

B S R & Associates LLP

Chartered Accountants

7th & 8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone +91 (20) 6747 7300
Fax +91 (20) 6747 7310

INDEPENDENT AUDITOR'S REPORT

To the Members of Prescient Color Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Prescient Color Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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.

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

Auditor's Responsibility

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

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

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



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

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 25 April 2017 and 27 April 2016, respectively expressed an unmodified opinion on those Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

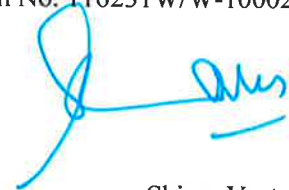
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements; - Refer Note 31 to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231 W/W-100024



Shiraz Vastani
Partner
(Membership No. 103334)

Place: Pune
Date: 1 May 2018

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of Prescient Color Limited on the Ind AS financial statements as of and for the year ended 31 March 2018

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the management as per the program of verification. According to the program no physical verification was carried out during the year. In our opinion, considering the nature and size of the business and its operations, the frequency of physical verification has been reasonable.
 - (c) According to the information and explanation given to us, and on the basis of our examination of the books and records of the Company / confirmations from the custodian, the title deeds of the immovable properties are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of such verification is reasonable and there were no material discrepancies noticed during such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- (iv) According to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans, investments, guarantees and security, as applicable.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and provisions of within Sections 73 to 76 of the Act and the Rules framed there under to the extent notified. Accordingly, paragraph Clause 3(v) of the Order are not applicable.
- (vi) The Central Government of India has not specified the maintenance of cost records under Section 148 (1) of the Act for any of the products of the Company. Accordingly, paragraph Clause 3(vi), of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Value added tax, Duty of customs, Duty of excise, Cess and any other material statutory dues as applicable with the appropriate authorities.

According to information and explanation given to us, and the records of the Company examined by us, no undisputed amounts payable in respect of Provident fund, Employees state insurance, Income Tax, Sales tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable.



Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of Prescient Color Limited on the Ind AS financial statements as of and for the year ended 31 March 2018

- (vii) (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, service tax, sales tax, duty of customs, duty of excise which have not been deposited on account of any dispute except in the following cases:

Name of the statute	Nature of the Dues	Amount (INR in lakhs)	Period to which amount relates	Forum where it is pending
The Maharashtra Value Added Tax Act, 2002	CST	6.85	FY 2011-12	Deputy Commissioner
The Maharashtra Value Added Tax Act, 2002	VAT	2.93	FY 2011-12	Deputy Commissioner
The Maharashtra Value Added Tax Act, 2002	CST	2.27	FY 2012-13	Deputy Commissioner

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to its bankers. The Company does not have any loans or borrowings from any financial institution or Government, nor has it issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, prescribed under section 133 of the Act.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.



Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of Prescient Color Limited on the Ind AS financial statements as of and for the year ended 31 March 2018

- (xv) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231W/W-100024



Shiraz Vastani
Partner
(Membership No. 103334)

Place: Pune
Date: 1 May 2018

Annexure B to Independent Auditor's Report of even date on the Ind AS financial statements of Prescient Color Limited for the year ended March 31, 2018

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

We have audited the internal financial controls with reference to financial statements of Prescient Color Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the 'Guidance Note') 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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



Annexure B to Independent Auditor's Report of even date on the Ind AS financial statements of Prescient Color Limited for the year ended March 31, 2018

Meaning of Internal Financial Controls with reference to financial statements

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

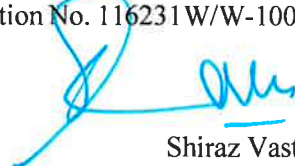
Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements 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 ICAI.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231 W/W-100024



Shiraz Vastani
Partner
(Membership No. 103334)

Place: Pune
Date: 1 May 2018

PRESCIENT COLOR LIMITED
BALANCE SHEET AS AT MARCH 31, 2018
 (All amounts are in INR Lakhs, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
I. NON CURRENT ASSETS				
(a) Property, plant and equipment	3	2,289.8	2,400.3	2,026.3
(b) Capital work-in-progress		1.3	0.7	-
(c) Intangible assets	4	50.8	19.4	0.8
(d) Deferred tax assets (net)	5	481.1	505.3	431.2
(e) Other non-current assets	6	70.5	58.4	112.6
(f) Non-current tax assets (net)	7	-	5.7	21.3
		2,893.5	2,989.8	2,592.2
II. CURRENT ASSETS				
(a) Inventories	8	1,065.1	973.8	919.2
(b) Financial assets				
(i) Trade receivables	9	1,306.0	956.6	1,494.5
(ii) Cash and cash equivalents	10	28.5	34.5	48.0
(iii) Bank balances other than (ii) above	10	38.4	35.9	33.3
(iv) Others financial assets	11	1.8	2.0	2.7
(c) Other current assets	12	90.9	127.1	177.0
		2,530.7	2,129.9	2,674.7
Total Assets		5,424.2	5,119.7	5,266.9
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	13	600.0	600.0	600.0
(b) Other equity	14	2,189.1	1,774.1	1,151.5
		2,789.1	2,374.1	1,751.5
LIABILITIES				
I. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	393.9	714.8	1,007.0
(ii) Others financial liabilities	16	42.2	38.6	-
(b) Provisions	17	63.1	66.5	46.0
		499.2	819.9	1,053.0
II. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	901.7	749.7	998.1
(ii) Trade Payables	19	668.9	554.3	776.7
(iii) Other financial liabilities	20	406.3	483.7	553.3
(b) Other current liabilities	21	57.1	42.1	54.7
(c) Provisions	22	70.1	95.9	79.6
(d) Current tax liabilities (net)	7	31.8	-	-
		2,135.9	1,925.7	2,462.4
Total Equity and Liabilities		5,424.2	5,119.7	5,266.9
Summary of significant accounting policies	2			

The accompanying notes form an integral part of these Financial Statements.
 As per our report of even date attached

For **BSR & Associates LLP**
 Chartered Accountants
 Firm Regn. No.: 116231W/W-100024


SHIRAZ VASTANI

Partner
 Membership No.: 103334

Place: Pune
 Date: 11/5/2018

For and on behalf of the Board of Directors of Prescient Color Limited


P. R. RATHI

Chairman
 DIN 00018577


R. K. RATHI

Managing Director
 DIN 00018654


V. K. SALUNKE

Company Secretary

Place: Pune
 Date: April 24, 2018



PRESCIENT COLOR LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations	23	7,934.4	8,636.2
Other income	24	14.5	20.9
Total Income		7,948.9	8,657.1
EXPENSES			
Cost of materials consumed	25	4,607.7	4,675.4
Changes in inventories of finished goods, work-in-progress and stock in trade	26	(20.7)	14.6
Excise duty on sale of goods		245.6	960.3
Employee benefits expense	27	779.5	713.1
Finance costs	28	200.6	241.7
Depreciation and amortisation expense	29	238.5	248.9
Other Expenses	30	1,367.4	1,161.3
Total expenses		7,418.6	8,015.3
Profit before tax		530.3	641.8
Tax expense			
Current tax		111.9	122.6
Deferred tax		24.2	(74.1)
Total tax expense		136.1	48.5
Profit for the year		394.2	593.3
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement gains/ (losses) on post employment benefits obligations		31.8	(7.3)
- Income tax relating to above		(11.0)	2.5
		20.8	(4.8)
Total comprehensive income for the year		415.0	588.5
Earning per equity share [Nominal value per share Rs. 10 (March 2017: Rs 10)]	32		
Basic		6.6	9.9
Diluted		6.6	9.9
Summary of significant accounting policies	2		

