Notes forming part of the financial statements

1 General information:

CMI FPE Limited ('the Company') is a subsidiary of Cockerill Maintenance and Ingenierie SA and a public limited Company incorporated and domiciled in India. The registered office of the Company is located at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai – 400 093. The Company is listed on the BSE Limited.

The principal activities of the Company comprise customised design, engineering, and installation, and manufacturing components of Cold Rolling Mill Complexes, Processing Lines, Chemical equipment, industrial furnaces and auxiliary equipment for the world-wide steel industry.

2 Significant Accounting Policies:

2.1 Statement of compliance:

Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (hereinafter referred to as the 'Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For all periods upto and including the year ended March 31, 2017, the Company prepared its Financial Statements in accordance with requirements of the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 ('Previous GAAP').

These Financial Statements for the year ended March 31, 2018 are the Company's first Ind AS Financial Statements. The date of transition to Ind AS is April 1, 2016. Refer Note 2.19 below for the details of first-time adoption exemptions and exceptions availed by the Company.

2.2 Basis of preparation of financial statements:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements as per the Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2017. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2018 and accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements")

The Financial Statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The functional currency of the Company is Indian Rupee. These Financial Statements are presented in Indian Rupee.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into accounts the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Financial Statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, 'Leases' and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of assets', as applicable.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows.

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 Inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly, and
- Level 3 Inputs are unobservable inputs for the asset or liability.

Recent accounting pronouncements - Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Appendix B to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115 'Revenue from Contract with Customers'. The amendments are applicable to the company from April 1, 2018.

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

This amendment 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.

Ind AS 115- Revenue from Contract with Customers:

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.

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 is evaluating requirements of the above mentioned pronouncements and its effect on the Financial Statements.

The Principal accounting policies are set out below:

2.3 Revenue recognition:

Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred. Where execution of contracts extends beyond accounting periods, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the Balance Sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by customers are included in the Balance Sheet under trade receivables.

At each reporting date, the contracts in progress (progress work) are valued and carried in the Balance Sheet under Other current assets. Advance and progress payments received from customers during the course to completion are carried under Other non-current liabilities and Other current liabilities.

Sale of products

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sales of products is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customer or when delivered to a carrier for export sale.

Rendering of services

Revenues from maintenance contracts are recognised pro-rata over the period of the contract. Income from services is recognised as and when the services are rendered.

Interest and dividend

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income from investments is recognised when the right to receive dividend is established.

2.4 Leases:

The Company as a lessee:

Operating lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Finance lease:

Assets held under finance lease are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payment are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

2.5 Foreign currency transactions:

Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying the periodic average exchange rate.

Translation:

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

Exchange differences:

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in Note 2.14).

2.6 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that the Company borrows funds specifically for the purpose of obtaining qualifying asset. In case, if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing cost eligible for capitalisation are determined by applying a capitalisation rate to the expenditure on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

2.7 Employee benefits:

Defined contribution plan:

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan/long-term compensated absences:

The Company's liabilities towards gratuity and compensated absences are determined as at the end of the reporting date by an independent actuary using the Projected Unit Credit method.

Remeasurements, comprising of actuarial gains and losses, experience adjustments and the return on plan assets is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earning and is not reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expenses or income and
- remeasurement

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on the Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Taxation:

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

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9 Property, plant and equipment:

Initial recognition:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase/acquisition price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Deemed cost on transition to Ind AS:

For transition to Ind AS, the Company has elected to continue with the carrying value for all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

Freehold land is not depreciated

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciate them separately based on estimates of their specific useful lives.

Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

2.10 Intangible assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Useful lives of intangible assets:

Estimated useful lives of intangible assets are as follows:

Computer software	3 years
Designs and drawings	3 years

Deemed cost on transition to Ind AS:

For transition to Ind AS, the Company has elected to continue with the carrying value for all of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Derecognition:

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an Intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.11 Impairment of property, plant and equipment and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, the corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.12 Inventories:

i. Inventories are valued at lower of cost and net realisable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost.

ii. Cost of raw materials comprises all costs of purchases (net of Input tax credit) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by moving weighted average method.

iii. Cost is arrived at on a moving weighted average method and includes, where appropriate, manufacturing overheads. Work-in-progress and finished goods inventories are valued as aforesaid based on estimated value of work completed on each project.

iv. Material procured for a specific project is immediately expensed out to the project and is not considered as inventory.

v. Inventories include goods lying with vendors for job work and goods-in-transit.

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

2.13 Provisions:

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable (more likely than not) that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the consideration required to settle the obligation at the reporting date.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

Onerous contracts:

Present obligations arising under onerous contracts are recognised and measured as provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Post-sales warranties and liquidated damages:

The Company provides its clients with a fixed-period warranty on all contracts as per stipulated terms. Costs associated with such contracts are accrued at the time related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumption. Liquidated damages are provided as per Management's estimates on case to case basis.

2.14 Financial instruments:

Financial assets and liabilities are recognised when the Company becomes a part to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair value through Profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets 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.

Effective interest method:

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL):

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income as separate line item.

Impairment of financial assets:

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments:

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held - for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the ‘Finance costs’ line item.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are included in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when the Company’s obligations are discharged, cancelled or have expired. An exchange with a new lender or debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments:

The Company enters into a foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in Note 37.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of hedging relationship and the nature of hedged item.

Hedge accounting:

The Company designates certain hedging instruments which include derivatives in respect of foreign currency risk as either cash flow hedge or fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on going basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

(i) Cash flow hedges:

The effective portion of the changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of ‘Effective portion of cash flow hedges’. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

(ii) Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any change in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

2.15 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.16 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.17 Earnings per share:

Basic and diluted earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.18 Operating cycle:

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

2.19 First time adoption - mandatory exceptions, optional exemptions:

Overall principle:

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by:

- recognising all assets and liabilities whose recognition is required by Ind AS;
- not recognising items of assets or liabilities which are not permitted by Ind AS;
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- applying Ind AS in measurement of recognised assets and liabilities.

However, the principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below. Since, the Financial Statements are the first Financial Statements under Ind AS, the first time adoption - mandatory exceptions and optional exemptions have been explained in detail.

a) **Deemed cost for property, plant and equipment and intangible assets including capital work-in-progress and intangible assets under development:**

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets including capital work-in-progress and intangible assets under development recognised as of April 1, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

b) **Leases:**

The Company has opted to apply Appendix C of Ind AS-17 - Determining whether an arrangement contains a lease, to determine whether the arrangements existing as on the transition date contains a lease, on the basis of facts and circumstances existing as at the transition date.

c) **Derecognition of financial assets and financial liabilities:**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

d) **Impairment of financial assets:**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining at the date of transition to Ind AS, whether there have been significant increase in credit risk since initial recognition, as permitted by Ind AS 101.

e) **Hedge accounting:**

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109 at that date. Hedging relationships cannot be designated retrospectively and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 1, 2016 are reflected as hedge in the Company's results/Financial Statement under Ind AS.

The Company had designated various hedging relationships as cash flow hedge under the previous GAAP. On date of transition to Ind AS, the Company had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

2.20 Critical accounting judgements and key sources of estimation uncertainty:

In the course of applying the policies outlines in all notes under Section 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

In the following areas, the management of the Company has made critical judgements and estimates:

Revenue and profit recognition :

Recognition of revenue and profit from construction contracts is based on judgements made in respect of the ultimate profitability of a contract. Such judgements are arrived at through the use of estimates in relation to the costs and value of work performed to date and to be performed in bringing contracts to completion. These estimates are made by reference to changes in work scope, the contractual terms under which the work is being performed, including the recoverability of any unagreed income from variations and the likely outcome of discussions on claims and costs incurred. Management continually reviews the estimated final out-turn on contracts and makes adjustments where necessary. Based on the above, management believes it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment.

Useful lives of property, plant and equipment and intangible assets:

As described in Notes 2.9 and 2.10 above, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. There was no change in the useful life of property, plant and equipment and intangible assets as compared to previous year.

