous Provisions Act, 1952	Provident Fund	20.85	April'12 to December'13	PF Appellate Tribunal, Delhi

- viii) According to the information and explanations given to us and on the basis of examination of the records, the company has not defaulted in repayment of loans along with interest to the Banks/ financial institutions during the year.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

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- x) According to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
 - xi) During the year, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies act 2013.
 - xii) The Company is not a Nidhi Company. Hence, paragraph 3 (xii) of the Order is not applicable.
 - xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 - xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares and has complied with Section 42 of the Companies Act, 2013, and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
 - xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
 - xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR VENUGOPAL & CHENYO
CHARTERED ACCOUNTANTS
FRN: 004671S

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

Place : Hyderabad
Date : 24.05.2019

Annexure – “B” to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of Fenoplast Limited (“the Company”) as of 31 March 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

The Company needs to document procedures and controls vis-à-vis internal controls over Financial Reporting.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 VENUGOPAL & CHENOY
CHARTERED ACCOUNTANTS
FRN: 004671S

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

Place : Hyderabad
Date : 24.05.2019

Balance Sheet as at 31st March, 2019

(₹ In Lakhs)

Particulars	Note No.	31st March, 2019	31st March, 2018
I Assets			
Non-Current assets			
(a) Property, Plant & Equipment	1	3,017.44	2,797.47
(b) Capital work in progress		10.05	62.26
(c) Investment property		-	-
(d) Goodwill		-	-
(e) Other Intangible assets	1	1.74	1.74
(f) Intangible assets under development		11.40	11.40
(g) Financial assets		-	-
(i) Investments	2	27.28	42.92
(ii) Trade receivables		-	-
(iii) Loans	3	103.79	106.85
(iv) Others		-	-
(h) Other non-current assets	4	217.54	182.59
Current assets			
(a) Inventories	5	6,528.47	5,571.96
(b) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables	6	4,736.15	7,598.23
(iii) Cash & Cash Equivalents	7	163.24	371.40
(iv) Bank balances other than above		-	-
(v) Loans	8	29.97	32.39
(vi) Other financial assets	9	5.90	8.83
(c) Current tax assets (net)	10	57.32	43.37
(d) Other Current assets	11	279.21	342.08
Total Assets		15,189.48	17,173.49
II Equity & Liabilities			
Equity			
(a) Equity share capital	12	459.68	459.68
(b) Other Equity	13	2,766.96	2,706.68
Liabilities			
Non Current liabilities			
(a) Financial liabilities		-	-
(i) Borrowings	14	89.79	170.61
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions	15	201.81	222.73
(c) Deferred tax liabilities (net)	16	191.74	167.65
(d) Other non-current liabilities	17	-	590.06
Current liabilities			
(a) Financial liabilities		-	-
(i) Borrowings	18	6,248.15	5,950.34
(ii) Trade payables	19	-	-
A) Total outstanding dues of micro and small enterprises		59.53	44.30
B) Total outstanding dues of creditors other than micro and small enterprises		3,424.71	5,855.97
(iii) Other financial liabilities	20	1,388.90	861.65
(b) Other current liabilities	21	205.70	51.25
(c) Provisions	22	128.65	60.05
(d) Current tax liabilities (net)	23	23.87	32.52
Total Equity and Liabilities		15,189.48	17,173.49

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

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy
Chartered Accountants

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

H.Kishen
Managing Director

H. Krishna Kumar
Whole-time Director

Place: Secunderabad
Date : 24th May, 2019

K.Mohith Kumar
Company Secretary

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

(₹ In Lakhs)

Particulars	Note No.	31 st March, 2019	31 st March, 2018
Revenue from operations	24	18,578.76	23,736.20
Other income	25	42.47	40.48
Total Revenue (I)		18,621.23	23,776.67
Expenses:			
Cost of materials consumed	26	15,148.62	18,479.52
Changes in inventories	27	(1,465.72)	(179.19)
Employee benefits expense	28	1,460.25	1,396.91
Finance costs	29	1,360.70	1,488.51
Depreciation	1	182.42	168.50
Other expenses	30	2,455.93	2,987.45
Total Expenses (II)		19,142.19	24,341.69
Profit/(Loss) before Exceptional Items and tax (I-II)		(520.96)	(565.04)
Profit on Sale of PPE		644.43	815.62
Profit on Sale of Investment		-	5.02
Profit before Tax		123.46	255.61
Tax expense:			
Current tax		31.82	47.52
Deferred tax		24.66	(13.40)
Profit after tax		66.98	221.49
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss (net of tax)		(6.06)	(75.49)
B (i) Items that will be reclassified to items that will be reclassified to profit or loss		0.64	2.92
Total Comprehensive Income after tax		61.56	148.92
Earnings per equity share:			
Basic		1.46	4.82
Diluted		1.46	4.82
Accounting Policies	48		

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

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy

Chartered Accountants

CA P.V. Sri Hari

Partner

M No. 021961

Place: Secunderabad

Date : 24th May, 2019

H.Kishen

Managing Director

H. Krishna Kumar

Whole-time Director

K.Mohith Kumar

Company Secretary

Cash Flow Statement for the year ended 31st March, 2019

(₹ In Lakhs)

Particulars	31 st March, 2019	31 st March, 2018
A. Cash flows from Operating Activities		
Net Profit before tax	123.46	255.61
Adjustments for:		
Depreciation	182.42	168.50
Profit on sale of Assets	(644.43)	(806.21)
Finance Cost	1,360.70	1,488.51
Adjustment relating to defined benefits plans	(6.63)	(93.71)
Provision for doubtful debts	27.70	72.75
Foreign Exchange fluctuation gain(Net)	(4.20)	(16.79)
Interest Income	(23.75)	(22.20)
Operating profit before working capital changes	1,015.27	1,046.47
Working capital changes:		
(Increase) / Decrease in Inventories	(956.51)	(766.15)
(Increase) / Decrease in Trade Receivables	2,838.59	69.81
Increase / (Decrease) in Loans & Advances	5.49	(24.62)
Increase / (Decrease) in Other current assets	62.87	267.79
(Increase) / Decrease in Other Non current assets	(34.95)	13.49
Increase / (Decrease) in Other Financial assets	2.93	0.38
(Increase) / Decrease in Trade Payables	(2,416.04)	474.41
Increase / (Decrease) in Provisions	47.68	74.45
Increase / (Decrease) in Other Financial Liabilities	527.25	(27.75)
Increase / (Decrease) in Other current Liabilities	(435.61)	391.12
Cash Generated from Operations	656.97	1,519.40
Less: Direct Taxes	(54.43)	(49.99)
Net Cash Flow from Operating Activities	602.55	1,469.41
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(403.29)	(254.65)
(Increase) / Decrease in Capital Work-in -Progress	52.21	56.11
Proceeds from sale of Fixed Assets	645.31	824.94
(Increase) / Decrease in Investments	15.00	0.02
Interest Income	23.75	22.20
Net Cash used in investing Activities	332.99	648.62
C. Cash flows from Financing Activities		
Increase/ (Decrease) in bank borrowings	216.99	(620.57)
Finance Cost	(1,360.70)	(1,488.51)
Net Cash used in Financing Activities	(1,143.70)	(2,109.08)
Net increase/(decrease) in Cash and Cash Equivalents	(208.16)	8.95
Cash and Cash equivalents at the beginning of the year	371.40	362.45
Cash and Cash equivalents at the end of the year	163.24	371.40