The accompanying notes form an integral part of these Financial Statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Regn. No.: 116231W/W-100024



SHIRAZ VASTANI
Partner
Membership No.: 103334

Place: Pune
Date: 1/5/2018

**For and on behalf of the Board of Directors
of Prescient Color Limited**



P. R. RATHI **R. K. RATHI** **V. K. SALUNKE**
Chairman Managing Director Company Secretary
DIN 00018577 DIN 00018654

Place: Pune
Date: April 24, 2018



PRESCIENT COLOR LIMITED
Cash Flow Statement for the year ended 31 March 2018
 (All amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	530.3	641.8
Adjustments for:		
Re-measurement gains/ (losses) on post employment benefits obligations	31.8	(7.3)
Depreciation/amortization	238.5	248.9
Finance costs	200.6	241.7
Allowance for expected credit loss	11.1	-
Provision for slow/non moving inventory	(26.9)	65.9
Interest income	(6.3)	(5.9)
(Profit)/Loss on sale of property, plant and equipment	(1.6)	7.8
Operating profit before working capital changes	977.5	1,192.9
Working capital adjustments:		
(Increase) / Decrease in other non-current assets	25.6	(56.9)
(Increase) in inventories	(64.2)	(120.4)
(Increase)/ decrease in trade receivables	(360.5)	537.9
(Increase)/ decrease in other bank balances	(2.5)	(2.6)
Decrease in other current assets	36.2	49.9
Increase in other non-current financial liabilities	3.6	38.6
Increase / (Decrease) in non-current provisions	(3.5)	20.5
Increase / (Decrease) in trade payables	114.4	(222.6)
Increase / (Decrease) in other current financial liabilities	(77.4)	(92.7)
Increase / (Decrease) in other current liabilities	15.0	(12.6)
Increase / (Decrease) in current provisions	(25.8)	16.3
Cash generated from operations	638.4	1,348.3
Direct taxes paid	(87.0)	(105.6)
Net cash flow from operating activities (A)	551.4	1,242.7
Cash flows from investing activities		
Payment for purchase of tangible and intangible fixed assets (including capital work in progress)	(199.4)	(537.7)
Interest received	6.6	6.7
Proceeds from sale of fixed assets	4.9	0.1
Net cash flow (used in) investing activities (B)	(187.9)	(530.9)
Cash flows from financing activities:		
(Repayment) of long-term borrowings	(320.9)	(269.2)
Proceeds from / (repayment) of short-term borrowings	152.1	(248.5)
Interest paid (adjusted for amortization of financial guarantee not payable in cash)	(200.6)	(207.6)
Net cash flow (used in) financing activities (C)	(369.4)	(725.3)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(5.9)	(13.5)
Cash and cash equivalents at the beginning of the year	34.5	48.0
Cash and cash equivalents at the end of the year	28.5	34.5

Notes:

(i) The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

(ii) For the purpose of cash flow cash and cash equivalents comprise :

	As at March 31, 2018	As at March 31, 2017
Cash on hand		
With banks :	0.5	0.4
On current account	28.0	34.1
Fixed Deposit	-	-
Total cash and cash equivalents (refer note 10)	28.5	34.5

(iii) Reconciliation of liabilities arising from financing activities

Particulars	As at March 31, 2017	Cash flows	Foreign exchange movement	As at March 31, 2018
Term loan from banks	1,035.38	(320.94)	-	714.4
Working capital loan from banks	749.67	152.08	-	901.7

Summary of significant accounting policies

2

The accompanying notes form an integral part of these Financial Statements.
 As per our report of even date attached

For BSR & Associates LLP
 Chartered Accountants
 Firm Regn. No.: 116231W/W-100024

For and on behalf of the Board of Directors of Prescient Color Limited

SHIRAZ VASTANI
 Partner
 Membership No.: 103334

P. R. RATHI
 Chairman
 DIN 00018577

R. K RATHI
 Managing Director
 DIN 00018654

V. K. SALUNKE
 Company Secretary

Place: Pune
 Date: 11/5/2018

Place: Pune
 Date: April 24, 2018



PRESCIENT COLOR LIMITED
Statement of changes in Equity for the year ended March 31, 2018
 (All amounts are in INR Lakhs, unless otherwise stated)

A. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

Particulars	Number	Amount
Balance as at 1 April 2016	6,000,000	600.0
Changes in equity share capital during 2016-17	-	-
Balance as at 31 March 2017	6,000,000	600.0
Changes in equity share capital during 2017-18	-	-
Balance as at 31 March 2018	6,000,000	600.0

B. Other Equity

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	Surplus in the Statement of Profit and Loss	Other Equity	
Balance as at April 1, 2016	210.0	941.5	-	1,151.5
Profit for the year	-	593.3	-	593.3
Remeasurement of net defined benefit liability / asset, net of tax effect	-	(4.8)	-	(4.8)
Total comprehensive income for the year	-	588.5	-	588.5
Financial guarantee initially measured at fair value	-	-	34.1	34.1
Transfer pursuant to redemption of preference share capital	190.0	(190.0)	-	-
Balance as at March 31, 2017	400.0	1,340.0	34.1	1,774.1
Profit for the year	-	394.2	-	394.2
Remeasurement of net defined benefit liability / asset, net of tax effect	-	20.8	-	20.8
Total comprehensive income for the year	-	415.0	-	415.0
Balance as at March 31, 2018	400.0	1,755.0	34.1	2,189.1

Summary of significant accounting policies

2

The accompanying notes form an integral part of these Financial Statements.
 As per our report of even date attached

For B S R & Associates LLP
 Chartered Accountants
 Firm Regn. No.: 116231W/W-100024

For and on behalf of the Board of Directors of Prescient Color Limited

SHIRAZ VASTANI
 Partner
 Membership No.: 103334

Place: Pune
 Date: 1/5/2018.



P. R. RATHI
 Chairman
 DIN 00018577



R. K RATHI
 Managing Director
 DIN 00018654



V. K. SALUNKE
 Company Secretary



Place: Pune
 Date: April 24, 2018

1. Background :

Prescient Color Limited("the Company") was incorporated on 23rd June 2006 to provide the best solutions in master batches with specific focus on the textile and specialty plastics industries.