Provisions and liabilities:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgements to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are vey difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Taxes:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilise. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Note 3 Property, plant and equipment

(₹ in lakhs)

Particulars	Land	Buildings			Plant and equipment							
	Freehold land	Factory road	Factory building	Office building	Plant and equipment	Electrical installations	Quality control equipment	Furniture and fixtures	Vehicle	Office equipment	Computers	Total
Cost or deemed cost												
Balance at April 01, 2016	**1,069.90**	**107.20**	**2,492.37**	**368.74**	**2,188.98**	**110.50**	**14.92**	**62.57**	**30.85**	**17.27**	**26.18**	**6,489.48**
Additions	–	52.68	36.26	0.44	64.05	–	–	3.54	27.74	16.98	93.27	294.96
Disposal	–	–	–	–	–	–	–	–	(12.54)	(0.75)	(0.23)	(13.52)
Balance at March 31, 2017	**1,069.90**	**159.88**	**2,528.63**	**369.18**	**2,253.03**	**110.50**	**14.92**	**66.11**	**46.05**	**33.50**	**119.22**	**6,770.92**
Additions	–	–	34.69	–	18.83	0.51	2.26	4.77	–	21.79	229.14	311.99
Disposal	–	–	–	–	–	–	–	(0.03)	–	(0.85)	(0.39)	(1.27)
Balance at March 31, 2018	**1,069.90**	**159.88**	**2,563.32**	**369.18**	**2,271.86**	**111.01**	**17.18**	**70.85**	**46.05**	**54.44**	**347.97**	**7,081.64**
Accumulated depreciation												
Balance at April 01, 2016	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Depreciation expense	–	(45.69)	(127.23)	(7.65)	(263.46)	(17.71)	(2.19)	(12.49)	(9.08)	(6.10)	(20.89)	(512.49)
Eliminated on disposals of assets	–	–	–	–	–	–	–	–	3.90	0.01	–	3.91
Balance at March 31, 2017	**–**	**(45.69)**	**(127.23)**	**(7.65)**	**(263.46)**	**(17.71)**	**(2.19)**	**(12.49)**	**(5.18)**	**(6.09)**	**(20.89)**	**(508.58)**
Depreciation expense	–	(34.40)	(101.91)	(7.71)	(290.86)	(15.35)	(2.20)	(14.77)	(6.72)	(9.97)	(69.70)	(553.59)
Eliminated on disposals of assets	–	–	–	–	–	–	–	0.01	–	–	0.11	0.12
Balance at March 31, 2018	**–**	**(80.09)**	**(229.14)**	**(15.36)**	**(554.32)**	**(33.06)**	**(4.39)**	**(27.25)**	**(11.90)**	**(16.06)**	**(90.48)**	**(1,062.05)**
Carrying value												
At March 31, 2018	**1,069.90**	**79.79**	**2,334.18**	**353.82**	**1,717.54**	**77.95**	**12.79**	**43.60**	**34.15**	**38.38**	**257.49**	**6,019.59**
At March 31, 2017	1,069.90	114.19	2,401.40	361.53	1,989.57	92.79	12.73	53.62	40.87	27.41	98.33	6,262.34
At April 01, 2016	1,069.90	107.20	2,492.37	368.74	2,188.98	110.50	14.92	62.57	30.85	17.27	26.18	6,489.48
Useful life of the asset (years)	NA	5-10	3-30	60	15	10	10	10	8	5	3-6	
Method of depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

Property, plant and equipment with a carrying amount of ₹ 3,856.69 lakhs (As at March 31, 2017: ₹ 4,247.97 lakhs, As at April 01, 2016: ₹ 4,586.46 lakhs), have been mortgaged as security for bank loans and non-fund based limits.

Notes forming part of the financial statements

Note 4 Intangible assets

(₹ in lakhs)

Particulars	Computer software	Designs and drawings	Total
Cost or deemed cost			
Balance at April 01, 2016	**6.20**	**–**	**6.20**
Additions	11.48	–	11.48
Disposals	–	–	–
Balance at March 31, 2017	**17.68**	**–**	**17.68**
Additions	56.52	–	56.52
Disposals	–	–	–
Balance at March 31, 2018	**74.20**	**–**	**74.20**
Accumulated amortisation			
Balance at April 01, 2016	**–**	**–**	**–**
Amortisation expense	(6.06)	–	(6.06)
Disposals	–	–	–
Balance at March 31, 2017	**(6.06)**	**–**	**(6.06)**
Amortisation expense	(38.73)	–	(38.73)
Disposals	–	–	–
Balance at March 31, 2018	**(44.79)**	**–**	**(44.79)**
Carrying value			
At March 31, 2018	**29.41**	**–**	**29.41**
At March 31, 2017	11.62	–	11.62
At April 01, 2016	6.20	–	6.20
Useful life of the asset (years)	3	3	
Method of amortisation	SLM	SLM	

Design and drawings block has been fully amortised.

Note 5 Investment

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Unquoted	Unquoted	Unquoted
<u>**Non-current**</u>			
Investment in equity instruments			
Nil (As at March 31, 2017: Nil, As at April 01, 2016: 4,000) shares of ₹ 10/- each fully paid up in Elbee Services Limited (Book value ₹ 1/-)	**–**	–	–
Nil (As at March 31, 2017: Nil, As at April 01, 2016: 34,000) shares of ₹ 10/- each fully paid up in Essem Coated Steels Limited (Book value ₹ 1/-)	**–**	–	–
Nil (As at March 31, 2017: Nil, As at April 01, 2016: 100,000) shares of ₹ 10/- each fully paid up in Elbee Airline Limited (Book value ₹ 1/-)	**–**	–	–
Total *	**–**	–	–
* Represents ₹ Nil (As at March 31, 2017: ₹ Nil, As at April 01, 2016: ₹ 3). Aggregate amount of unquoted investments	**–**	–	–

5.1 Category-wise other investments - as per Ind AS 109 classification

Financial assets carried at fair value through profit or loss (FVTPL)

Unquoted equity shares	**–**	–	–
	–	–	–

Notes forming part of the financial statements

Note 6 Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables	**8,404.06**	5,060.56	13,143.96
Receivables from related parties (Refer Note 33)	**1,471.15**	183.75	33.90
Less: Allowance for doubtful trade receivables (specific)	**(637.42)**	(742.43)	(795.61)
Less: Allowance for doubtful trade receivables (expected credit loss)	**(222.83)**	(374.01)	(600.43)
Less: Loss arising on financial assets measured at amortised cost	**–**	(2.58)	(9.61)
Total	**9,014.96**	4,125.29	11,772.21
Non-current			
Trade receivables			
Unsecured, considered good	**–**	30.32	133.27
Unsecured, considered doubtful	**–**	–	3.97
	–	30.32	137.24
Less: Allowance for doubtful trade receivables	**–**	–	(3.97)
Total	**–**	30.32	133.27
Current			
Trade receivables *			
Secured, considered good	**1,398.99**	–	–
Unsecured, considered good	**7,615.97**	4,094.97	11,634.97
Unsecured, considered doubtful	**860.25**	1,116.44	1,396.04
	9,875.21	5,211.41	13,031.01
Less: Allowance for doubtful trade receivables (specific)	**(637.42)**	(742.43)	(795.61)
Less: Allowance for doubtful trade receivables (expected credit loss)	**(222.83)**	(374.01)	(596.46)
Total	**9,014.96**	4,094.97	11,638.94

* Trade receivables include retention monies of ₹ 2,714.21 lakhs (As at March 31, 2017: ₹ 864.50 lakhs, As at April 01, 2016: ₹ 3,552.33 lakhs)

Trade receivables have been hypothecated as security for bank loans and non-fund based limits.

In determining the allowance for doubtful trade receivable, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of days receivables (including retention) are due and the rates used in the provision matrix.

(₹ in lakhs)

Age of receivables	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Within Credit period			
Upto 1 year	**1,852.55**	85.54	2,511.32
Retention amounts not due			
Upto 1 year	**2,628.49**	347.94	1,773.51
1-2 Year	**85.68**	53.76	1,697.19
2-3 Year	**0.04**	66.05	227.47
3-4 Year	**–**	–	1.00
Outstanding (Default risk and time value delay)			
Upto 1 year	**3,019.53**	1,541.11	2,228.57
1-2 Year	**172.45**	211.86	3,339.51
2-3 Year	**4.11**	1,790.05	603.68
3-4 Year	**1,474.94**	405.57	–

Notes forming part of the financial statements

(₹ in lakhs)

Movement in the expected credit loss allowance	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	**1,116.44**	1,396.04
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**(151.18)**	(226.42)
Movement in specific allowance on trade receivables during the year	**(105.01)**	(53.18)
Balance at end of the year	**860.25**	1,116.44

Note 7 Loans

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured considered good			
Loans to employees	**–**	0.18	0.51
Total	**–**	0.18	0.51
Current			
Unsecured considered good			
Loans to employees	**0.07**	0.33	0.35
Total	**0.07**	0.33	0.35

Note 8 Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
(a) Security deposits	**22.35**	28.87	25.32
(b) Accruals			
Interest accrued on deposits	**3.90**	0.06	0.03
(c) Others			
Balances held as margin money (restricted with maturity more than 12 months)	**69.75**	0.35	0.35
Total	**96.00**	29.28	25.70
Current			
(a) Security deposits	**6.35**	4.00	6.00
(b) Accruals			
(i) Interest accrued on deposits	**90.95**	34.79	1.34
(ii) Interest accrued on sales tax refund	**27.35**	–	–
(c) Others			
(i) Receivables towards gratuity	**0.13**	0.93	0.91
(ii) Receivables on sale of property, plant and equipment	**–**	–	200.00
(iii) Other receivables	**118.27**	4.65	38.85
(iv) Foreign currency forward contracts - cash flow hedge	**3.78**	40.76	–
(v) Foreign currency forward contracts - fair value hedge	**–**	38.06	–
Total	**246.83**	123.19	247.10

Margin money deposit pertains to deposit given to banks for bank guarantees.