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

Notes:

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

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy
Chartered Accountants

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

Place: Secunderabad
Date : 24th May, 2019

H.Kishen
Managing Director

K.Mohith Kumar
Company Secretary

H. Krishna Kumar
Whole-time Director

NOTES TO THE FINANCIAL STATEMENTS

Note:1 Property, Plant & Equipment

Name of the asset	Gross Block			Depreciation			Net Block		
	As on 01.04.2018	Additions	Deletions/ Adjustments	As on 31.03.2019	As on 01.04.2018	For the Year ended	Deletions/ Adjustments	As on 31.03.2019	As on 31.03.2018
Land	88.14	-	0.88	87.25	-	-	-	87.25	88.14
Building	1,066.70	6.07	-	1,072.77	381.74	28.45	-	662.58	684.96
Plant & Machinery	4,313.99	293.78	-	4,607.77	2,509.40	104.35	-	1,994.02	1,804.59
Electrical Installations	349.79	0.45	-	350.24	304.07	5.22	-	40.95	45.72
Office Equipment	172.71	1.50	-	174.21	143.80	8.86	-	21.56	28.91
Furniture & Fixtures	50.71	0.15	-	50.86	34.55	3.43	-	12.88	16.16
Vehicles	280.37	101.33	-	381.70	151.38	32.11	-	198.20	128.99
Total Tangible Assets (A)	6,322.40	403.29	0.88	6,724.81	3,524.95	182.42	-	3,017.44	2,797.46
Other Intangible assets									
Computer Software	83.11	-	-	83.11	81.37	-	-	1.74	1.74
Total Intangible assets (B)	83.11	-	-	83.11	81.37	-	-	1.74	1.74
Grand total (A+B)	6,405.51	403.29	0.88	6,807.92	3,606.32	182.42	-	3,019.18	2,799.20
Previous year	6,184.86	254.65	33.99	6,405.52	3,451.76	168.50	13.95	2,799.21	2,733.10

Note:2 Investments (Financial assets)

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Investment in mutual fund		
Series 3	25.00	24.78
Series 4	-	18.14
Robeco Regular Growth	2.28	
Total	27.28	42.92

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

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Unsecured Considered good		
Rent deposits	11.41	12.48
Security deposits with Government	92.38	91.50
Custom duty receivable	-	2.87
Total	103.79	106.85

Note:4 Other non-current assets

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Advances for Capital Goods	-	16.06
Sales Tax refundable	12.31	12.31
Amounts paid under protest	199.33	147.38
Other Assets	5.90	6.84
Total	217.54	182.59

Note:5 Inventories

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Raw materials	1,996.22	2,485.17
Stores and spares	157.04	177.30
Work-in-progress	3,843.63	2,281.47
Finished goods	531.58	628.02
Total	6,528.47	5,571.96

Note:6 Trade Receivables (Financial assets)

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Unsecured Considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment	591.79	591.79
Others	4,735.59	7,569.97
Less: Allowance or doubtful debts	591.23	563.53
Total	4,736.15	7,598.23

Note:7 Cash & Bank Balances (Financial assets) (₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Cash & Cash equivalents:		
Cash on hand	2.88	3.36
Balances with banks in current accounts	8.64	25.16
Cheques on hand	9.30	23.07
Other Bank Balances		
Balances with banks against margin money deposits	142.42	319.81
Total	163.24	371.40

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

Particulars	31 Mar. 19	31 Mar. 18
Unsecured Considered good		
Employee Advances	29.97	32.39
Total	29.97	32.39

Note:9 Other Financial assets (₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Interest receivable	5.90	8.83
Total	5.90	8.83

Note:10 Current tax assets (net) (₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Advance Tax, TDS receivable (Net of Provision)	57.32	43.37
Total	57.32	43.37

Note:11 Other Current assets (₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Cenvat and Vat input credit	47.40	1.27
Prepaid expenses	53.14	37.35
lease rent receivable	-	0.09
Supplier Advances	178.67	303.37
Total	279.21	342.08

Note 12: Equity Share Capital (₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Authorized shares		
60,00,000 Equity Shares of Rs.10/- each	600.00	600.00
(P.Y.60,00,000 Equity Shares of Rs.10/- each)		
60,00,000 Preference Shares of Rs.10/- each	600.00	600.00
(P.Y.60,00,000 Preference Shares of Rs.10/- each)		
Issued, subscribed and Called Up shares		
46,00,000 Equity Shares of Rs.10/- each	460.00	460.00
(P.Y.46,00,000 Equity Shares of Rs.10/- each)		
Less: Calls in Arrears	0.33	0.33
Total	459.68	459.68

Note 13: Other Equity:

(₹. in lakhs)

Particulars	Reserves and Surplus					Other Comprehensive income	Total
	Securities Premium Reserve	General Reserve	Revaluation reserve	Investment allowance reserve	Retained Earnings		
Opening Balance as per Ind AS as at 01.04.2018	360.00	24.38	-	10.96	2,416.48	(105.14)	2,706.68
Adjustments:-							
Adjustment on sale of investment							-
Additional deferred tax Asset							-
Total comprehensive income	-	-	-	-	66.98	(6.70)	60.28
Closing Balance as per Ind AS as at 31.03.2019	360.00	24.38	-	10.96	2,483.46	(111.84)	2,766.96

Note:14 Borrowings - Non Current liabilities

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
a) Secured loans		
Term Loans from Banks	-	40.40
Vehicle Loans from Banks	89.79	57.82
b) Unsecured loans		
Loan from Financial Institutions	-	72.39
Total	89.79	170.61