The financial statements of the Company for the year ended 31st March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 24th April, 2018.

2. Basis of preparation and significant accounting policies :

2.1 Basis of preparation:

i) Statement of Compliance:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the act.

The financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

As these are the Company's financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time adoption of Indian Accounting Standards has been applied. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's previously reported financial position, financial performance and cash flows is provided in Note 43.

ii) Historical cost convention:

The financial statements have been prepared on the historical cost basis except for the following items

Items	Measurement basis
(a) Certain financial assets and liabilities (including derivatives instruments)	Fair value
(b) Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

iii) Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

2.2 Key Accounting Estimates and Judgements:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in following notes:

(a) Useful life of depreciable assets:

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including Intangible Assets.

(b) Recognition of deferred tax assets:



The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues.

(c) Defined benefit obligation:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Impairment of non-financial assets:

In assessing impairment, management has estimated economic usefulness of the assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use of an interest rate to discount them. Estimation of uncertainty relates to assumptions about economically future operating cash flows and the determination of a suitable discount rate.

(e) Impairment of trade receivables:

The Company estimates the uncollectability of accounts receivable by analyzing 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.

(f) Provision for inventory obsolescence:

2.3 Significant accounting policies:

(i) Foreign currency translation:

(a) Functional and Presentation Currency :

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances:

- Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end (exchange rates are generally recognized in Profit or Loss and reported within foreign exchange gains/(losses), except when deferred in other comprehensive income as qualifying cash flow hedges.
- A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.
- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.
- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).



(ii) Property, plant and equipment:

(a) Recognition and measurement:

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(b) Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the Indian GAAP as at April 1, 2016 and use those net carrying values as deemed cost of such property, plant and equipment.

(c) Subsequent expenditure :

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(d) Depreciation:

- Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013, except in respect of the following assets where, useful life of assets have been determined based on technical evaluation done by the management's expert:

Asset Class	Useful Life Adopted	Useful Life as per Schedule – II
Plant and Machinery	9.20	7.50

- Assets costing less than Rs. 5,000 are fully depreciated in the year of acquisition.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(iii) Intangible assets :

(a) Other intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible asset arising from development activity is recognised at cost on demonstration of its technical feasibility, the intention and ability of the Company to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and the expenditure attributable to the said assets during its development can be measured reliably.

(b) Transition to Ind AS:



On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

(c) Amortisation:

- The useful lives of intangible assets are assessed as either finite or indefinite.
- Intangible assets i.e. registrations, computer softwares and technical knowhow are amortized on a straight line basis over the period of expected future benefits. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Asset Class	Years
Registrations	10.00
Others	9.20

- Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(iv) Inventories :

Inventories are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(a) Raw materials:

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use.

(b) Work-in-process and Finished Goods:

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials.

(c) Stores and spares and packing material:

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(d) Traded goods are valued at lower of cost and net realizable value. Cost included cost of purchase and other costs incurred in bringing the inventories to present location and condition. Cost is determined on weighted average basis.

(e) Provision is made for obsolete and non-moving items.

(v) Cash and Cash Equivalents :

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. In the statements of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

(vi) Assets Held for Sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- (i) decision has been made to sell.
- (ii) the assets are available for immediate sale in its present condition.
- (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

(vii) Financial Instruments



(a) Financial Assets:

(1) Initial recognition:

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

(2) Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in three categories:

- **Financial assets at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- **Financial assets at fair value through other comprehensive income (FVTOCI):** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.
- **Financial assets at fair value through profit or loss (FVTPL):** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(3) Trade receivables and loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(4) Derivatives:

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

(5) De-recognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

(6) Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized in the statement of profit and loss.



(b) Financial Liabilities:

(1) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

(2) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(3) De-recognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(c) Offsetting of financial instruments:

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

(d) Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

(viii) Provisions and Contingent Liabilities:

- Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



(ix) Revenue Recognition :

(a) Sale of goods:

- Revenue from the sale of goods in the course of ordinary activities is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.
 - Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms.
- (b)** Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.
- (c)** Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (d)** Income from export incentives such as duty drawback and MEIS are accrued upon completion of export when there is a reasonable certainty of fulfilment of obligations as stipulated under respective export promotion schemes.

(x) Employee Benefits :

(a) Short Term Employee Benefits:

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(b) Post-Employment Benefits:

(1) Defined contribution plans:

The contributions to provident fund and superannuation schemes are recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

(2) Defined benefit plans:

The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the profit or loss in subsequent periods.

(3) Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods



or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

(4) Termination benefits:

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(xi) Borrowing Costs :

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income or expense is recognised using the effective interest method.

(xii) Taxation:

Income tax expense for the year comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(a) Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(b) Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- (1) temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- (2) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (3) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.



MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

(xiii) Impairment of non- financial assets :

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment.

(xiv) Earnings Per Share:

- Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.
- For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(xv) Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(xvi) Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(xvii) Recent Accounting Pronouncements:

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") had notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The company is evaluating the requirements of the amendments and the impact on the financial statements is being evaluated.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") had notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.



PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

The company is evaluating the requirements of the amendments and the impact on the financial statements is being evaluated.



PRESCIENT COLOR LIMITED
 NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
 (All amounts are in INR Lakhs, unless otherwise stated)

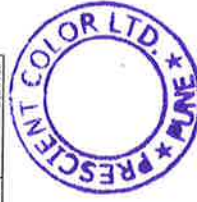
3 Property, plant and equipment
 (a) Reconciliation of carrying amount

	Tangible Assets						Research and Development Assets				Total	
	Freehold Land	Building	Plant & Machinery	Computers & Servers	Vehicles	Furniture & Fixture	Office Equipments	Building	Plant & Machinery	Furniture & Fixtures		Office Equipments
Deemed cost - gross carrying amount												
Balance at April 1, 2016	194.2	409.9	423.3	42.4	28.7	49.2	6.5	294.1	540.8	36.4	0.8	2,026.3
Additions	77.3	16.3	27.3	2.7	88.0	20.9	4.0	19.7	367.7	5.5	0.4	629.8
Disposals	-	-	-	2.7	10.6	-	-	-	-	-	-	13.3
Gross carrying amount as at March 31, 2017	271.5	426.2	450.6	42.4	106.1	70.1	10.5	313.8	908.5	41.9	1.2	2,642.8
Accumulated Depreciation												
Depreciation for the year	-	14.1	99.4	11.1	9.0	6.8	2.4	9.8	91.3	3.8	0.2	247.9
Disposals	-	-	-	2.5	2.9	-	-	-	-	-	-	5.4
Closing accumulated depreciation as at March 31, 2017	-	14.1	99.4	8.6	6.1	6.8	2.4	9.8	91.3	3.8	0.2	242.5
Net carrying amount as at March 31, 2017	271.5	412.1	351.2	33.8	100.0	63.3	8.1	304.0	817.2	38.1	1.0	2,400.3