Notes forming part of the financial statements

Note 9 Non current tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance income tax (net of provisions)	**460.77**	409.20	652.45
Total	**460.77**	409.20	652.45

Note 10 Other assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
(a) Capital advances	**5.57**	2.51	–
(b) Prepaid expenses (Refer Note 36)	**305.82**	306.17	409.22
(c) Balances with government authorities			
(i) CENVAT credit receivable	**6.42**	6.42	–
(ii) Value Added Tax credit receivable	**569.79**	654.09	439.28
(iii) Service Tax credit receivable	**361.32**	361.32	–
Total	**1,248.92**	1,330.51	848.50
Current			
(a) Advances to related parties (Refer Note 33)	**185.86**	82.16	0.30
(b) Dues from customers on construction contracts	**5,983.01**	5,081.94	3,613.01
(c) Prepaid expenses	**122.94**	130.24	123.03
(d) Balances with government authorities			
(i) CENVAT credit receivable	**23.83**	125.04	194.43
(ii) Value Added Tax credit receivable	**429.37**	437.03	289.37
(iii) Service Tax credit receivable	**9.49**	186.50	212.83
(iv) GST credit receivable	**355.16**	–	–
Less: Allowance for doubtful advances/deposits	**(10.51)**	–	–
(e) Others			
(i) Advances paid to suppliers	**266.64**	653.90	133.44
(ii) Other advances	**12.62**	19.94	16.80
Total	**7,378.41**	6,716.75	4,583.21

Disclosure under Ind AS 11 "Construction contracts"

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Contract revenue recognised during the year	**29,025.35**	14,342.89	19,500.65
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) as at the end of the financial year for all contracts in progress as at that date	**44,920.13**	76,192.61	1,14,337.45
Advance from customers for contracts in progress as at the end of financial year	**16,354.05**	6,395.95	2,703.02
Retention monies for contracts in progress as at the end of financial year	**2,685.88**	449.29	3,686.41
Due from customers under construction contracts (Note 10)	**5,983.01**	5,081.94	3,613.01
Due to customers under construction contarcts (Note 23)	**1,959.03**	1,201.04	2,462.97

Notes forming part of the financial statements

Note 11 Inventories

(At lower of cost and net realisable value)

(₹ in lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Construction materials	**1,070.91**	1,330.54	1,673.01
	Goods-in-transit	**2.01**	0.92	5.72
		1,072.92	1,331.46	1,678.73
(b)	Work-in-progress (Spares components)	**104.42**	60.84	118.77
(c)	Finished goods	**157.53**	382.92	244.76
(d)	Stores and spares	**106.98**	102.66	105.34
Total		**1,441.85**	1,877.88	2,147.60

The cost of inventories recognised as an expense during the year was ₹ 30.77 lakhs (for the year ended March 31, 2017: ₹ 201.81 lakhs).

The above inventories have been hypothecated as security for bank loans and non-fund based limits.

Note 12 Cash and cash equivalents

(₹ in lakhs)

Particulars			As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Cash on hand		**5.98**	5.32	1.74
(b)	Cheques on hand		**–**	16.89	–
(c)	Balances with banks				
	(i)	In current accounts	**315.34**	120.34	110.34
	(ii)	In EEFC accounts	**5,116.88**	2,678.60	14.02
	(iii)	In bank deposit accounts	**6,805.53**	3,403.60	–
Total			**12,243.73**	6,224.75	126.10

Note 13 Bank balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
In earmarked accounts				
(a)	Unpaid dividend accounts	**4.68**	7.17	8.48
(b)	Balances held as margin money guarantees and other commitments	**560.69**	381.67	318.71
(c)	In term deposit accounts with maturity more than 3 months but less than 12 months at inception	**2,500.00**	–	
Total		**3,065.37**	388.84	327.19

Earmarked bank balance are restricted to use and it relates to unclaimed dividend and balances with banks held as margin money for security against letter of credit and guarantees.

Notes forming part of the financial statements

Note 14 Assets classified as held for sale

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Flat *	–	–	3.89
Total	–	–	3.89

* Includes ₹ Nil (As at March 31, 2017: ₹ Nil, As at April 01, 2016: ₹ 0.01 lakhs) being the cost of 10 shares of ₹ 50 each in Highland Park Co-operative Housing Society Limited.

Management of the Company had made a decision to sell a vacated flat owned by the Company and was actively looking for the buyer. Considering sales being highly probable, the carrying amount of the flat was expected to be recovered principally through a sale rather than continuing use therefore it had been classified as asset held for sale as at April 01, 2016. It had been sold during the previous year ended March 31, 2017. Company had recognised a gain of ₹ 63.70 lakhs on derecognition of the asset held for sale.

Note 15 Deferred tax assets (Net)

(₹ in lakhs)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Deferred tax assets	702.25	1,108.75	1,206.24
Deferred tax liabilities	(617.46)	(617.38)	(611.14)
Deferred tax assets (net)	84.79	491.37	595.10

Movement in temporary differences

(₹ in lakhs)

Particulars	Balance as at April 01, 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	Balance as at March 31, 2017	Recognised in equity during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018
Deferred tax assets/(liabilities) in relation to:							
Property, plant and equipment and intangible assets	(611.14)	(3.24)	–	(614.38)	2.66	–	**(611.72)**
Provisions for employee benefits	92.26	37.78	–	130.04	(0.98)	30.73	**159.80**
Provisions for doubtful debts/advances	461.57	(92.44)	–	369.13	(78.43)	–	**290.70**
Carried forward business loss/ unabsorbed depreciation	621.29	(11.71)		609.58	(398.58)	–	**211.00**
Fair value of financial instruments	0.51	(2.26)	–	(1.75)	(3.99)	–	**(5.74)**
Other temporary difference	30.61	(18.38)	(13.48)	(1.25)	27.73	14.27	**40.75**
	595.10	(90.25)	(13.48)	491.37	(451.58)	45.00	**84.79**

Reconciliation of deferred tax liabilities (net):

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance as of April 1	491.37	595.10
Tax income/(expense) during the period recognised in profit or loss	(451.58)	(90.25)
Tax income/(expense) during the period recognised in OCI	45.00	(13.48)
Closing balance as at March 31	84.79	491.37

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

Notes forming part of the financial statements

Unrecognised, unused tax credits

(₹ in lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Minimum Alternate Tax (MAT) credit	**455.71**	254.08	175.73

Note: The unrecognised MAT credit of ₹ 4.09 lakhs will expire in Assessment Year (AY) 2028-29, ₹ 148.85 lakhs in AY 2030-31, ₹ 22.79 lakhs in AY 2031-32, ₹ 78.35 lakhs in AY 2032-33 and ₹ 201.63 lakhs in AY 2033-34.

Unused MAT credit as on March 31, 2016 and March 31, 2017 are as per Income-tax returns filed by the Company for the respective financial years. Unused MAT credit as on March 31, 2018 is as per tax computation done by the Company.

Note 16 Share capital

(₹ in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	**₹ in lakhs**	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised						
Equity shares of ₹ 10/- each with voting rights	**8,000,000**	**800.00**	8,000,000	800.00	8,000,000	800.00
Preference shares of ₹ 100/- each	**200,000**	**200.00**	200,000	200.00	200,000	200.00
(b) Issued, Subscribed and fully paid up						
Equity shares of ₹ 10/- each with voting rights	**4,937,813**	**493.78**	4,937,813	493.78	4,937,813	493.78
Total	**4,937,813**	**493.78**	4,937,813	493.78	4,937,813	493.78

Refer Notes (i) to (iv) below

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Equity Shares		Equity Shares		Equity Shares	
	Number	**₹ in lakhs**	Number	₹ in lakhs	Number	₹ in lakhs
Shares outstanding at the beginning of the year	**4,937,813**	**493.78**	4,937,813	493.78	4,937,813	493.78
Shares issued during the year	**–**	**–**	–	–	–	–
Shares bought back during the year	**–**	**–**	–	–	–	–
Shares outstanding at the end of the year	**4,937,813**	**493.78**	4,937,813	493.78	4,937,813	493.78

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Notes forming part of the financial statements

(iii) Details of shares held by the Holding Company and their Subsidiaries:

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Equity shares with voting rights, fully paid	**Number of shares**	Number of shares	Number of shares
Cockerill Maintenance and Ingenierie SA, the Holding Company	**3,697,700**	3,697,700	3,697,700
CMI Industry Automation Private Limited, Subsidiary of the Holding Company	**5,500**	5,500	5,500

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares held	**% holding**	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights						
Cockerill Maintenance and Ingenierie SA	**3,697,700**	**74.89%**	3,697,700	74.89%	3,697,700	74.89%

Note 17 Other equity

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Securities premium reserve	**1,466.27**	1,466.27	1,466.27
General reserve	**9,075.03**	9,075.03	9,075.03
Retained earnings	**4,743.24**	4,132.56	3,630.49
Other Comprehensive income:			
Effective portion of cash flow hedges	**(1.58)**	27.28	(19.11)
Total	**15,282.96**	14,701.14	14,152.68

(a) Security premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(b) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

(c) Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) The effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of 'Effective portion of cash flow hedges' will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

Notes forming part of the financial statements

Note 18 Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Other than acceptances:			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	**0.29**	–	12.37
Total outstanding dues other than micro enterprises and small enterprises	**43.50**	29.76	34.82
Total	**43.79**	29.76	47.19
Current			
Other than acceptances:			
Dues to related parties (Refer Note 33)	**534.42**	122.04	263.67
Total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	**947.00**	631.90	603.79
Total outstanding dues other than micro enterprises and small enterprises	**4,006.52**	2,879.99	5,287.92
Total	**5,487.94**	3,633.93	6,155.38

Credit period varies as per the contractual terms of various suppliers/vendors. No interest is generally charged by the suppliers/vendors. The Company has appropriate policy in place to ensure that all dues are paid within the credit terms agreed with the parties.