Note:15 Long term provisions

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Employee benefits:		
Gratuity	167.33	186.20
Leave encashment	34.48	36.53
Total	201.81	222.73

Note:16 Deferred tax liabilities (Net)

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Deferred tax liabilities		
On account of Depreciation	303.72	267.73
Deferred tax Asset		
On account of Employee Benefits	(111.98)	(100.08)
Less: IND AS Adjustments	-	-
Total	191.74	167.65

Note:17 Other non current liabilities

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Advances From others	-	590.06
Total	-	590.06

Note:18 Short term borrowings (Financial liabilities)

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Secured loans		
Working Capital Loans from banks	6,248.15	5,950.34
Total	6,248.15	5,950.34

Note:19 Trade payables (Financial liabilities)

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Dues to micro and small enterprises	59.53	44.30
Other Suppliers	3,424.71	5,855.97
Total	3,484.23	5,900.27

Note:20 Other Financial liabilities		(₹ In Lakhs)	
Particulars	31 Mar. 19	31 Mar. 18	
Current maturities of long term debts	545.11	145.42	
Other Payables	842.74	715.10	
Interest accrued but not due	1.05	1.13	
Total	1,388.90	861.65	
Note:21 Other Current liabilities		(₹ In Lakhs)	
Particulars	31 Mar. 19	31 Mar. 18	
Statutory liabilities	202.48	50.73	
Others	3.22	0.52	
Total	205.70	51.25	
Note:22 Provisions		(₹ In Lakhs)	
Particulars	31 Mar. 19	31 Mar. 18	
Provision for Employee Benefits			
Gratuity	100.38	43.10	
Leave Encashment	28.27	16.95	
Total	128.65	60.05	
Note:23 Current tax liabilities (net)		(₹ In Lakhs)	
Particulars	31 Mar. 19	31 Mar. 18	
Provision for income tax	23.87	32.52	
Total	23.87	32.52	
Note 24 : Revenue from operations		(₹ In Lakhs)	
Particulars	31 Mar. 19	31 Mar. 18	
Sale of products			
- Finished Goods	21,208.08	27,202.44	
- Other Operating Revenue	-	8.00	
Less: Excisde Duty	-	527.04	
Less: GST Paid	2,629.32	2,947.20	
Revenue from operations (net)	18,578.76	23,736.20	
Breakup for Sales of products:			
PVC Leather Cloth	12,360.37	12,965.27	
PVC Film	8,847.71	14,237.17	
	21,208.08	27,202.44	
Note 25 : Other income		(₹ In Lakhs)	
Particulars	31 Mar. 19	31 Mar. 18	
Interest on deposits and others	23.75	22.20	
Foreign exchange gain (net)	4.20	16.79	
Miscellaneous Income	13.27	-	
Rental Income	1.24	0.90	
Credit balances written back	-	0.60	
	42.47	40.48	

Note 26 : Cost of raw material consumed

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Inventory at the beginning of the year	2,485.17	1,898.66
Add: Purchases	14,659.67	19,066.03
	17,144.84	20,964.69
Less: Inventory at the end of the year	1,996.22	2,485.17
Cost of raw material consumed	15,148.62	18,479.52
Details of raw material consumed		
PVC Resin	8,328.61	10,608.79
Plasticizers	2,984.55	2,613.42
Knitted Cloth/Cloth	2,946.77	2,861.61
Others	888.68	2,395.70
	15,148.62	18,479.52
Details of inventory		
PVC Resin	68.70	136.33
Plasticizers	71.42	57.33
Knitted Cloth/Cloth	442.72	689.58
Others	1,413.37	1,601.93
Total	1,996.22	2,485.17

Note 27 : Changes in inventories

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Work-in-progress		
Inventory at the beginning of the year	2,281.47	2,065.20
Inventory at the closing of the year	3,843.63	2,281.47
	(1,562.17)	(216.27)
Finished Goods		
Inventory at the beginning of the year	628.02	665.09
Inventory at the closing of the year	531.58	628.02
	96.44	37.07
Changes in Inventories	(1,465.72)	(179.19)

Note 28 : Employee benefits expense

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Salaries, Wages and Bonus	1,086.08	1,031.21
Directors' Remuneration	205.49	194.97
Gratuity expenses	47.76	38.56
Contribution to Provident Fund	46.79	45.66
Contribution to ESI	20.99	23.48
Staff and Workmen Welfare Expenses	53.15	63.04
Total	1,460.25	1,396.91

Note 29 : Finance costs

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
On Short Term loans	1,137.64	1,231.71
On Long Term Loans	19.94	21.95
Other Borrowing Cost	203.11	234.85
Total	1,360.70	1,488.51

Note 30 : Other expenses

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Power, Fuel & Consumable Stores	813.86	972.93
Repairs and Maintenance		
Buildings	10.79	2.16
Plant and Equipment	102.40	128.22
Others	64.95	56.47
Rates and Taxes	21.49	20.19
Conveyance & Vehicle Maintenance	88.22	88.94
Travelling Expenses	8.30	4.17
Office Maintenance	49.13	60.10
Postage, Telegrams & Telephones	35.54	30.03
Printing & Stationery	4.49	7.58
Insurance	28.43	29.63
Carriage outwards	352.18	641.27
Advertisement and Sales Promotion	99.56	152.01
Expected credit loss	27.70	72.75
Donations	2.25	3.20
Contract wages	402.84	405.45
Miscellaneous Expenses	343.80	312.33
Total	2,455.93	2,987.45

Auditors Remuneration

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Payments to Auditors (included in Miscellaneous Expenses)		
As Auditor		
- Statutory Audit	6.40	6.40
- Tax Audit	2.40	2.40
- For Limited Review	2.40	2.40
- Out of Pocket Expenses	0.73	0.82
Total	11.93	12.02

Earnings per share (EPS)

(₹ In Lakhs)

Particulars	31 Mar. 19	31 Mar. 18
Profit after tax	66.98	221.49
Weighted average number of equity shares in calculating basic and diluted EPS (Nos in Lakhs)	45.97	45.97
Basic Earnings per Equity Share of Nominal value of Rs.10/- per share (Rs.)	1.46	4.82
Diluted Earnings per Equity Share of Nominal value of Rs.10/- per share (Rs.)	1.46	4.82
Face Value per Share (Rs)	10.00	10.00

31. General Information

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

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

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

PRODUCT APPLICATION :

The products of the company have the following applications:

PVC LEATHER CLOTH:

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

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

PVC RIGID FILM / PVC SOFT FILM:

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

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

MARKET :

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

PVC LEATHER CLOTH:

The PVC Leather cloth industry in India is spread both in organized sector and unorganized small scale sector. India has around 30 units engaged in the manufacture of PVC Leather cloth, out of

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

For PVC film :

Domestic :

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

32. Basis of preparation of Financial Statements

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

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

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

33. Use of estimates and judgment

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

34. Contingent Liabilities:

(₹ In Lakhs)

Particulars	31st March, 2019	31st March, 2018
A. Contingent Liabilities:		
Income Tax Disputes	64.89	93.75
Sales Tax Disputes	675.98	181.85
Provident Fund Dispute	20.85	20.85
Bank Guarantees and Letter of Credits	48.37	347.55

35. Commitments

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

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

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

Value of imports calculated in CIF basis

(₹ In Lakhs)

Particulars	31st March, 2019	31st March, 2018
a. Raw Materials	1,620.37	2,525.82
b. Capital Goods	120.76	8.05

Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Foreign Travel	23.32	1.97

Earnings in Foreign Exchange

(₹ In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Export of Goods (On FOB Basis)	474.43	274.92

Value of Raw Materials, Stores and Spares Consumed and Percentage

(₹ In Lakhs)

Particulars	31st March, 2019		31st March, 2018	
	%	Value	%	Value
a. Raw Materials				
i. Indigenous	75.97	11,509.00	85.13	15,732.29
ii. Imported	24.03	3,639.62	14.87	2,747.22
	100.00	15,148.62	100.00	18,479.52
b. Stores and Spares				
i. Indigenous	100.00	103.04	100.00	224.43
ii. Imported	-	-	-	-
	100.00	103.04	100.00	223.43

37. Financial Instruments- Fair Values and Risk Management

a. Financial Instruments by Categories

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

(Amount in Lakhs as of March 31, 2019)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Mutual funds (Ref Note No.2)	25.00	-	2.28	27.28	27.28
Cash & Cash Equivalents (Ref Note No. 7)	163.24	-	-	163.24	163.24
Trade Receivable (Ref Note No.6)	4,736.15	-	-	4,736.15	4,736.15
Loans given (Ref Note No. 8)	29.97	-	-	29.97	29.97
Security Deposits (Ref Note No.3)	92.38	-	-	92.38	92.38
Other Financial Assets (Ref Note No.9)	5.90	-	-	5.90	5.90
Liabilities:					
Trade Payable (Ref Note No.19)	3,484.23	-	-	3,484.23	3,483.23
Borrowings (Ref Note No 14 and 18)	6,337.94	-	-	6,337.94	6,337.94
Other Financial Liabilities (Ref Note No.20)	1,388.90	-	-	1,388.90	1,388.90

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2018:

(Amount in Lakhs as of March 31, 2018)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Mutual funds (Ref Note No.2)	40,00	-	2.92	42.92	42.92
Cash & Cash Equivalents (Ref Note No.7)	371.40	-	-	371.40	371.40
Trade Receivable(Ref Note No.6)	7,598.23	-	-	7,598.23	7,598.23
Loans given (Ref Note No. 8)	32.39	-	-	32.39	32.39
Security Deposits (Ref Note No. 3)	91.50	-	-	91.50	91.50
Other Financial Assets (Ref Note No.9)	8.83	-	-	8.83	8.83
Liabilities:					
Trade Payable (Ref Note No.19)	5,900.27	-	-	5,900.27	5,900.27
Borrowings (Ref Note No.14 and 18)	6,120.95	-	-	6,120.95	6,120.95
Other Financial Liabilities (Ref Note No.20)	861.65	-	-	861.65	861.65

b. Fair Value Hierarchy

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

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

(Amount in lakhs as at March 31, 2019)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Investments in Mutual Funds (Ref Note No.2)	27.28	-	-	27.28	Measured at FVTOCI	
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Total	27.28	-	-	27.28	-	-
Financial Liabilities						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	75.09	-	75.09	-	-
Specify nature	-	-	-	-	-	-
Total	-	75.09	-	75.09	-	-

(Amount in lakhs as at March 31, 2018)

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

Financial Liabilities						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	0.02	-	0.02	-	-
Specify nature	-	-	-	-	-	-
Total	-	0.02	-	0.02	-	-

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

(Amount in lakhs as at March 31, 2019)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	29.97	29.97	-	-
Security deposits	-	-	92.38	92.38	-	-
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	122.35	122.35	-	-
Financial Liabilities						
Borrowings	-	-	6,337.94	6,337.94	-	-
Other (current maturities of long term debt)	-	-	545.11	545.11	-	-
Total financial liabilities	-	-	6,883.05	6,883.05	-	-

(Amount in lakhs as at March 31, 2018)

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

c. Financial risk management

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

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

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

a) Market risk

(i) Foreign Exchange Risk

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

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

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

(Amount in lakhs as at 31st march, 2019)

Particulars	US Dollars	Euro	Other Currencies
Cash & cash equivalents	-	-	-
Trade Receivable	209.84	5.69	38.66
Demurrage / Despatch Receivable			
Other Receivable (specify) Advances to suppliers			
Total Receivable in foreign currency	209.84	5.69	38.66
Forward Exchange Contracts	-	-	-
Net Exposure to foreign currency risk (assets)	-	-	-
Foreign Currency Loan payable	-	-	-
Interest on foreign currency loan payable	-	-	-
Trade Payables	117.87	-	-
Freight, Demurrage / Despatch Payable	-	-	-
Litigation Settlement payable	-	-	-
Others (if any)	-	-	-
Total Payable in Foreign Currency	117.87	-	-
Forward Exchange Contracts	-		
Net Exposure to foreign currency risk (liabilities)	91.97	5.69	38.66

(Amount in lakhs as at 31st march, 2018)

Particulars	US Dollars	Euro	Other Currencies
Cash & cash equivalents	-	-	-
Trade Receivable	61.80	9.86	151.29
Demurrage / Despatch Receivable	-	-	-
Other Receivable (specify) Advances paid	88.55	21.16	-
Total Receivable in foreign currency	150.35	31.04	151.29
Forward Exchange Contracts	-	-	-
Net Exposure to foreign currency risk (assets)	-	-	-
Foreign Currency Loan payable	-	-	-
Interest on foreign currency loan payable	-	-	-
Trade Payables	294.64	45.38	-
Freight, Demurrage / Despatch Payable	-	-	-
Litigation Settlement payable	-	-	-
Others (if any)	-	-	-
Total Payable in Foreign Currency	294.64	45.38	-
Forward Exchange Contracts	91.61	45.11	-
Net Exposure to foreign currency risk (liabilities)	(235.90)	(59.45)	151.29

Sensitivity:

As of March 31, 2019 , March 31, 2018 increase or decrease of the respective foreign currencies compared to our functional currency would impact our profit before tax by approximately INR 4.20,16.79(in Lakhs)respectively.