	Tangible Assets						Research and Development Assets				Total	
	Freehold Land	Building	Plant & Machinery	Computers & Servers	Vehicles	Furniture & Fixture	Office Equipments	Building	Plant & Machinery	Furniture & Fixtures		Office Equipments
Gross carrying amount as at April 1, 2017	271.5	426.2	450.6	42.4	106.1	70.1	10.5	313.8	908.5	41.9	1.2	2,642.8
Additions	-	-	62.5	1.7	21.7	3.3	1.5	-	36.3	1.5	0.1	128.6
Disposals	-	-	-	0.4	14.3	-	-	-	-	-	-	14.7
Gross carrying amount as at March 31, 2018	271.5	426.2	513.1	43.7	113.5	73.4	12.0	313.8	944.8	43.4	1.3	2,756.7
Accumulated depreciation as at April 1, 2017	-	14.1	99.4	8.6	6.1	6.8	2.4	9.8	91.3	3.8	0.2	242.5
Depreciation for the year	-	14.2	60.9	10.3	14.5	8.3	2.7	10.0	110.6	4.2	0.3	236.0
Disposals	-	-	-	0.4	11.2	-	-	-	-	-	-	11.6
Closing accumulated depreciation as at March 31, 2018	-	28.3	160.3	18.5	9.4	15.1	5.1	19.8	201.9	8.0	0.5	466.9
Net carrying amount as at March 31, 2018	271.5	397.9	352.8	25.2	104.1	58.3	6.9	294.0	742.9	35.4	0.8	2,289.8

(b) Property, plant and equipment pledged as security - Please refer details of security provided in note 15

(c) Capital Commitment - Estimate value of contracts remaining to be executed on capital account is Rs. 37.7 lakhs (PY - Rs.28.3 lakhs)

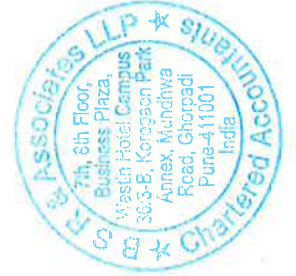


PRESCIENT COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
 (All amounts are in INR Lakhs, unless otherwise stated)

4 Intangible assets
(a) Reconciliation of carrying amount

	Computer Softwares (acquired)
Deemed cost - gross carrying amount	
Balance at April 1, 2016	0.8
Additions	19.6
Disposals	-
Gross carrying amount as at March 31, 2017	20.4
Accumulated Depreciation	
Depreciation for the year	1.0
Disposals	-
Closing accumulated depreciation as at March 31, 2017	1.0
Net carrying amount as at March 31, 2017	19.4

	Computer Softwares (acquired)
Gross carrying amount as at April 1, 2017	20.4
Additions	33.9
Disposals	-
Gross carrying amount as at March 31, 2018	54.3
Accumulated depreciation as at April 1, 2017	1.0
Depreciation for the year	2.5
Disposals	-
Closing accumulated depreciation as at March 31, 2018	3.5
Net carrying amount as at March 31, 2018	50.8



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PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

5 DEFERRED TAX ASSETS (NET)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The major components of deferred tax assets are:			
- Accumulated tax losses	215.4	434.8	317.4
- Provision for expenses allowable on payment basis	40.4	58.8	48.5
- Minimum alternate tax credit	527.7	415.8	295.6
	783.5	909.4	661.5
The major components of the deferred tax liability are:			
- Property, plant and equipment	302.4	404.1	230.3
	302.4	404.1	230.3
Net Deferred tax asset	481.1	505.3	431.2

(a) Movement in deferred tax assets

	Provision for expenses allowable on payment basis	Accumulated tax losses	Minimum alternate tax credit	Total
As at April 1, 2016	48.5	317.4	295.6	661.5
(Charged) / credited:				
- to statement of profit and loss	7.8	117.4	120.2	245.4
- to other comprehensive income	2.5	-	-	2.5
As at March 31, 2017	58.8	434.8	415.8	909.4
(Charged) / credited:				
- to statement of profit and loss	(7.4)	(219.4)	111.9	(114.9)
- to other comprehensive income	(11.0)	-	-	(11.0)
As at March 31, 2018	40.4	215.4	527.7	783.5

(b) Movement in deferred tax liability

	Property, plant and equipment	Total
As at April 1, 2016	230.3	230.3
Charged / (credited):		
- to statement of profit and loss	173.8	173.8
- to other comprehensive income	-	-
As at March 31, 2017	404.1	404.1
Charged / (credited):		
- to statement of profit and loss	(101.7)	(101.7)
- to other comprehensive income	-	-
As at March 31, 2018	302.4	302.4



PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

6 OTHER NON CURRENT ASSETS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances			
Considered good	37.7	-	111.1
	37.7	-	111.1
Advances other than capital advances:			
Unamortised guarantee commission	30.8	56.9	-
Other Receivable	2.0	1.5	1.5
	32.8	58.4	1.5
	70.5	58.4	112.6

7 INCOME TAX ASSETS / LIABILITIES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Non-current tax assets (net)			
Income tax assets	-	315.9	211.6
Income tax liabilities	-	(310.2)	(190.2)
Net income tax assets	-	5.7	21.4
(b) Current tax liabilities (net)			
Income tax assets	321.9	-	-
Income tax liabilities	(353.7)	-	-
Net income tax liabilities	(31.8)	-	-
Net income tax asset / (liability) at the end	(31.8)	5.7	21.3

8 INVENTORIES

(Valued at lower of cost or net realisable value)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	826.7	700.7	772.6
Good in transit	77.4	136.7	2.5
	904.1	837.4	775.1
Work in Progress	7.5	4.5	0.0
Finished Goods	48.8	29.6	49.4
Good in transit	-	1.5	0.8
	48.8	31.1	50.2
Packing Materials	6.4	8.2	10.5
Stores and Spares	98.3	92.6	83.4
	1,065.1	973.8	919.2

During the year, an amount of Rs. 26.91, previously charged to the Statement of Profit and Loss on account of slow moving/non moving inventory was written back. During the year ended March 31, 2017, an amount of Rs. 65.85 lakhs was charged to the Statement of Profit and Loss on account of slow moving/non moving inventory.



PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

9 TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured considered good :			
Considered good	1,306.0	956.8	1,494.5
Considered doubtful	20.3	9.2	9.2
	1,326.3	965.8	1,503.7
Less: Allowance for expected credit loss	(20.3)	(9.2)	(9.2)
	1,306.0	956.6	1,494.5

10 CASH AND BANK BALANCES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
Cash on hand	0.5	0.4	1.5
Balances with banks			
In Current Accounts	28.0	34.1	46.5
	28.5	34.5	48.0
Bank balances other than above			
Earmarked fixed deposits with banks	38.4	35.9	33.3
	38.4	35.9	33.3

11 OTHER FINANCIAL ASSETS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest accrued	1.8	2.0	2.7
	1.8	2.0	2.7

12 OTHER CURRENT ASSETS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances other than capital advances:			
Advances to suppliers	18.1	36.6	137.3
Balance with Excise/ Custom/ Other authorities	3.3	20.2	27.6
Prepaid Expenses	21.6	14.3	9.2
Unamortised guarantee commission	34.4	34.4	-
Other receivables	13.5	21.6	2.9
	90.9	127.1	177.0



PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

13 EQUITY SHARE CAPITAL

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
AUTHORISED :			
6,000,000 Equity Shares of Rs.10 each	600.00	600.00	600.00
ISSUED :			
6,000,000 Equity Shares of Rs.10 each	600.00	600.00	600.00
SUBSCRIBED AND PAID UP :			
6,000,000 (Previous Year 6,000,000, April 1, 2016: 6,000,000) Equity Shares of Rs.10 each fully paid up	600.00	600.00	600.00
	600.00	600.00	600.00

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

Equity Shares	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	60.0	600.0	60.0	600.0	60.0	600.0
Add: Issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Outstanding at the end of the year	60.0	600.0	60.0	600.0	60.0	600.0

(b) Terms/ Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 2 per share (Previous Year : Rs.2 each). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by the holding company and details of shareholders holding more than 5% shares in the company:

Equity Shares	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	%	Number	%	Number	%
Sudarshan Chemical Industries Limited	60	99.99	60	99.99	60	99.99

(d) For a period of five years immediately preceeding 31st March, 2018 :

- aggregate number of shares allotted as fully paid up pursuant to contract without payment being received in cash - NIL
- aggregate number and class of shares allotted as fully paid up by way of bonus shares - NIL
- aggregate number of shares bought back - NIL

(e) Other disclosures mandated by Schedule III are not applicable to the Company and hence have not been made.



PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

14 OTHER EQUITY

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital redemption reserve	400.0	400.0	210.0
Surplus in the Statement of Profit and Loss	1,755.0	1,340.0	941.5
Capital reserve	34.1	34.1	-
Total reserves and surplus	2,189.1	1,774.1	1,151.5

(a) Movement in other equity

	As at March 31, 2018	As at March 31, 2017
Capital redemption reserve		
Balance as at the beginning of the year	400.0	210.0
Add: Transferred pursuant to redemption of Preference Share Capital	-	190.0
Balance as at the end of the year	400.0	400.0
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,340.0	941.5
Add: Profit for the year	394.2	593.3
Less: Transferred pursuant to redemption of Preference Share Capital	-	(190.0)
<u>Add / (less) items of other comprehensive income recognised directly in equity:</u>		
- remeasurements of post employment benefit obligation, net of tax	20.8	(4.8)
Balance as at the end of the year	1,755.0	1,340.0
Capital reserve		
Balance as at the beginning of the year	34.1	-
Add: Fair value of financial guarantee issued by the holding company (Refer note 43)	-	34.1
Balance as at the end of the year	34.1	34.1

(b) Nature and purpose of each reserve within equity:

(i) Capital redemption reserve:

This reserve has been created pursuant to redemption of Preference Share Capital and as mandated the Companies Act, 2013.

(ii) Surplus in the Statement of Profit and Loss

This comprises the Company's undistributed earnings after taxes.

(iii) Capital reserve

This reserve, created in accordance with Ind AS 109, comprises the fair value of financial guarantee issued by the holding company as security for borrowings of the Company, for which guarantee commission is payable. The amount of guarantee commission foregone represents deemed equity contribution by the holding company.



PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

15 BORROWINGS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Term loans from banks:			
a) Bank of Maharashtra - (Term Loan 1)	41.5	130.9	219.4
b) Bank of Maharashtra - (Term Loan 2)	5.9	15.7	25.3
c) Bank of Maharashtra - (Term Loan 3)	341.1	543.3	762.3
d) ICICI Bank Vehicle Loan	5.4	24.9	-
	393.9	714.8	1,007.0

a) Term loan 1 from Bank of Maharashtra carries interest @ base rate + 2.5% p.a. (presently 12.50% p.a.). The loan is repayable in 84 monthly installments from October 2012. The Loan is secured by charge on all Fixed Assets.

b) Term loan 2 from Bank of Maharashtra carries interest @ base rate + 2.5% p.a. (presently 12.50% p.a.). The loan is repayable in 84 monthly installments from December 2012. The Loan is secured by charge on all Fixed Assets.

c) Term loan 3 from Bank of Maharashtra carries interest @ base rate + 2.5% p.a. (presently 12.50% p.a.). The loan is repayable in 84 monthly installments from February 2016. The Loan is secured by charge on all Fixed Assets.

d) Vehicle Loan: Secured by hypothecation of vehicle procured out of said term loan, in favour of the bank. The loan is repayable in 36 monthly installments.

16 OTHER NON CURRENT FINANCIAL LIABILITIES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits (refer note 42)	42.2	38.6	-
	42.2	38.6	-

17 LONG TERM PROVISIONS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits:			
Provision for gratuity (refer note 37)	16.0	-	-
Provision for compensated absence	47.1	66.5	46.0
	63.1	66.5	46.0

18 SHORT TERM BORROWINGS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans Repayable On Demand:			
From Banks			
Secured			
Working Capital Borrowings From Banks	901.7	749.7	998.1
	901.7	749.7	998.1

19 TRADE PAYABLES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Due towards micro and small enterprises (refer note 33)	44.0	4.4	48.9
Other than micro and small enterprises	624.9	549.9	727.8
	668.9	554.3	776.7



PRESCIENT COLOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018**

(All amounts are in INR Lakhs, unless otherwise stated)

20 OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturity of long term debts (including interest accrued thereon)	320.6	320.6	297.6
Preference share capital (repayable within one year)	-	-	190.0
Employee dues	15.4	62.9	65.7
Financial guarantee commission payable	65.2	91.3	-
Deferred income	5.1	8.9	-
	406.3	483.7	553.3

21 OTHER CURRENT LIABILITIES

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Dues	43.2	22.0	44.8
Advances from customers	7.7	13.9	3.7
Other Liabilities	6.2	6.2	6.2
	57.1	42.1	54.7

22 SHORT TERM PROVISIONS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision For Employee Benefits:			
Provision for gratuity (refer note 37)	54.7	90.4	72.7
Provision for compensated absence	15.4	5.5	6.9
	70.1	95.9	79.6



PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

23 REVENUE FROM OPERATIONS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products	7,841.0	8,557.2
Sale of Services	84.2	76.8
Other operating revenues		
- Scrap Sales	9.2	2.2
	7,934.4	8,636.2

24 OTHER INCOME

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income from financial assets carried at amortised cost		
Bank Deposits	2.6	2.8
Others	3.7	3.2
Other Non-Operating Income		
Foreign exchange gain (net)	5.6	10.6
Profit on sale of assets (net)	1.6	-
Miscellaneous Income	1.0	4.3
	14.5	20.9