Note 19 Other financial liabilities

(₹ in lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current				
Trade/security deposits received		**87.00**	–	87.00
Total		**87.00**	–	87.00
Current				
(a)	Unpaid dividends *	**4.68**	7.17	8.48
(b)	Other payables			
(i)	Payables on purchase of fixed assets	**95.98**	77.90	44.65
(ii)	Contractually reimbursable expenses	**11.04**	10.36	10.00
(iii)	Trade/security deposits received	**2.00**	89.00	7.50
(iv)	Gratuity (Refer Note 36)	**90.64**	6.81	–
(v)	Foreign currency forward contracts - fair value hedge	**107.73**	–	–
(vi)	Foreign currency forward contracts - cash flow hedge	**6.15**	–	19.11
Total		**318.22**	191.24	89.74

* The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

Notes forming part of the financial statements

Note 20 Provisions

(₹ in lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current				
(a)	Provision for employee benefits:			
(i)	Provision for compensated absences (Refer Note 36)	**238.40**	204.29	186.68
(ii)	Provision for gratuity (Refer Note 36)	**11.93**	7.41	–
		250.33	211.70	186.68
(b)	Provision - Others:			
(i)	Provision for warranties	**38.04**	21.85	6.31
(ii)	Provision for estimated losses on contracts	**2.25**	3.40	–
		40.29	25.25	6.31
Total		**290.62**	236.95	192.99
Current				
(a)	Provision for employee benefits:			
	Provision for compensated absences (Refer Note 36)	**87.32**	68.20	34.13
		87.32	68.20	34.13
(b)	Provision - Others:			
(i)	Provision for warranties	**352.01**	372.86	981.02
(ii)	Provision for estimated losses on contracts	**118.76**	179.78	133.29
		470.77	552.64	1,114.31
Total		**558.09**	620.84	1,148.44

Movement in provisions:

(₹ in lakhs)

Particulars	Provision for warranties	Provision for estimated losses on contracts
As at April 01, 2016	**987.33**	**133.29**
Recognised during the year	133.89	170.06
Utilization during the year	(2.56)	–
Unused amount reversed	(723.95)	(120.17)
As at March 31, 2017	**394.71**	**183.18**
Recognised during the year	278.20	121.01
Utilization during the year	(37.10)	–
Unused amount reversed	(245.76)	(183.18)
As at March 31, 2018	**390.05**	**121.01**

Of the above, the following amounts are expected to be incurred within a year:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for warranties	**352.01**	372.86	981.02
Provision for estimated losses on contracts	**118.76**	179.78	133.29

Provision for warranties

The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2018 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of one to three years from the date of Balance Sheet.

Notes forming part of the financial statements

Provision for estimated losses on contracts

In line with requirements of Ind AS 11 - Construction Contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the Statement of Profit and Loss and provision for estimated loss is recognised in the Financial Statement.

Note 21 Current tax liabilities (Net)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for tax (net of advance tax)	**52.86**	8.13	8.13
Total	**52.86**	8.13	8.13

Note 22 Other non-current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers	**3,950.25**	195.00	1,162.79
Total	**3,950.25**	195.00	1,162.79

Note 23 Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Statutory remittances (Contribution to PF and ESIC, Withholding Taxes, Excise Duty, Service Tax, VAT, GST etc.)	**208.46**	278.94	191.45
(ii) Interest accrued on GST	**0.35**	–	–
(iii) Advances from customers [Refer Note (i) below]	**12,773.08**	6,442.21	1,746.99
(iv) Dues to customers on construction contracts (Refer Note 10)	**1,959.03**	1,201.04	2,462.97
Total	**14,940.92**	7,922.19	4,401.41

Note (i): Advances from customers include related party:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cockerill Maintenance and Ingenierie SA, the Holding Company	**6,932.32**	2,337.13	313.98
Total	**6,932.32**	2,337.13	313.98

Notes forming part of the financial statements

Note 24 Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Construction revenue [Refer Note (i) below]	29,025.35	14,342.89
(b) Sale of products (Spares components)	1,310.39	1,069.58
(c) Sale of services	60.25	56.64
(d) Other operating revenues [Refer Note (ii) below]	427.47	307.62
Total	30,823.46	15,776.73

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Construction revenue comprises:		
Cold Rolling Mill	1,388.88	1,981.49
Continuous Annealing Line	7,880.19	688.03
Continuous Galvanizing Line	12,880.20	7,847.27
Acid Regeneration Plant	127.10	172.93
Tension Levelling Line	28.02	150.51
Electrolytic Cleaning Line	–	32.84
Pickling Line	144.60	250.84
Colour Coating Line	4,804.91	1,658.87
Wet Flux Line	–	37.03
HR Skin Pass Mill	52.85	280.52
Rewinding Line	57.14	–
Others	1,661.46	1,242.56
Total - Construction revenue	29,025.35	14,342.89
(ii) Other operating revenues comprise:		
Sale of scrap	47.56	36.72
Duty drawback and other export incentives	290.65	240.93
Others:		
Liquidated damages received	74.51	14.31
Shared services income	14.75	15.66
Total - Other operating revenues	427.47	307.62

Note 25 Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss [Refer Note (i) below]	348.95	230.17
(b) Other non-operating income [Refer Note (ii) below]	726.61	1,121.93
(c) Net foreign exchange gains	551.74	61.49
Total	1,627.30	1,413.59

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	Interest income earned on financial assets that are not designated as at fair value through profit or loss comprises:		
	Interest from banks on deposits (at amortised cost)	**311.65**	188.92
	Interest on other financial assets carried at amortised cost	**0.04**	0.08
	Interest on income tax refund	**8.65**	34.75
	Interest on sales tax refund	**27.35**	–
	Other interest	**1.26**	6.42
Total - Interest income		**348.95**	230.17
(ii)	Other non-operating income comprises:		
	Gain on sale of property, plant and equipment	**0.27**	67.93
	Liabilities/provisions no longer required written back	**363.06**	795.30
	Provision for trade receivables no longer required written back	**279.33**	50.00
	Credit balances written back	**67.81**	191.58
	Miscellaneous income	**13.56**	10.09
	Gain/(loss) arising on financial assets designated as at amortised cost	**2.58**	7.03
Total - Other non-operating income		**726.61**	1,121.93

Note 26.a Construction materials consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	**1,331.46**	1,678.73
Add: Purchases*#	**19,847.06**	6,649.50
	21,178.52	8,328.23
Less: Closing stock	**1,072.91**	1,331.46
Construction material consumed	**20,105.61**	6,996.77

* Construction material consumed + Closing stock - Opening stock

Purchases include ₹ 5,967.18 lakhs (Year ended March 31, 2017: ₹ 1,769.25 lakhs) being cost of equipments bought and supplied directly to customer's site as a part of construction contracts.

Note:

Since the Company is a project management company and engaged in the business of putting up projects for its clients on turnkey basis, the Company is following percentage of completion method as prescribed under Ind AS-11 Construction contracts under which project stock, manufactured items and other direct costs are considered as project cost incurred till date. Purchases figure is derived figure. Inventory procured for a specific project is immediately booked to the project as consumed and is not considered as inventory. In view of the above, itemwise break-up for cost of materials consumed is not available in the system.

Note 26.b Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year:		
Finished goods	**382.92**	244.76
Work-in-progress	**60.84**	118.77
	443.76	363.53
Inventories at the end of the year:		
Finished goods	**157.53**	382.92
Work-in-progress	**104.42**	60.84
	261.95	443.76
Net (increase)/decrease	**181.81**	(80.23)

Note 27 Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	**4,653.66**	4,335.84
Contributions to: (Refer Note 36)		
- Provident fund	**200.97**	179.04
- Superannuation fund	**40.56**	36.89
- Gratuity fund	**42.82**	20.91
Staff welfare expenses	**222.82**	182.30
Total	**5,160.83**	4,754.98

Note 28 Finance costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest expense on:		
(i) Borrowings	**–**	0.01
(ii) Others		
- Interest on delayed/deferred payment of income tax	**2.37**	–
- Interest on delayed/deferred payment of service tax	**–**	11.15
- Interest on excise duty	**–**	3.73
- Interest on sales tax	**–**	5.64
- Interest on custom duty	**–**	0.02
- Interest on delayed/deferred payment of GST	**0.48**	–
- Interest on delayed/deferred payment of PF	**0.38**	–
(b) Loss/(gain) arising on financial liabilities measured at amortised cost	**(9.31)**	0.19
(c) Other borrowing costs:		
Bank Charges	**97.07**	82.38
Total	**90.99**	103.12

Notes forming part of the financial statements

Note 29 Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (Refer Note 3)	**553.59**	512.49
Amortisation on intangible assets (Refer Note 4)	**38.73**	6.06
Total	**592.32**	518.55