(ii) Price Risk

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

As of March 31, 2019 , March 31, 2018 , every increase or decrease of the respective equity prices would impact other component of equity by approximately INR 0.64 and INR 2.92(in Lakhs) respectively. It has no impact on profit or loss.

b) Credit Risk

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

Trade Receivables :

The company has outstanding trade receivables amounting to INR 4736.15(in lakhs), INR 7598.23(in lakhs) as of March 31, 2019 , March 31, 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Impairment on trade receivables is recognized based on expected credit loss in accordance with provisions of Ind AS 109. The company's historical experience for customers, present economic condition

and present performance of the customers, future outlook for the industry etc are taken into account for the purposes of expected credit loss.

Credit risk exposure:

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

(As at 31st March 2019, Amount in Rs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	20,86,95,731	0.00	20,86,95,731
Past due less than 30 days	21,07,36,497	0.00	21,07,36,497
Past due more than 30 days but not more than 60 days	1,06,12,434	0.00	1,06,12,434
Past due more than 60 days but not more than 90 days	1,15,99,033	0.00	1,15,99,033
Past due more than 90 days but not more than 120 days	1,16,24,731	0.00	1,16,24,731
Past due more than 120 days	7,94,69,530	5,91,23,243	2,03,46,287
Total	53,27,37,956	5,91,23,243	47,36,14,713

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

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

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

Financial assets:

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

Liquidity Risk

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

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

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

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

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

(Amount in Rs as of March 31, 2019)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	34,84,23,187	-	-	-	-	34,84,23,187
Short term borrowings (cash credit)	62,48,15,444	-	-	-	-	62,48,15,444
Long Term Borrowings	22,00,502	32,58,708	59,93,052	21,04,923	-	1,35,57,185
Other Financial Liabilities (Note no: 20)	4,99,36,742	-	-	-	-	4,99,36,742
Total	1,02,53,75,875	32,58,708	59,93,052	21,04,923	-	1,03,67,32,558

(Amount in Rs as of March 31,2018)

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

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

The amount of exchange differences credited to the Statement of Profit & Loss INR 4.20 (P.Y.INR. 16.79) (in Lakhs)

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

- The amount capitalized with Property, Plant & Equipments as borrowing cost is RS. NIL & RS. NIL for the year ended March 31, 2019 , March 31, 2018 respectively.

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

During the year, the company assessed the impairment loss of assets and ECL debited to Profit & Loss is INR 27.70(P.Y.INR. 72.75) (in Lakhs)

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

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

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

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

a) Gratuity:

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

A. Change in Defined Benefit Obligation

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Defined Benefit Obligation at the beginning	1,71,53,542	2,46,48,215
Current Service Cost	12,03,387	14,32,316
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	13,06,888	19,53,217
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(16,34,885)	(4,66,004)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	(42,12,847)	-
Remeasurements - Due to Financial Assumptions	-	4,52,554
Remeasurements - Due to Experience Adjustments	1,08,32,131	5,97,061
Defined Benefit Obligation at the end	2,46,48,215	2,86,17,359
Discount Rate	8.00%	7.65%
Salary Escalation Rate	2.00%	2.00%

B. Change in Fair Value of Plan Assets

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Fair Value of Plan Assets at the beginning	15,90,642	17,12,326
Interest Income	1,27,251	1,30,942
Employer Contributions	-	-
Employer Direct Benefit Payments	16,34,885	4,66,004

Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(16,34,885)	(4,66,004)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	2,620
Fair Value of Plan Assets at the end	17,17,893	18,45,887

Weighted Average Asset Allocations at the end of current period

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Equities	-	-
Bonds	-	-
Gilts	-	-
Insurance Policies	100%	100%
Total	100%	100%

C. Changes in Reimbursement Rights

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Reimbursement Rights at the beginning	-	-
Reimbursement Service Cost	-	-
Gain/ (loss) on Settlements	-	-
Interest Income	-	-
Employer Contributions to Reimbursement Rights	-	-
Reimbursements to Employer	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Benefits paid by the Company in prior valuation period and settled by Fund Manager in current 3 Quarter	-	-
Net Transfer In / (Out) (Including the effect of any business combination / divestiture)	-	-
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	-	-
Reimbursement Rights at the end	-	-

D. Change in Asset Ceiling / Onerous Liability

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Asset Ceiling / Onerous Liability at the beginning	-	-
Interest Income	-	-
Gain / (Loss) on Settlements	-	-
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	-	-
Asset Ceiling / Onerous Liability at the end	-	-

E. Components of Defined Benefit Cost

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Current Service Cost	12,03,387	14,32,316
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	12,03,387	14,32,316
Interest Expense on DBO	13,06,888	19,53,217
Interest (Income) on Plan Assets	(1,27,251)	(1,30,942)
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	11,79,637	18,22,275
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	23,83,023	32,54,591
Remeasurements - Due to Demographic Assumptions	(42,12,847)	-
Remeasurements - Due to Financial Assumptions	-	4,52,554
Remeasurements - Due to Experience Adjustments	1,08,32,131	5,97,061
(Return) on Plan Assets (Excluding Interest Income)	-	(2,620)
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	66,19,284	10,46,996
Total Defined Benefit Cost recognized in P&L and OCI	90,02,307	43,01,587
Discount Rate	8.00%	7.65%
Salary Escalation Rate	2.00%	2.00%

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

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Current Liabilities	60,27,741	1,00,38,163
Non- current Liabilities	1,86,20,475	1,85,79,196

G. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Defined Benefit Obligation	2,46,48,215	2,86,17,359
Fair Value of Plan Assets	17,17,893	18,45,887
Funded Status	2,29,30,322	2,67,71,472
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	2,29,30,322	2,67,71,472
Of which, Short term Liability	60,27,741	1,00,38,163

H. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Net Defined Benefit Liability / (Asset) at the beginning	1,55,62,900	2,29,35,889
Defined Benefit Cost included in P & L	23,83,023	32,54,591
Total Remeasurements included in OCI	66,19,284	10,46,996
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(16,34,885)	(4,66,004)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	2,29,30,322	2,67,71,472