25 COST OF MATERIAL CONSUMED

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory of materials at the beginning of the year	837.4	775.1
Add: Purchases	4,674.4	4,737.7
	5,511.8	5,512.8
Less: Inventory of materials at the end of the year	904.1	837.4
Consumption of Raw Materials	4,607.7	4,675.4

26 CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the end of the year		
Finished Products	48.8	31.1
Work-in-progress	7.5	4.5
	56.3	35.6
Inventory at the beginning of the year		
Finished Products	31.1	50.2
Work-in-progress	4.5	0.0
	35.6	50.2
Total increase/ (decrease) in inventory	(20.7)	14.6

27 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary, Wages and Bonus	680.5	622.8
Contribution to Provident and Other Funds	68.0	60.6
Staff Welfare Expenses	31.0	29.7
	779.5	713.1



PRESCIENT COLOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in INR Lakhs, unless otherwise stated)

28 FINANCE COSTS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expenses on financial liabilities measured at amortised cost	161.4	195.0
Other borrowing costs (Includes charges for guarantees, loan processing etc.)	39.2	46.7
	200.6	241.7

29 DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant & equipment	236.0	247.9
Amortisation of other intangible assets	2.5	1.0
	238.5	248.9

30 OTHER EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spare parts	220.5	154.2
Packing material consumption	16.0	17.1
Power and fuel	278.5	233.5
Labour charges	187.2	167.1
Repairs and maintenance	124.2	137.1
Travelling, postage and forwarding expenses	143.3	145.8
Commission to selling agents	58.2	48.6
Legal and professional expenses	65.5	62.0
Rates and taxes	2.4	2.0
Auditors' remuneration (refer note 34)	3.0	3.0
Allowance for expected credit loss	11.1	-
Bad debts	5.0	23.3
Bank charges	25.0	0.1
Rent	6.4	7.2
Water charges	7.6	6.0
Increase/ (decrease) in excise duty on closing stock	-2.1	-10.7
Loss on sale/discarding of assets	-	7.8
Expenditure towards Corporate social responsibility (refer note 36)	1.3	-
Director sitting fee	0.8	0.9
Other expenses	213.5	156.3
	1,367.4	1,161.3



PRESCIENT COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
 (All amounts in INR Lakhs, unless otherwise stated)

31 Contingent liabilities:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Sales Tax / Value Added Tax: Claims against the Company regarding sales tax against which the Company has preferred appeals.	5.9	5.9	5.9

32 Earnings Per Share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profits attributable to equity shareholders	394.2	593.3
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	60.0	60.0
Basic EPS (Rs.)	6.6	9.9
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding for diluted EPS	60.0	60.0
Diluted EPS (Rs.)	6.6	9.9

33 Disclosures pertaining to Micro and Small Enterprises (as per information available with the Company):

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Principal amount and interest due thereon	44.01	4.36	48.91
Interest paid to the supplier	-	-	-
Payment made to the supplier beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

34 Auditor's Remuneration

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017 *
As auditors:		
- Statutory audit	2.0	1.5
- Tax audit	1.0	0.8
	3.0	2.3
For Other services	-	0.8
As reimbursement of expenses	-	0.1
	3.0	3.1

Paid to firm other than current auditor B S R & Co LLP

35 Research and Development Expenditure

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Pune, approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Revenue Expenditure	500.5	356.2
(b) Capital Expenditure	37.9	393.4

36 Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Gross amount required to be spent by the Company during the year	9.8	
Amount spent during the year on:		
a. Construction/ acquisition of any asset	-	-
b. On purposes other than (a) above	1.3	-
	1.3	-



37 Post-employment benefit plans

As per Indian Accounting Standard 19 "Employee Benefits", the disclosures as defined are given below-

A. Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	Year ended March 31, 2018 INR	Year ended March 31, 2017 INR
Employer's Contribution to Provident Fund	44.0	37.1
Employer's Contribution to Superannuation Fund	3.9	3.6

Company's contribution paid/payable during the year to provident fund and labour welfare fund are recognised in the Statement of Profit and Loss.

The Company makes contribution to the Superannuation Scheme, a defined contribution scheme administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The company has no obligation to the scheme beyond its annual contributions.

B. Defined Benefit Plans

Gratuity

The Company has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company in the form of a qualifying insurance policy.

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a. Asset Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	Year ended March 31, 2018 INR	Year ended March 31, 2017 INR
Current service cost	13.1	14.0
Net interest (income) / expense	6.4	5.4
Net benefit expense	19.5	19.5

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2018 INR	As at 31 March 2017 INR
Opening defined benefit obligation	101.4	74.6
Interest cost	7.7	5.9
Current service cost	13.1	14.0
Benefits paid	(3.7)	(0.7)
Re-measurement gain/ (loss) in other comprehensive income		
Experience gain/ (loss) on plan liabilities	7.9	0.7
Demographic gain/ (loss) on plan liabilities	(27.1)	(2.5)
Financial gain/ (loss) on plan liabilities	(12.7)	(5.8)
Closing defined benefit obligation	86.6	101.4



Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2018 INR	As at 31 March 2017 INR
Opening fair value of plan assets	11.0	1.9
Interest Income	1.3	0.5
Contributions by employer	8.0	9.5
Mortality Charges and Taxes	(0.6)	(0.5)
Benefits paid	(3.7)	(0.7)
Re-measurement (gain) / loss in other comprehensive income		
Experience (gain) / loss on plan assets	(0.0)	(0.3)
Financial (gain) / loss on plan assets	0.0	(0.0)
Closing fair value of plan assets	16.0	11.0

Re-measurements for the period (Actuarial (gain) / loss)

Particulars	Year ended March 31, 2018 INR	Year ended March 31, 2017 INR
Experience gain / (loss) on plan liabilities	7.9	0.7
Demographic gain / (loss) on plan liabilities	(27.1)	(2.5)
Financial gain / (loss) on plan liabilities	(12.7)	(5.8)
Experience (gain) / loss on plan assets	(0.0)	0.3
Financial (gain) / loss on plan assets	0.0	0.0

Amount recognised in the statement of other comprehensive income

Particulars	Year ended March 31, 2018 INR	Year ended March 31, 2017 INR
Re-measurement for the period - obligation gain / (loss)	(31.9)	(7.6)
Re-measurement for the period - plan assets gain / (loss)	0.0	0.3
Total re-measurements (cost) / credit for the period recognised in other comprehensive income	(31.8)	(7.3)

Net Defined Benefit Liability/(Asset) for the period

Particulars	As at 31 March 2018 INR	As at 31 March 2017 INR
Defined Benefit Obligation	86.6	101.4
Fair value of plan assets	16.0	11.0
Closing net defined benefit liability/(asset)	70.7	90.4

Current	54.7	90.4
Non-Current	16.0	0.0

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	March 31, 2018	March 31, 2017	April 1, 2016
Investments with insurer	100%	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Demographic Assumptions

Mortality: Mortality has been assumed to be Indian Assured Lives Mortality (2006-08) ultimate (IALM ult).