Note 30 Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spare parts	**264.92**	222.71
Increase/(Decrease) of excise duty on inventory	**(195.22)**	81.18
Project related expenses (Refer Note 40)	**255.72**	222.61
Labour and processing charges	**764.51**	562.49
Erection expenses	**88.57**	378.76
Power and fuel	**203.95**	184.30
Repairs:		
– Buildings	**10.05**	15.20
– Plant and machinery	**37.02**	32.21
– Others	**214.42**	208.28
Rent (Refer Note 35)	**21.85**	27.70
Rates and taxes	**83.75**	136.60
Insurance	**38.80**	45.87
Commission on sales	**18.79**	166.84
Unrealised loss on mark-to-market derivative contracts	**145.79**	–
Allowance for doubtful trade receivables	**486.24**	(226.42)
Brand fees	**107.15**	69.49
Warranties (Refer Note 20)	**278.20**	133.89
Liquidated damages	**1.09**	0.33
Estimated losses on contracts (Refer Note 20)	**(62.16)**	49.89
Packing and forwarding expenses	**940.93**	480.25
Travelling and conveyance	**314.03**	312.86
Postage, telex and telephone expenses	**21.10**	19.52
Expenditure on corporate social responsibility (Refer Note 40)	**21.07**	3.19
Provision for doubtful trade receivables set up in earlier year	**463.10**	3.18
Less: Provision utilised for bad debts	**(463.10)**	(3.18)
Allowance for doubtful advances/deposits	**10.51**	–
Payments to auditors [Refer Note (i) below]	**90.96**	88.83
Legal and professional [Refer Note (ii) below]	**139.91**	137.60
Bad trade and other receivables, loans and advances written off	**14.21**	16.65
Miscellaneous expenses	**388.97**	343.85
Total	**4,705.13**	3,714.68

Note:

(₹ in lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	**Payments to the auditors comprises (net of service tax/GST input credit):**		
	To statutory auditors		
	For audit	**54.50**	51.50
	For taxation matters *	**12.07**	11.71
	For other services *	**23.85**	24.61
	Reimbursement of expenses *	**0.54**	1.01
	Total	**90.96**	88.83
	* Payments to the auditors for taxation matters, other services and reimbursement of expenses include ₹ 4.70 lakhs (Year ended March 31, 2017: ₹ 5.71 lakhs), ₹ 2.03 lakhs (Year ended March 31, 2017: ₹ 2.06 lakhs) and ₹ 0.03 lakh (Year ended March 31, 2017: ₹ 0.03 lakh) respectively as payment made to an affiliated firm.		
(ii)	**Legal and professional includes (net of service tax/GST input credit):**		
	To cost auditors for cost audit	2.00	2.00
	Total	2.00	2.00

Note 31 Income tax recognised in profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
In respect of the current year	**201.63**	117.03
	201.63	117.03
Deferred tax		
In respect of the current year	**451.58**	90.25
Adjustments to deferred tax attributable to change in tax rates and laws	**–**	–
	451.58	90.25
Total income tax expense recognised in the Statement of Profit and Loss	**653.21**	207.28

Note 31.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit or Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax from continuing operation	**1,325.21**	786.33
Indian Statutory income tax rate	**33.384%**	33.063%
Income tax expense	**442.41**	259.98
Effect of expenses that are not deductible in determining taxable profit	**8.09**	1.79
Unrecognised deferred tax portion pertaining to carried forward losses recognised during the year	**–**	(130.89)
Others	**1.08**	(2.60)
MAT tax credit entitlement	**201.63**	79.00
Income tax expense recognised in the Statement of Profit and Loss	**653.21**	207.28

Notes forming part of the financial statements

Note 31.2 Income tax recognised in other comprehensive income

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of the defined benefit obligations	**30.73**	–
Net loss/(gain) on designated portion of hedging instruments in cash flow hedge	**14.27**	(13.48)
Total deferred income tax expenses	**45.00**	(13.48)
Re-measurement of the defined benefit obligations	**–**	38.03
Total current tax expenses	**–**	38.03
Total income tax recognised in other comprehensive income	**45.00**	24.55
Bifurcation of the income tax recognised in other comprehensive income into:		
- Items that will not be reclassified to profit or loss	**30.73**	38.03
- Items that may be reclassified to profit or loss	**14.27**	(13.48)
	45.00	24.55

Note 32 Earnings per share (EPS)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic and Diluted		
Net Profit for the year attributable to the equity shareholders (₹ in lakhs)	**672.00**	579.05
Weighted average number of equity shares (in numbers)	**4,937,813**	4,937,813
Par value per share (₹)	**10.00**	10.00
Earnings per share - Basic (₹)	**13.61**	11.73
Earnings per share - Diluted (₹)	**13.61**	11.73

Note 33 Related party transactions

a)	**Enterprises exercising control**	
	Holding company	Cockerill Maintenance & Ingenierie SA
b)	**Other related parties with whom transactions have taken place during the year**	
	Fellow Subsidiaries (with whom the Company has made transactions during the year)	CMI Industry Automation Private Limited CMI UVK GmbH CMI Brasil Servicos CMI Engineering (Beijing) Co. Ltd. CMI India Engineering Private Limited
c)	**Key Management Personnel (KMP)**	Mr. Raman Madhok - Managing Director Mr. Joao Felix Da Silva - Chairman <u>Non-Executive Independent Director</u>: Mr. D. J. Balaji Rao, Mr. Raman M. Madhok, Mr. N. Sundararajan, Ms. Roma Balwani <u>Non-Executive Director</u>: Mr. Yves Honhon, Mr. Fabrice Orban
	Enterprises over which Key Managerial Personnel are able to exercise significant influence (with whom the Company has made transactions during the year)	Indo-Belgian Luxembourg Chamber of Commerce and Industry

Note: Related parties have been identified by the Management.

Notes forming part of the financial statements

Note 33 Related party transactions (contd.)

33 d.1 Details of related party transactions during the year ended March 31, 2018 and balances outstanding as at March 31, 2018:

(₹ in lakhs)

Nature of transactions	Holding Company	Fellow Subsidiaries	KMP	Others	Total
Purchase of goods	266.26	1,552.56	–	–	1,818.82
	(-)	(564.76)	(-)	(-)	(564.76)
Receiving of services	–	20.74	–	–	20.74
	(-)	(-)	(-)	(-)	(-)
Sale of goods	7,869.53	–	–	–	7,869.53
	(1,612.45)	(-)	(-)	(-)	(1,612.45)
Shared services income	–	17.30	–	–	17.30
	(-)	(18.01)	(-)	(-)	(18.01)
Rendering of services	359.19	3.26	–	–	362.45
	(-)	(5.35)	(-)	(-)	(5.35)
Remuneration	–	–	501.32	–	501.32
	(-)	(-)	(435.24)	(-)	(435.24)
Sitting fees paid to non-executive directors	–	–	30.90	–	30.90
	(-)	(-)	(31.30)	(-)	(31.30)
Commission to non-executive directors	–	–	12.00	–	12.00
	(-)	(-)	(-)	(-)	(-)
Brand and technology fees	112.58	–	–	–	112.58
	(140.10)	(-)	(-)	(-)	(140.10)
Expenses reimbursement received	194.35	4.49	–	–	198.84
	(37.93)	(1.14)	(-)	(-)	(39.07)
Expenses reimbursement paid	107.14	–	–	–	107.14
	(0.10)	(6.31)	(-)	(-)	(6.41)
Books and Periodicals, Membership	–	–	–	0.10	0.10
	(-)	(-)	(-)	(0.20)	(0.20)
Balances outstanding at the end of the year:					
Trade receivables	1,466.91	4.24	–	–	1,471.15
	(179.76)	(3.99)	(-)	(-)	(183.75)
	[-]	[33.90]	[-]	[-]	[33.90]
Advance received from customers	6,932.32	–	–	–	6,932.32
	(2,337.13)	(-)	(-)	(-)	(2,337.13)
	[313.98]	[-]	[-]	[-]	[313.98]
Advances paid to suppliers	138.79	47.07	–	–	185.86
	(21.34)	(60.82)	(-)	(-)	(82.16)
	[-]	[0.30]	[-]	[-]	[0.30]
Prepaid expenses	–	–	–	–	–
	(0.29)	(-)	(-)	(-)	(0.29)
	[-]	[-]	[-]	[-]	[-]
Trade payables	206.54	327.88	–	–	534.42
	(14.48)	(107.56)	(-)	(-)	(122.04)
	[135.63]	[128.04]	[-]	[-]	[263.67]

Note: All above figures are inclusive of taxes. Figures in ( ) relates to the previous year. Figure in [ ] relates to April 01, 2016

Note 33 Related party transactions (contd.)