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

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
(Gain) / Loss on Plan Liabilities	1,08,32,131	5,97,061
% of Opening Plan Liabilities	63.15%	2.42%
Gain / (Loss) on Plan Assets	-	2,620
% of Opening Plan Assets	-	0.15%

Additional Disclosure Items

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations			
Year 1	1,00,38,163	Year 6	22,82,708
Year 2	20,40,373	Year 7	28,40,934
Year 3	20,28,136	Year 8	24,09,878
Year 4	25,91,288	Year 9	31,00,186
Year 5	21,01,525	Year 10	20,88,847

The weighted average duration of the defined benefit obligation is 7.97

Best Estimate of Contribution during the next year

The Best Estimate Contribution for the Company during the next year would be INR 1,33,85,736

Discontinuance Liability

Amount payable upon discontinuance of all employment is INR 3,92,73,761

Leave Encashment Plan

A. Change in Defined Benefit Obligation

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Defined Benefit Obligation at the beginning	48,90,666	53,48,383
Current Service Cost	12,36,675	9,71,340
(Gain) / Loss on settlements	-	-
Interest Expense	2,39,807	4,24,451
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(37,86,158)	(85,499)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	-	80,329
Remeasurements - Due to Experience Adjustments	27,67,394	(4,64,099)
Defined Benefit Obligation at the end	53,48,383	62,74,905
Discount Rate	8.00%	7.65%
Salary Escalation Rate	2.00%	2.00%

B. Change in Fair Value of Plan Assets

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Fair Value of Plan Assets at the beginning	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	37,86,158	85,499
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(37,86,158)	(85,499)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	-
Fair Value of Plan Assets at the end	-	-

Weighted Average Asset Allocations at end of Year

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Equities	-	-
Bonds	-	-
Gilts	-	-
Insurance Policies	-	-
Total	-	-

C. Changes in Reimbursement Rights

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Reimbursement Rights at the beginning	-	-
Reimbursement Service Cost	-	-
Gain/ (loss) on Settlements	-	-
Interest Income	-	-
Employer Contributions to Reimbursement Rights	-	-
Reimbursements to Employer	-	-

Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Benefits paid by the Company in prior valuation period and settled by Fund Manager in current 3 Quarter	-	-
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Re-measurements - Return on Reimbursement Rights (Excluding Interest Income)	-	-
Reimbursement Rights at the end	-	-

D. Change in Asset Ceiling / Onerous Liability

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Asset Ceiling / Onerous Liability at the beginning	-	-
Interest Income	-	-
Gain / (Loss) on Settlements	-	-
Re-measurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	-	-
Asset Ceiling / Onerous Liability at the end	-	-

E. Components of Defined Benefit Cost

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Current Service Cost	12,36,675	9,71,340
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	12,36,675	9,71,340
Interest Expense on DBO	2,39,807	4,24,451
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	2,39,807	4,24,451
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	14,76,482	13,95,791
Re-measurements - Due to Demographic Assumptions	-	-
Re-measurements - Due to Financial Assumptions	-	80,329
Re-measurements - Due to Experience Adjustments	27,67,394	(4,64,099)
(Return) on Plan Assets (Excluding Interest Income)	-	-

(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Re-measurements in OCI	27,67,394	(3,83,770)
Total Defined Benefit Cost recognized in P&L and OCI	42,43,875	10,12,021
Discount Rate	8.00%	7.65%
Salary Escalation Rate	2.00%	2.00%

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

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Current Liabilities	16,94,906	27,06,639
Non- current Liabilities	36,53,477	35,68,266

G. Amounts recognized in the Statement of Financial Position

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Defined Benefit Obligation	53,48,383	62,74,905
Fair Value of Plan Assets	-	-
Funded Status	53,48,383	62,74,905
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	53,48,383	62,74,905
Of which, Short term Liability	16,94,906	27,06,639

H. Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Financial Year Ending 31/03/2018	Financial Year Ending 31/03/2019
Net Defined Benefit Liability / (Asset) at the beginning	48,90,666	53,48,383
Defined Benefit Cost included in P & L	14,76,482	13,95,791
Total Remeasurements included in OCI	27,67,394	(3,83,770)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(37,86,158)	(85,499)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	53,48,383	62,74,905

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

Particulars	Financial Quarter Ending 31/03/2018	Financial Year Ending 31/03/2019
(Gain) / Loss on Plan Liabilities	28,26,809	(4,64,099)
% of Opening Plan Liabilities	57.80%	(8.68%)
Gain / (Loss) on Plan Assets	-	-
% of Opening Plan Assets	-	-

Additional Disclosure Items

Expected Cash flow for following years

Maturity Profile of Defined Benefit Obligations			
Year 1	27,06,639	Year 6	4,23,574
Year 2	5,76,790	Year 7	4,35,155
Year 3	4,57,141	Year 8	6,98,232
Year 4	4,39,176	Year 9	5,61,120
Year 5	4,11,049	Year 10	3,51,207

The weighted average duration of the defined benefit obligation is 6.96

Best Estimate of Contribution during the next year

The Best Estimate Contribution for the Company during the next year would be **INR 31,37,452**

Discontinuance Liability

Amount payable upon discontinuance of all employment is **INR 82,88,840**

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

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

- Pvc Leather Cloth
- Pvc Film

Segment Revenue and Expense

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

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

Segment revenues and results (March 31, 2019) (March 31, 2018) (₹ in Lakhs)

Particulars	External	Inter Segment	Total	External	Inter Segment	Total
1) Segment Revenue – Gross						
Pvc leather Cloth	12,360.37	-	12,360.37	12,965.27	-	12,965.27
Pvc film	8,847.71	-	8,847.71	14,237.17	-	14,237.17
Unallocable	-	-	-	-	-	-
Segment Total	21,208.08	-	21,208.08	27,202.44	-	27,202.44
2) Segment Results						
Pvc leather Cloth			2,285.89			1,338.09
Pvc film			(422.32)			532.47
Unallocable						
Segment Total			1,863.57			1,870.56
Unallocated corporate expenses			(1,066.31)			(982.27)
Profit before interest etc. and taxation			797.26			888.29
Interest Income – Unallocable			23.75			22.20
Other Income – Unallocable			663.15			833.64
Interest Paid - Pvc Film & Unallocable			1360.70			1488.51
Profit before tax			123.46			255.61
Tax expense			56.48			34.11
Profit for the year			66.98			221.49