Disability: No explicit allowance has been made for disabilities.

Financial assumptions

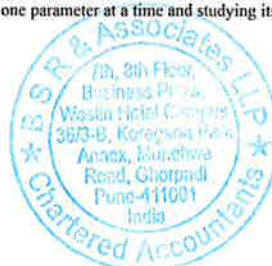
Particulars	As at 31 March 2018 INR	As at 31 March 2017 INR	As at 1 April 2016 INR
	%	%	%
Discount rate	7.70%	7.70%	8.00%
Employee turnover			
age upto 30 years	10.00%	1.00%	2%
age 31-40 years	10.00%	1.00%	2%
age 41-50 years	10.00%	1.00%	2%
age above 50 years	10.00%	1.00%	2%
Expected rate of increment in compensation levels	8.00%	10.00%	10.00%
Expected rate of return on plan assets	7.70%	8.00%	7.90%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2018 INR		As at 31 March 2017 INR	
	Increase by 200 basis points	Decrease by 200 basis points	Increase by 200 basis points	Decrease by 200 basis points
Discount Rate	80.3	93.9	83.6	124.3
Expected rate of increment in compensation levels	93.0	81.0	122.4	84.5
Employee turnover	86.5	86.8	97.1	106.6

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

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PRESCIENT COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
 (All amounts in INR Lakhs, unless otherwise stated)

38 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of IND AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The movement in the allowance for expected credit loss for trade receivables is as follows:

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Balance as at the beginning of the year	9.2	9.2
Amounts written off	-	-
Allowance for loss created during the period	11.1	-
Closing balance	20.3	9.2

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

As at March 31, 2018 and March 31, 2017, the Company had a working capital of Rs. 392.60 lakhs and Rs. 204.28 lakhs respectively. The working capital of the Company for this purpose has been derived as follows:

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Total current assets (A)	2,530.7	2,129.9	2,674.7
Total current liabilities (B)	2,135.9	1,925.7	2,462.4
Working capital (A-B)	394.8	204.2	212.3

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at March 31, 2018					
	Contractual cash flows					
	Carrying value	Less than 1 year	1-2 years	2-4 years	> 4 years	Total
Borrowings	1,616.2	1,222.3	252.8	141.1	-	1,616.2
Trade payables	668.9	668.9	-	-	-	668.9
Other liabilities	127.9	85.7	-	42.2	-	127.9

	As at March 31, 2017					
	Contractual cash flows					
	Carrying value	Less than 1 year	1-2 years	2-4 years	> 4 years	Total
Borrowings	1,785.1	1,070.3	316.9	397.9	-	1,785.2
Trade payables	554.3	554.3	-	-	-	554.3
Other liabilities	201.7	163.1	-	38.6	-	201.7

	As at April 1, 2016					
	Contractual cash flows					
	Carrying value	Less than 1 year	1-2 years	2-4 years	> 4 years	Total
Borrowings	2,492.8	1,485.7	297.6	547.2	162.3	2,492.8
Trade payables	776.7	776.7	-	-	-	776.7
Other liabilities	65.7	65.7	-	-	-	65.7



PRESCIENT COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
 (All amounts in INR Lakhs, unless otherwise stated)

(c) **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

ca **Sensitivity analysis**

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, a 25 bps change in interest rates has been considered. A 25 bps increase in interest rates would have led to approximately an additional Rs. 3.25 Lakhs (2016-17: Rs. 3.14 Lakhs) finance cost in statement of profit and loss. A 25 bps decrease in interest rates would have led to an approximately equal but opposite effect.

39 **Capital management**

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total debt	1,616.2	1,785.1	2,492.8
Less: cash and cash equivalents and bank balances	66.9	70.4	81.3
Net debt	1,549.3	1,714.7	2,411.5
Total equity	2,789.1	2,374.1	1,751.5
Debt-equity ratio	0.6	0.7	1.4



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PRESCIENT COLOR LIMITED
 NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
 (All amounts in INR Lakhs, unless otherwise stated)

40 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Trade receivables	-	-	1,306.0	-	-	956.6	-	-	1,494.5
Cash and cash equivalents	-	-	28.5	-	-	34.5	-	-	48.0
Other bank balances	-	-	38.4	-	-	35.9	-	-	33.3
Other financial assets	-	-	1.8	-	-	2.0	-	-	2.7
Total financial assets	-	-	1,374.7	-	-	1,029.0	-	-	1,578.5
Financial liabilities									
Borrowings	-	-	1,295.6	-	-	1,464.5	-	-	2,005.2
Trade payables	-	-	668.9	-	-	554.3	-	-	776.7
Other financial liabilities	-	-	448.5	-	-	522.3	-	-	553.3
Total financial liabilities	-	-	2,413.0	-	-	2,541.1	-	-	3,335.2

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company are valued at amortized cost which approximates the fair value. Accordingly fair value disclosures have not been made for these financial instruments.

(c) Valuation technique used to determine fair value

Borrowings - Discounted cash flow: The valuation model considers the present value of expected payment, discounted using risk adjusted discount rate



PRESCIENT COLOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018**

(All amounts in INR Lakhs, unless otherwise stated)

41 Income tax expense

This note provides an analysis of Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions

(a) Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income tax expense		
Current Tax		
Current tax on profits for the year	111.9	122.6
Total current tax expense	111.9	122.6
Deferred tax		
Decrease / (increase) in deferred tax assets	126.0	(247.9)
(Decrease) / increase in deferred tax liabilities	(101.7)	173.8
Total deferred tax expense / (benefit)	24.3	(74.1)
Income tax expense	136.2	48.5

(b) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate in India:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before taxes	528.7	641.8
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	183.0	222.1
Incremental deduction on account of research and development cost	(48.0)	(173.7)
Impact of change in enacted tax rate used for computing deferred tax	(19.6)	0.0
Others	20.8	0.0
Actual tax expense	136.2	48.5

(c) Changes in tax rate

The applicable Indian statutory tax rate for the financial year 2017-18 and financial year 2016-17 is 34.61%. The tax rate for the year 2018-19 has been reduced to 26%. This rate has been used for computing the deferred tax balances as at March 31, 2018.