33 d.2 The significant related party transactions are as under:

Nature of transactions	Fellow Subsidiaries	KMP	Others	₹ in lakhs
Purchase of goods	CMI Engineering (Beijing) Co. Ltd.			1,552.56 (-)
	CMI Industry Automation Private Limited			– (564.76)
Receiving of services	CMI UVK GmbH			20.74 (-)
Shared services income	CMI Industry Automation Private Limited			17.30 (18.01)
Rendering of services	CMI Industry Automation Private Limited			3.05 (2.75)
	CMI UVK GmbH			0.21 (-)
	CMI Brasil Servicos			– (2.60)
Remuneration		Raman Madhok		501.32 (435.24)
Expenses reimbursement received	CMI Industry Automation Private Limited			4.49 (1.14)
Expenses reimbursement paid	CMI Industry Automation Private Limited			– (6.31)
Books and Periodicals, Membership			Indo-Belgian Luxembourg Chamber of Commerce and Industry	0.10 (0.20)
Trade receivables	CMI Industry Automation Private Limited			4.03 (3.99) [3.90]
	CMI UVK GmbH			0.21 (-) [-]
	CMI Brasil Servicos			- (-) [2.94]
	CMI India Engineering Private Limited			- (-) [27.06]
Advances paid to suppliers	CMI Engineering (Beijing) Co. Ltd.			27.70 (60.82) [-]
	CMI Industry Automation Private Limited			19.37 (-) [0.30]
Trade payables	CMI Industry Automation Private Limited			27.76 (107.56) [128.04]
	CMI Engineering (Beijing) Co. Ltd.			293.77 (-) [-]
	CMI UVK GmbH			6.35 (-) [-]

Note: There were no amounts written off or written back during the year in respect of debts due from or to related parties.

Notes forming part of the financial statements

Note 33 Related party transactions (contd.)

d.3 Details of transactions with Key Management Personnel

Nature of transactions	(₹ in lakhs)
Short Term Employee Benefits **	480.92 (406.44)
Post-Employment Benefits **	32.40 (28.80)
Total	**513.32** (435.24)

** As the future liabilities for gratuity and leave encashment are provided on an actuarial valuation basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

d.4 Sitting fees for attending board meeting paid to non-executive directors

Nature of transactions	(₹ in lakhs)
Mr. D. J. Balaji Rao	9.20 (9.90)
Mr. Raman M. Madhok	5.70 (6.40)
Mr. N. Sundararajan	9.50 (9.00)
Ms. Roma Balwani	6.50 (6.00)
Total	**30.90** (31.30)

d.5 Commission to non-executive directors

Nature of transactions	(₹ in lakhs)
Mr. D. J. Balaji Rao	3.00 (-)
Mr. Raman M. Madhok	3.00 (-)
Mr. N. Sundararajan	3.00 (-)
Ms. Roma Balwani	3.00 (-)
Total	**12.00** (-)

d.6 Terms and Conditions

i) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

ii) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

iii) The Company has not recorded any impairment of receivables related to amounts owed by related parties.

Notes forming part of the financial statements

Note 34 Contingent liabilities and commitments (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Contingent liabilities			
(a) Claims against the Company not acknowledged as debt			
Service tax*	**16,587.22**	13,668.71	184.63
Sales tax**	**16.33**	16.33	16.33
Excise duty***	**305.36**	298.43	88.33
Taxation matters:			
1) Demands against the Company not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which the Company is in appeal and exclusive of effect of similar matters in respect of assessments remaining to be completed:			
– Income-tax	**258.69**	577.34	577.34
2) Items in respect of which the Company has succeeded in appeal, but the Income-tax department is pursuing appeal and exclusive of effect of similar matters in respect of assessments remaining to be completed:			
– Income-tax	**448.82**	30.67	30.67
(b) Other matters for which the Company is contingently liable			
Advance licence - custom duty elements	**320.27**	25.19	26.23
Inland bill discounting	**–**	271.25	–
(ii) Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for			
Property, plant and equipment	**80.20**	174.76	30.27
Intangible assets	**–**	16.06	–
(b) Amount of future minimum lease payment under non-cancellable agreements (Refer Note 35)	**–**	3.74	6.20

*Matters relating to:

(i) During the period April 2009 to July 2014, the Company had paid service tax on the commission charged by their non-resident commission agents for the services rendered in connection with sales of the Company's finished goods in overseas market and availed Cenvat Credit. The Central Excise department had issue a show cause notice dated September 26, 2014 for denial of wrongly availed Cenvat Credit of ₹ 184.63 lakhs (excluding interest, as applicable) of service tax paid as input service. The Company has replied to show cause notice.

(ii) During the period April 2010 to December 2014, the Company had paid service tax for services rendered and excise duty on dispatch of goods considering contracts as divisible contracts. Service tax department issued show cause notice dated October 21, 2015 for demanding service tax of ₹ 4,817.55 lakhs on contracts categorised as 'Works contracts' by the department on which excise duty of ₹ 10,510.51 lakhs had been paid. The Commissioner of Central Excise & Service Tax, Large Taxpayers Unit - Audit vide their order dated November 30, 2016 upheld the service tax liability of ₹ 4,817.55 lakhs, penalty of ₹ 4,817.65 lakhs and interest, as applicable, estimated to be ₹ 4,571.52 lakhs. An appeal has been filed by the Company before CESTAT, Mumbai vide appeal dated March 20, 2017. The Company has paid appropriate excise duty on goods manufactured and service tax on services rendered. The order is seen by the Company as a change of opinion by the department after higher bench judgement in one of the recent case. In continuance of the above matter, the Company has further received show cause notice dated December 22, 2017 for period January 2015 to March 2015 demanding service tax of ₹ 175.46 lakhs on which excise duty of ₹ 377.56 lakhs had been paid and show cause notice dated March 19, 2018 for the period April 2015 to June 2017 demanding service tax of ₹ 759.27 lakhs on which excise duty of ₹ 1,670.08 lakhs had been paid. The estimated penalty amount of ₹ 175.46 lakhs and ₹ 759.27 lakhs and interest, as applicable, of ₹ 86.83 lakhs and ₹ 239.58 lakhs respectively, will be applicable, in case the service tax demand is upheld by the department. The Company has duly replied to show cause notices received.

**Matters relating to (i) detention of goods despatched by vendor of the Company at site of customer without valid TIN/CST mentioned on the said invoice on 19.02.2013 and (ii) omission of trading purchases and adoption of wrong output tax on lubricants noticed during Value Added Tax Audit for the year 2012-13. The Company has filed the petition before Joint Commissioner (Vellore) and appeal before Appellate Deputy Commissioner III Chennai respectively.

***Matter relating to non-reversal of proportionate Cenvat Credit on inventory shortages identified during the course of EA 2000 audit conducted for the period from April 2009 to March 2011.The Central Excise department had issued a show cause notice dated January 6, 2014 for ₹ 88.33 lakhs (excluding interest and penalty, as applicable). The Joint Commissioner of Central Excise & Service Tax, Large Taxpayer Unit - Audit vide their order dated January 31, 2017 upheld the excise duty liability of ₹ 88.33 lakhs, penalty of ₹ 88.33 lakhs and interest, as applicable, estimated to be ₹ 128.70 lakhs. An appeal has been filed by the Company before the Commissioner of Central Excise & Service Tax, Large Taxpayer Unit - Audit, Mumbai.

Note 35 Operating lease:

The Company has entered into operating lease or leave and licence arrangements for residential premises/godowns (including furniture and fittings therein as applicable). These leasing arrangements which are not non-cancellable range between 11 months to 36 months.

With regards to other non-cancellable operating lease for residential premises/godown, the future minimum rentals are as follows:

(₹ in lakhs)

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Future minimum lease payments			
not later than one year	–	3.74	6.20
later than one year and not later than five years	–	–	–
later than five years	–	–	–
Total	–	3.74	6.20
Lease payments recognised in the Statement of Profit and Loss	21.85	27.70	26.36

There are no contingent rents and any purchase option; however, there are clauses on renewal and escalation.

Note 36 Employee benefits

a) Defined contribution plan

Superannuation

All eligible employees are entitled to benefits under superannuation, a defined contribution plan. The Company makes quarterly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The company has no further obligation beyond its quarterly contribution.

Company's contribution to superannuation recognised in statement of profit and loss of ₹ 40.56 lakhs (for the year ended March 31, 2017 ₹ 36.89 lakhs) (included in Note 27).

Provident fund

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employees and employer (at a determined rate) contribute monthly. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulation. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Company's contribution to provident fund recognised in statement of profit and loss of ₹ 200.97 lakhs (for the year ended March 31, 2017 ₹ 179.04 lakhs) (included in Note 27).

b) Defined benefit plans:

Gratuity (funded)

The Company sponsors funded defined benefit plans for all eligible employees. The defined benefit plan is administered by a separate fund that is legally separated from the entity.

Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 60 years, without any payment ceiling. The vesting period for gratuity as payable under The payment of Gratuity Act is 5 years.

Compensated absences

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation, or resignation, at the rate of daily salary, as per current accumulation of leave days restricted to maximum 60 days.

The plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, liquidity risk and salary escalation risk.

a) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in insurer managed funds.

b) Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

c) Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash / cash equivalents to meet the liabilities or holding of liquid assets not being sold in time.

d) Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2018 by M/s. KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of the financial statements

(₹ in lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A.	**Balance Sheet**			
	The assets, liabilities and (surplus)/deficit position of the defined benefit plan at the Balance Sheet date were:			
	Present value of defined benefit obligation	**583.97**	444.43	309.28
	Fair value of plan assets	**(481.40)**	(430.21)	(412.04)
	Net liability/(asset) recognised in the Balance Sheet (Refer Note 19, 20 and 10)	**102.57**	14.22	(102.76)
B.	**Movements in present value of obligation and fair value of plan assets**			
	Change in defined benefit obligations (DBO) during the year			
	Present value of DBO at beginning of the year	**444.43**	309.28	423.19
	Current service cost	**41.76**	29.16	37.76
	Interest cost	**33.09**	24.85	33.72
	Re-measurement (or Actuarial) loss /(gain) arising from:			(126.87)
	– change in financial assumptions	**62.79**	91.83	
	– experience variance (i.e. Actual experience vs assumptions)	**28.79**	23.02	
	Benefits paid	**(26.89)**	(33.71)	(58.52)
	Present value of DBO at the end of the year	**583.97**	444.43	309.28
	Change in fair value of assets during the year			
	Plan assets at beginning of the year	**430.21**	412.04	394.94
	Investment income	**32.03**	33.10	31.66
	Actual company contributions	**46.52**	17.35	33.67
	Benefits paid	**(26.89)**	(32.12)	(53.75)
	Return on plan assets, excluding amount recognised in net interest expense	**(0.47)**	(0.16)	5.52
	Plan assets at the end of the year	**481.40**	430.21	412.04
C.	**Statement of Profit and Loss**			
	Current service cost	**41.76**	29.16	37.76
	Finance Cost			
	Interest cost	**33.09**	24.85	33.72
	Interest income (expected returns on plan assets)	**(32.03)**	(33.10)	(31.66)
	Component of defined benefit cost recognised in statement of profit and loss (Refer Note 27)	**42.82**	20.91	39.82
	Remeasurement of net defined benefit liability:			
	-Actuarial losses/(gains) on defined benefit obligation	**91.58**	114.85	(132.39)
	-Return on plan assets (excluding interest income)	**0.47**	0.16	–
	Net impact on other comprehensive income (before tax)	**92.05**	115.01	(132.39)
	Total	**134.87**	135.92	(92.57)
D.	**Composition of the plan assets is as follows:**			
	(percentage or value)			
	Insurer managed funds	100.00%	100.00%	100.00%

The Plan does not invest directly in any property occupied by the Company or any financial securities issued by the Company.

E. Principal Actuarial assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Discount rate	7.70%	7.45%	8.04%
Salary escalation	5.50%	4.00%	2.00%
Attrition			
Age (Years)			
21-30	5.00%	5.00%	5.00%
31-40	3.00%	3.00%	3.00%
41-59	2.00%	2.00%	2.00%
Mortality rates	Indian Assured Lives Mortality (2006-08) Ult table		
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	150.31	52.74	–

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Interest income on plan asset is a component of the return on plan asset and is determined by multiplying the fair value of the plan assets by the discount rate specified in para 83, both as determined at the start of the annual reporting period, taking account of any changes in the plan assets held during the period as a result of contributions and benefit payments.

The estimate of future salary increase, considered in actuarial valuation, takes into acount the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Due to absence of data provided by Life Insurance Corporation of India, break-up of plan assets (asset allocation) in insurer managed funds have not been furnished.

F. Experience adjustments:

(₹ in lakhs)

Gratuity	**2017-2018**	2016-2017	2015-2016	2014-2015	2013-2014
Present value of DBO	**583.97**	444.43	309.28	423.19	453.96
Fair value of plan assets	**481.40**	430.21	412.04	394.94	356.09
Funded status Surplus/(Deficit)	**(102.57)**	(14.22)	102.76	(28.25)	(97.87)
Experience (gain)/loss adjustments on plan liabilities	**28.79**	23.02	24.04	(23.48)	(25.67)
Experience gain/(loss) adjustments on plan assets	**(0.47)**	(0.16)	5.52	7.15	7.42

G. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below.

Impact on Defined Benefit Obligation

(₹ in lakhs)

Particulars	**As at March 31, 2018**		As at March 31, 2017	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(49.30)**	**56.55**	(37.72)	43.26
Future Salary Growth (1% movement)	**57.23**	**(50.71)**	44.34	(39.24)
Attrition rate (1% movement)	**8.56**	**(9.60)**	11.19	(12.55)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes forming part of the financial statements

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet.

H. The Average Duration of the defined benefit obligation at the end of reporting period is 9 years.

Compensated absences

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of unfunded obligation	**325.73**	272.49	220.80
Expense recognised in Statement of Profit and Loss	**60.14**	58.58	12.47
Discount rate percentage (p.a.)	**7.70%**	7.45%	8.04%
Salary escalation rate (p.a.)	**5.50%**	4.00%	2.00%

The above information has been certified by the actuary and relied upon by the auditors.

Note 37 Financial Instruments

37.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company is a debt free company and cash required for operation is managed through internal accruals.

37.2 Categories of financial instruments

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Carrying values	Carrying values	Carrying values
Financial Assets				
Measured at fair value through profit or loss (FVTPL)				
Derivative financial instruments	8	**–**	38.06	–
Measured at amortised cost				
i. Cash and cash equivalents	12	**12,243.73**	6,224.75	126.10
ii. Bank balances other than cash and cash equivalents	13	**3,065.37**	388.84	327.19
iii. Trade receivables	6	**9,014.96**	4,125.29	11,772.21
iv. Loans	7	**0.07**	0.51	0.86
v. Other financial assets	8	**339.05**	73.65	272.80
vi. Non-current Investments	5	**–**	–	–
Measured at fair value through other comprehensive income (FVTOCI)				
Derivative instruments in designated hedge accounting relationships (net)	8, 19	**–**	40.76	–
Financial Liabilities				
Measured at fair value through profit or loss (FVTPL)				
Derivative financial instruments	19	**107.73**	–	–
Measured at amortised cost				
i. Trade payables	18	**5,531.73**	3,663.69	6,202.57
ii. Other Financial Liabilities	19	**291.34**	191.24	157.63
Measured at fair value through other comprehensive income (FVTOCI)				
Derivative instruments in designated hedge accounting relationships (net)	8, 19	**2.37**	–	19.11

37.3 Financial risk management objective

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk threshold, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risk arising from the financial instruments:

– Market risk (includes foreign currency risk and price risk)

– Credit risk and

– Liquidity risk

37.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in the market prices. The Company in the ordinary course of its business is exposed to risks related to changes in foreign currency exchange rates.

The Company seeks to minimise the effect of these risks by using derivative financial instruments to hedge risk exposures. The Company does not enter into or trade financial instruments, including derivatives for speculation purposes.

37.5 Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

Favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company hedge cash flows up to a specific tenure using forward exchange contracts in respect of imports and other payables, mostly, it covered by natural hedge. The Company uses forward foreign exchange contracts to hedge its exposure in foreign currency related to firm commitments and highly probable forecast transactions.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as under:

(₹ in lakhs)

Particulars	USD	EUR	CNY	CAD	GBP
As at March 31, 2018					
Assets	648.79	6,053.36	–	–	–
Liabilities	174.55	275.36	293.77	–	4.72
As at March 31, 2017					
Assets	1,448.38	1,453.97	–	–	–
Liabilities	189.62	62.00	–	–	–
As at April 01, 2016					
Assets	4,273.54	2.94	–	–	–
Liabilities	1,026.85	291.17	–	6.31	1.82

37.6 Foreign currency risk sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant major foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity and the balances below would be negative.

(₹ in lakhs)

Particulars	Increase			Decrease		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Receivable						
USD	**6.49**	14.48	42.74	**(6.49)**	(14.48)	(42.74)
EUR	**60.53**	14.54	0.03	**(60.53)**	(14.54)	(0.03)
Payable						
USD	**(1.75)**	(1.90)	(10.27)	**1.75**	1.90	10.27
EUR	**(2.75)**	(0.62)	(2.91)	**2.75**	0.62	2.91
CNY	**(2.94)**	–	–	**2.94**	–	–
CAD	**–**	–	(0.06)	**–**	–	0.06
GBP	**(0.05)**	–	(0.02)	**0.05**	–	0.02

37.7 Forward foreign exchange contracts

The Company has adopted a Risk Management Policy approved by the Board of Directors for managing foreign currency exposure. The policy has approved use of forward contracts to manage the foreign currency risk.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period.

Particulars	No. of contracts	Type	Foreign Currency (FC)	Amount in Foreign currency (In lakhs)	INR Equivalent (₹ in lakhs)	MTM gain / (loss) (₹ in lakhs)
As at March 31, 2018	15	Sell	USD	88.00	5,903.24	(2.37)
	15	Sell	EUR	61.06	4,873.55	(107.73)
As at March 31, 2017	2	Sell	USD	11.38	768.70	24.44
	6	Sell	EUR	50.00	3,688.87	54.38
As at April 01, 2016	3	Sell	EUR	10.15	762.95	(19.11)

37.8 Commodity price risk

The Company is exposed to movement in metal commodity price of steel. Our sales contracts are on fixed price basis. Profitability in case of firm price orders is impacted by movement in the prices of steel. The Company primarily purchases its raw materials in the open market from third parties. The Company either places long term firm price order with the suppliers or builds stock on need basis to mitigate the risk.

37.9 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company is debt free Company and has not borrowed fund during the year from banks, therefore Company is not exposed to interest rate risk.