(March 31,2019)

3) Other Information	Pvc Leather Cloth	Pvc Film	Unallocable	Total
a). Segment Asset	6,078.19	8,289.59	821.70	15,189.49
b). Segment Liabilites	2,742.04	1,955.49	7,265.32	11,962.85
c). Capital Expenditure	214.83	32.73	103.52	351.08
d). Allocable Depreciation	33.79	112.67	35.96	182.42

(March 31,2018)

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

GEOGRAPHICAL INFORMATION:

Particulars	31 st March,2019			31 st March,2018		
	Outside			Outside		
	In India	India	Total	In India	India	Total
1 Revenue from external customers						
External Sales	20,653.10	554.97	21,208.08	26,791.70	410.74	27,202.44
Inter segment Sales						
Total Sales	20,653.10	554.97	21,208.08	26,791.70	410.74	27,202.44
2 Non Current Assets						
Carrying Amount of Segment Asset	15,189.49		15,189.49	17,173.49		17,173.49
Additions to Fixed Assets	403.29		403.29	254.65		254.65

44. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”**Related Party Disclosures****A. Key Managerial Personnel (KMP):**

Sri H. Kishen – Managing Director
Sri H. Krishna Kumar – Whole time Director
Sri H. Praveen Kumar – Chief Executive- Calendering division
Sri H. Mahesh Kumar – Chief Executive - Domestic Sales
Sri H. Sanjay Kumar – Whole time director
Sri V.B.V.R.Ratnaji - Chief Financial Officer
Mr. K. Mohith Kumar - Company Secretary

B. Non-whole-time Directors

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

C. Enterprises in which Key Management Personnel has significant influence

Rex-O-Knits Private Limited

D. Relatives of Key Management Personnel

Sri Anurag H - Son of Sri H.Krishna Kumar

E. Related Party Transactions

Enterprises in which significant influence by Key Management Personnel (Rs. In Lakhs)

Particulars	31 st March, 2019	31 st March, 2018
Rex-O-Knits Private Limited		
Jobwork Charges	59.87	86.27
Amount Receivable as on	155.45	162.36

Key Managerial Personnel:

(Rs. In Lakhs)

Particulars	31 st March, 2019	31 st March, 2018
Professional Charges	-	-
Sitting fees	-	-
Remuneration		-
H.Kishen	84.00	84.00
H. Krishna Kumar	81.00	81.00
H. Sanjay Kumar	40.49	29.97
H. Mahesh Kumar	38.75	30.00
H.Praveen Kumar	38.75	30.00
V.B.V.R.Ratnaji	14.63	15.96
K. Mohith Kumar	5.62	4.68
G. Pushkarini	-	0.60

Non-whole-time Directors

(Rs. In Lakhs)

Particulars	31 st March, 2019	31 st March, 2018
Sitting fees	2.63	2.68

Relatives of Key Managerial Personnel:

(Rs. In Lakhs)

Particulars	31 st March, 2019	31 st March, 2018
Remuneration	18.00	9.75

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

a) **Finance leases:** The company does not have any finance lease arrangement during the period.

b) Operating lease

• **Future minimum lease payments under non-cancellable operating leases** (Amount in Rs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than 1 year		
Later than 1 year and not later than 5 years	Not applicable	Not applicable
Later than 5 years		

• **Payments recognised as an expense**

(Amount in Rs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Minimum lease payments		
Contingent rentals	Not applicable	Not applicable
Sub-lease payments received		

- **Leasing arrangement:**

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

a) Finance leases: The Company does not have any finance lease arrangement during the period.

b) Operating leases

- Future minimum lease receivables under non-cancellable operating lease (Amount in Rs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than 1 year		
Later than 1 year and not later than 5 years	Not applicable	Not applicable
Later than 5 years		

46. Disclosure in respect of Indian Accounting Standard (Ind AS)-115: “Revenue from Contract with Customers) Transitional Provision

The company has adopted the new Indian Accounting Standard 115 (Revenue from Contract with Customers) retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings as on 01.04.2018. The company has examined the changes brought in under Ind AS 115 and observed that there has been no impact on the opening retained earnings as at 01.04.2018.

A. Disclosure

(i) Contracts with customers

Company has recognized the following revenue during the year from contracts with its customers

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	1,85,78,75,815	2,37,36,19,534
Sale of services	NIL	NIL
Other operating revenue	NIL	NIL
-Claims	NIL	NIL
-Subsidy	-	-
-Despatch Earned	-	-
-Other Trade Income	-	-
Total	1,85,78,75,815	2,37,36,19,645

Company has recognized the following amount as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment Loss	5,91,23,243	5,63,53,000

(ii) Disaggregation of Revenue

The Company has identified its Operating Segments as PVC Leather Cloth and PVC Film. The segment wise revenue generated from the contract with customers and its proportion in total revenue is as follows:-

Particulars	For the year ended March 31, 2019	As % to Total Revenue	For the year ended March 31, 2018	As % to Total Revenue
PVC Leather Cloth	1,10,40,97,544	59.43%	1,16,15,32,747	48.94%
PVC Film	75,37,78,271	40.57%	1,21,20,86,787	51.06%
Total	1,85,78,75,815	100%	2,37,36,19,534	100%

(iii) Contract Balances

Receivables

Particulars	As at March 31,2019	As at March 31,2018
Opening Balance	75,98,23,442	82,14,80,930
Addition/deduction during the year	28,62,08,729	6,16,57,488
Closing Balance	47,36,14,713	75,98,23,442

Contract Assets

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Being a trading company performance obligation of the company is satisfied upon transferring a promised goods or service to its customers and there is no obligation on the part of the company which remains unexecuted.

Contract Liabilities

Upon execution of contract with the customers, certain amount in the form of EMD, Security Deposit, Margin Money, advance for payment of custom duty etc. received from the customers which is shown as advance received from customers under the heading "Other Financial Liabilities" and "Other Liabilities"

Particulars	As at March 31,2019	As at March 31,2018
Opening Balance	NIL	NIL
Add: Addition during the year	NIL	NIL
Less: Deduction (Refunds/adjustments)	NIL	NIL
Less: Recognised as revenue during the year forming part of opening balance	NIL	NIL
Closing Balance	NIL	NIL

During the year company has recognized revenue of Rs. NIL (P.Y. NIL) from the performance obligations satisfied in earlier periods by raising debit/credit notes to its customers.