PRESCIENT COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
 (All amounts in INR Lakhs, unless otherwise stated)

42 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Holding Company:

Sudarshan Chemicals Industries Limited

Key Management Personnel :

Mr. P.R. Rathi (Chairman)
 Mr. R.K. Rathi (Managing Director)
 Mr. Subramanian Padmanabhan (Director)
 Mr. K. L. Rathi (Director)
 Mr. N.J. Rathi (Director)
 Mr. R.B. Rathi (Director)

Other related parties:

Entities in which Key Management Personnel and / or their relatives exercise significant influence and with whom transactions were carried out during the year-
 Marathwada Chemical Industries Private Limited
 Rathi Brothers Calcutta Limited

(b) Related party transactions:

Sr. no	Nature of Transaction	For the year ended March 31, 2018			For the year ended March 31, 2017		
		Key Management Personnel	Holding Company	Other related parties	Key Management Personnel	Holding Company	Other related parties
1	Remuneration and sitting fees	93.2	-	-	75.7	-	-
2	Purchase of goods	-	321.9	1.4	-	268.2	1.7
3	Sale of Goods	-	5.8	-	-	3.9	-
4	Redemption of Preference Share Capital	-	-	-	-	190.0	-
5	Management Consultancy Fees	-	0.4	-	-	1.7	-
6	Reimbursement of Expenses	1.8	0.6	-	1.8	9.0	-
7	Purchase of Land	-	-	-	77.3	-	-
8	Corporate Guarantee Charges	-	34.4	-	-	-	-
9	Rent	-	5.3	-	-	4.7	-

(c) Balance outstanding at year end :

Sr. no	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1	Key Managerial Personnel			
	- remuneration payable	3.6	3.7	3.8
2	Holding Company			
	- payable for purchase of goods	47.4	22.1	22.8
	- financial guarantee charges payable	65.2	91.3	0.0
3	Other related parties			
	- receivable against sale of goods	9.7	3.9	0.1



PRESCIENT COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in INR Lakhs, unless otherwise stated)

43 First Time Adoption

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2.3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2017 (the Company's date of transition).

These financial statements, for the year ended March 31, 2018, are the first financial statement which Company has prepared in accordance with Ind AS. In preparing these financial statements, Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

In preparing its opening Ind AS balance sheet and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Explanation of transition to Ind AS

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has availed itself of below mentioned optional exemptions and mandatory exceptions in accordance with Ind AS 1 as explained below:

A. Optional exemptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1. Property, plant and equipment and other intangible assets

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
 - fair value;
 - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.



PRESCIENT COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in INR Lakhs, unless otherwise stated)

2. Determining whether an arrangement contains a lease

Ind AS 101 permits an entity to apply the relevant requirements of Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement)

The Company has elected to avail this exemption.

B. Mandatory exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements under Ind AS 109, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.



PRESCIENT COLOR LIMITED
 NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
 (All amounts in INR Lakhs, unless otherwise stated)

C. Reconciliations between previous GAAP and Ind AS

- ca The reconciliation of total equity reported in accordance with the previous GAAP to total equity as per Ind AS, as at March 31, 2016 and March 31, 2017 is as follows:

	Notes to reconciliations	As at March 31, 2016	As at March 31, 2017
Total equity as per previous GAAP		1,619.3	2,209.0
Ind AS Adjustments:			
Deemed equity contribution from parent	(i)	-	34.1
Amortization of financial guarantee initially measured at fair value	(i)	-	(34.1)
Reclassification of preference shares from equity to liability	(v)	(190.0)	-
Effect of measuring financial liabilities initially at fair value and subsequently at amortized cost	(ii)	3.6	2.8
Others		-	0.2
Tax impact of above	(iii)	1.3	12.8
Other previous GAAP adjustments	(vi)	317.4	149.5
Total adjustments		132.2	165.2
Total equity as per Ind AS		1,751.6	2,374.2

- cb The reconciliation of net profit reported in accordance with the previous GAAP to total comprehensive income as per Ind AS, for the year ended March 31, 2017 is as follows:

	Notes to reconciliations	For the year ended March 31, 2017
Net profit as per previous GAAP		779.6
Ind AS Adjustments:		
Amortization of financial guarantee initially measured at fair value	(i)	(34.1)
Re-measurement (gains) / losses on post employment benefit obligations recognized in Other Comprehensive Income	(iv)	(7.3)
Amortization of initial cost of borrowing	(ii)	(0.8)
Others		0.2
Tax impact on the above	(iii)	11.5
Other previous GAAP adjustments	(vi)	(155.7)
Total adjustments		(186.3)
Net Profit as per Ind AS		593.3
Other Comprehensive Income (net of tax)	(iv)	(4.8)
Total Comprehensive Income as per Ind AS		588.5

- cc Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016:

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

D. Notes to reconciliations

IND AS adjustments:

(i) Financial guarantees:

The Company has taken financial guarantees from holding company for which guarantee expenses were not recognised under Indian GAAP. Under Ind AS, financial guarantee contracts are accounted as financial liabilities and measured initially at fair value. Subsequently, the guarantee expense is recognised over the period of the guarantee on a straight line basis. The guarantee expense recognized on this basis amounted to Rs 34.1 lakhs for the year ended March 31, 2017 (April 1, 2016 Rs. NIL) with corresponding adjustment in retained earnings as equity contribution from holding company.

(ii) Borrowings at amortized cost:

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2017 have been reduced by Rs. 2.8 lakhs (April 1, 2016 Rs.3.6 lakhs) with a corresponding adjustment to retained earnings. The profit for the year ended 31st March, 2017 reduced by Rs. 0.8 Lakhs as a result of the additional interest expense.

(iii) Income-tax:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Consequently the net deferred tax asset as at March 31, 2017 increased by Rs. 161.0 lakhs (April 1, 2016 - Rs. 318.6 lakhs).

(iv) Other comprehensive income

Both under Indian GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plans on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to profit or loss, however in Ind AS the actuarial gains and losses are recognised through other comprehensive income.

(v) Preference share capital

Under Indian GAAP the company had classified preference shares under equity however under Ind AS, the same have been classified as a financial liability and presented under borrowings. Accordingly, the total equity as at April 1, 2016 has decreased by Rs. 190 lakhs.

(vi) Other adjustments:

Deferred taxes: The Company recalculated the deferred tax on transition to Ind AS. The resultant adjustments, which includes prior period errors resulted in an increase in the total equity as at 31st March, 2017 by Rs. 149.5 Lakhs (April 1, 2016 : Rs. 317.4 Lakhs) and profit for the year ended 31st March, 2017 decreased by Rs. 155.8 lakhs.



PRESCIENT COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in INR Lakhs, unless otherwise stated)

44 Segment Reporting

The Company is into manufacture and sale of a single product i.e Masterbatches. Further, the Company has immaterial exports and most of the sales are made to customers domiciled in India. Accordingly it is a single segment company.
In case of one customer, Company has revenue from sale of product of amounting to Rs. 2,242 lakhs, which contributes to more than 10% of total revenue.

45 The previous year financials were audited by a firm other than B S R & Associates LLP

As per our report attached

For B S R & Associates LLP
Chartered Accountants
Firm Regn. No.: 116231W/W-100024


SHIRAZ VASTANI
Partner
Membership No.: 103334

Place: Pune
Date: 11/5/2018

For and on behalf of the Board of Directors of Prescient Color Limited



P. R. RATHI
Chairman
DIN 00018577

Place: Pune
Date: April 24, 2018


R. K RATHI
Managing Director
DIN 00018654


V. K. SALUNKE
Company Secretary