The company has made the adjustment of NIL (P.Y. NIL) in the revenue of NIL (P.Y. NIL) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc as against the contracted revenue of Rs. NIL(P.Y. Rs. NIL).

Practical expedients

During the year company has entered into sales contracts with its customers where some of the part is yet to be executed, same has not been disclosed as per practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

B. Significant judgements in the application of this standard

Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.

The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).

The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

Certain adjustments have been made during the year in contract value which is not significant keeping in view the amount involved.

C. Assets Recognised from costs to obtain or fulfill a contract with a customer

Being a trading company, costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfill a contract with a customer and same is charged to profit and loss as a practical expedient.

47. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 “Earnings Per Share(EPS)”

a) Basic EPS

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

(Amount in Rs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Earnings used in calculation of basic earnings per share(A)	66.98	221.49
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	45.97	45.97
Basic EPS(A/B)	1.46	4.82

b) Diluted EPS

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

(Amount in Rs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Earnings used in calculation of basic earnings per share(A)	66.98	221.49
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	45.97	45.97
Diluted EPS(A/B)	1.46	4.82

48. Accounting Policies under Ind AS:**1. Significant Accounting Policies****1.1 Statement of Compliance and basis of preparation of Financial Statements**

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

1.2 Application of Indian Accounting Standards (Ind-AS)

All Listed companies are required to adopt Ind AS.

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

1.3 Use of estimates and judgment

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

1.4 Functional and presentation currency

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

1.5 Revenue Recognition**i) Operating Income**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the

buyer, it is probable that economic benefits associated with the transaction will flow to the entity, the associated costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing management involvement with the goods. The point of transfer of risks and rewards depends upon the terms of the contract of sale with individual customers.

ii) Other Income

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

iii) Claims

Claims are recognized in the Statement of Profit & Loss (Net of any payable) on accrual basis including receivables from Govt. towards subsidy, cash incentives, reimbursement of losses etc, when it is not unreasonable to expect ultimate collection. Claims recognized but subsequently becoming doubtful are provided for through Statement of Profit and Loss. Insurance claims are accounted upon being accepted by the insurance company

iv) Interest Income

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

v) Revenue Recognition on Actural Realization.

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

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

1.6 Property, Plant and Equipment's

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

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

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

-
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

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

1.7 Intangible Assets

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

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful lives from the date on which they are available for use. Softwares are amortized over its useful life subject to a maximum period of 5 years or over the license period as applicable.

1.8 Non-Current Assets Held for Sale

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

1.9 Depreciation

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

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

Name of Assets	Useful life as adopted by the company as per Schedule II
A. General Assets	
Furniture & Fittings	10
Office Equipment	5
Vehicles – Scooter	10
Vehicles – Car	8
Computers - Servers and networks	6

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

1.10 Borrowing Costs

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

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

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

1.11 Foreign currencies

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

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

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

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

1.12 Inventory

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

Basis of determination of cost remain as follows:

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

Spares- at Cost

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

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

1.13 Provisions

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

1.14 Contingent Liabilities / Assets

Contingent Liabilities

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

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

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

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

Contingent Assets

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

1.15 Employee benefits

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

1.16 Taxation

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

1.17 Impairment

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

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

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

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

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

Impairment of financial assets

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

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

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

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

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

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

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

De-recognition of financial assets

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

financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

1.18 Earnings per share

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

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

1.19 Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

1.20 Financial instruments

i) Non-derivative financial instruments

Non-derivative financial instruments consist of:

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

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

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

a) Cash and cash equivalents

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

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

c) Loans and receivables

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

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

d) Trade and other payables

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

1.21 Segment Information

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

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

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

1.22 Prior Period Errors

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

49. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 24-05-2019.

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

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy

Chartered Accountants

CA P.V. Sri Hari

Partner

M No. 021961

H.Kishen

Managing Director

H. Krishna Kumar

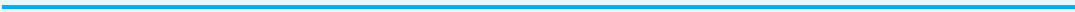
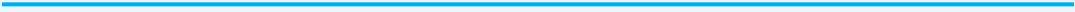
Whole-time Director

K.Mohith Kumar

Company Secretary

Place: Secunderabad

Date : 24th May, 2019



FENOPLAST LIMITED

CIN: L25209TG1975PLC001942

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

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

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

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

I hereby record my presence at the 44th Annual General Meeting of the Shareholders of Fenoplast Limited on Thursday the 26th day of September, 2019 at 11.00 A.M. at Kapu Sangam, 1-7-155, M.G.Road, Secunderabad, Telangana – 500003.

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

*Applicable if shares are held in electronic form.

Name & Address of Member

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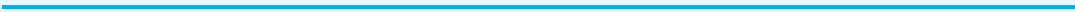
Signature of Shareholder/Proxy/
Representative (Please Specify)

ELECTRONIC VOTING

Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 44th AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Note (14) to the Notice dated 9th August, 2019 convening the AGM for the procedure with respect to e-voting.

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

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



FENOPLAST LIMITED

CIN: L25209TG1975PLC001942

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

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

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

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

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

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

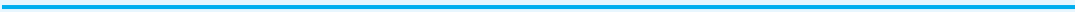
- (1) Name : _____ Address : _____
E-mail ID : _____ Signature : _____
or failing him _____
- (2) Name : _____ Address : _____
E-mail ID : _____ Signature : _____
or failing him _____
- (3) Name : _____ Address : _____
E-mail ID : _____ Signature : _____
or failing him _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 44th Annual General Meeting (AGM) of the Company to be held on Thursday, the 26th day of September, 2019 at 11.00 a.m. at Kapu Sangam, 1-7-155, Secunderabad-500003, Telangana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional (v)	
		For	Against
Ordinary Business			
1.	To consider and adopt the Accounts of the Company for the Financial Year ended 31st March, 2019, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Sri.Haridas Krishna Kumar (DIN:00260198), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
3.	Ratification of Remuneration payable to Cost Auditors:		
4.	To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:		
5.	Re-appointment of Mr. B. Kamalakar Rao as the Independent Director		
6.	Re-appointment of Dr. K. Malhar Rao as the Independent Director		
7.	Re-appointment of Mr. P. Niroop as the Independent Director		
8.	Re-appointment of Mr. Haridas Narsaiah, as the Non-Executive, Non-Independent		

Signed this _____ day of _____ 2019. Signature of shareholder: _____

Affix
RevenueNOTE : This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM i.e. by 11.00 a.m. on 24th day of September, 2019.



ROUTE MAP



PRINTED MATTER / BOOK POST

If undelivered, please return to:



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