37.10 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

37.11 Trade receivables

Customer credit risk is managed centrally by the Company. The Company evaluates the creditworthiness based on publicly available financial information and the Company's historical experiences. Further, majority of the Company's customers are Companies with strong financial stability. Credit risk on receivables is also mitigated by securing the same against letters of credit of reputed banks. Trade receivables spread across diverse geographical areas with no significant concentration of credit risk. Outstanding trade receivables are regularly monitored and appropriate actions are taken for collection of overdue receivables. The Company's exposure to counterparties are continuously reviewed and monitored by the management. Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue trade receivables.

The Company directly reduces the gross carrying amount of financial assets when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amount of financial assets are net of allowance for doubtful accounts, estimated by the Company and based, in part, on the age of specific receivable balance and the current and expected collection trends. The Company has used practical expedient by computing expected credit loss allowance for trade receivables by taking into consideration historic credit loss experience and adjusted for forward looking information. The expected credit loss is based on the ageing of the days and the expected credit loss rate.

Apart from the largest customer of the Company in Belgium (which is the parent company) and 3 major customers in India (which are Limited Companies), the Company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to the customer in Belguim exceed 15% of the trade receivables of the Company and credit risk related to the 3 major customers exceeds 38%, 19% and 17% of the trade receivables of the Company. Concentration of credit risk to any other customer did not exceed 10% of the trade receivables of the Company at reporting date.

The history of trade receivables shows a negligible allowance for bad and doubtful debts.

37.12 Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, and derivative instruments. The Company attempts to limit the credit risk by only dealing with reputable banks having high-credit ratings assigned by credit-rating agencies. The Company's maximum exposure to the credit risk for the component of Balance Sheet as at March 31, 2018, March 31, 2017 and April 1, 2016 is the carrying amounts of each class of financial assets.

37.13 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires fund both for short-term operational needs as well as for long-term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short-term investments provide liquidity in the short-term and long-term. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flow and by matching the maturity profiles of the financial assets and liabilities.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in bank fixed deposits to optimise the cash returns on cash and cash equivalents while ensuring sufficient liquidity to meet its liabilities.

The following table gives details of the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table below has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows.

(₹ in lakhs)

Liquidity exposure

Particulars	< 1 year	1-5 years	Total
As at March 31, 2018			
Financial liabilities			
Trade payable	5,487.94	43.79	5,531.73
Other financial liabilities	318.22	87.00	405.22
Total financial liabilities	**5,806.16**	**130.79**	**5,936.95**
As at March 31, 2017			
Financial liabilities			
Trade payable	3,633.93	29.76	3,663.69
Other financial liabilities	191.24	–	191.24
Total financial liabilities	**3,825.17**	**29.76**	**3,854.93**
As at April 01, 2016			
Financial liabilities			
Trade payable	6,155.38	47.19	6,202.57
Other financial liabilities	89.74	87.00	176.74
Total financial liabilities	**6,245.12**	**134.19**	**6,379.31**

The derivative assets and liabilities (refer notes 8 and 19) are having maturity within one year of the Balance Sheet date.

37.14 Collateral

Property, plant and equipment with a carrying amount of ₹ 3,856.69 lakhs (As at March 31, 2017: ₹ 4,247.97 lakhs, As at April 01, 2016: ₹ 4,586.46 lakhs), have been mortgaged as collateral security for bank loans and non-fund based limits.

The Company has access to various fund and non-fund based bank facilities. The amount of unused borrowing facilities (fund and non fund based) available for future operating activities and to settle commitments as at March 31, 2018 ₹ 14,738.96 lakhs (As at March 31, 2017 ₹ 13,347.90 lakhs, As at April 01, 2016 ₹ 16,757.43 lakhs).

37.15 Fair value measurement

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2017.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of the forward contracts used for expected future sale has been determined using forward pricing, based on present value calculations.

2. The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans to employees, other current financial assets, trade payables and other current financial liabilities at carrying value, because, their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

Level wise disclosure of financial instruments measured at fair values as at Balance Sheet date:

(₹ in lakhs)

Particulars	Fair value			Fair Value Hierarchy	Valuation technique(s) and Key Inputs
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016		
Derivative instruments (Derivative instruments in designated Hedge accounting relationship - Hedges of Highly Forecasted sale/ purchases using foreign currency forward contracts)	(2.37)	40.76	(19.11)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of counterparties.
Derivative instruments measured at fair value through profit or loss - forward contracts	(107.73)	38.06	–	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of counterparties.
	Liabilities	Assets	Liabilities		

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Note 38 Segment information:

The principal activities of the Company comprise customised manufacturing and installation of cold rolling mills, galvanizing lines, colour coating lines, tension levelling lines, skin pass mills, acid regeneration plants, wet flux line and pickling lines ("the projects") for ferrous and non-ferrous industries world wide.

For management purpose, the Company comprise of only one reportable segment - Original equipment manufacturer and project management. Information is reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing the performance of the business as a whole. The CODM reviews the Company's performance on the analysis of profit before tax at an overall entity level. Accordingly there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

The information relating to revenue from external customers and location of non-current assets of the single reportable segment has been disclosed as follows:

a) Revenue from operations **(₹ in lakhs)**

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Within India	**17,106.09**	8,646.27
Outside India	**13,289.90**	6,822.84
Total	**30,395.99**	15,469.11

Revenue from operations have been allocated on the basis of location of customers.

₹ 10,666.94 lakhs, ₹ 7,904.11 lakhs and ₹ 6,137.61 lakhs is derived as revenue from each of the Company's three major customer.

b) Non-current operating assets

All Non-current assets other than financial instruments, deferred tax assets of the Company are located in India.

Note 39 Ind AS adoption:

The below notes explains the material adjustments made while transition from previous Accounting Standards to Ind AS

1 To Comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

2 **Operating lease arrangements**

Under previous GAAP, the long term operating lease for leasehold land were considered under Property, plant and equipment. Under Ind AS, it is treated as part of prepaid expenses and amortised over the lease term.

3 **Other comprehensive income (OCI)**

Under Ind AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Under Ind AS items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as “Other comprehensive income” includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

Remeasurements of post employment benefit obligation

Under previous GAAP, remeasurement of defined benefit plans (gratuity) arising primarily due to change in actuarial assumptions was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, such remeasurements changes relating to defined benefit plan is recognised in the OCI. This change does not affect equity but there is increase in profit before tax for the year ended March 31, 2017 by ₹ 115.01 lakhs and corresponding decrease in OCI along with the related tax charge of ₹ 38.03 lakhs.

Under previous GAAP, for designated hedging relationships, the Company has recognised mark to market gain on derivative and non-derivative instruments which are designated in hedging relationship under the Effective portion of cash flow hedges. Under Ind AS, movement in this reserve during the year ended March 31, 2017 of ₹ 46.39 lakhs (net of deferred tax of ₹ 13.48 lakhs) is shown under OCI.

4 **Financial assets/financial liabilities at amortised cost**

Certain financial assets held on with an object to collect contractual cash flows in the nature of principal and interest have been recognised at amortised cost on transition date as against historical cost under the previous GAAP with the difference being adjusted to the opening retained earnings. Interest income/expense is recognised during financial year March 31, 2017, using effective interest method.

5 **Deferred tax as per Balance Sheet approach**

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profit for the period. Under Ind AS, deferred tax is recognised following Balance Sheet approach on the temporary differences between the carrying amount of asset or liability in the Balance Sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

6 **Excise duty**

Under the previous GAAP, excise duty on sale of goods was reduced from sales to present the revenue from operations. Whereas, under Ind AS, this excise duty is included in the revenue from operations and the corresponding expense is included as part of total expenses. The change does not affect total equity as at April 01, 2016 and profit for the year ended March 31, 2017.

7 **Provision for doubtful debts**

Under previous GAAP, the Company has created provision for doubtful debts on receivables on the basis of incurred loss. Under Ind AS, loss allowance on financial assets has been determined on the basis of Expected Credit Loss (ECL). Consequently, the Company has recognised ECL on its financial assets as at March 31, 2017 aggregating ₹ 374.01 lakhs (As at April 01, 2016 by ₹ 600.43 lakhs). The above has resulted in decrease in equity and financial assets as at March 31, 2017 by ₹ 374.01 lakhs (As at April 01, 2016 by ₹ 600.43 lakhs) and increase in profit before tax for the year ended March 31, 2017 by ₹ 226.42 lakhs.

8 **Retained earnings**

Retained earnings as at April 01, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

9 **Current tax**

Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS has been debited to the Statement of Profit and Loss.

10 The Ind AS adjustments are either non-cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.

Note 39 First-time Ind AS adoption reconciliations

39.1 Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and April 01, 2016

(₹ in lakhs)

Particulars	**Note No.**	As at March 31, 2017			As at April 01, 2016 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Non-current assets							
(a) Property, plant and equipment	1,2	6,595.29	(332.95)	6,262.34	6,828.73	(339.25)	6,489.48
(b) Capital work-in-progress		41.43	–	41.43	113.94	–	113.94
(c) Intangible assets		11.62	–	11.62	6.20	–	6.20
(d) Financial assets							
(i) Non-current investments							
(ii) Trade receivables	1,4,7	32.90	(2.58)	30.32	146.85	(13.58)	133.27
(iii) Loans		0.18	–	0.18	0.51	–	0.51
(iv) Other financial assets		29.28	–	29.28	25.70	–	25.70
(e) Deferred tax assets (Net)	1,5	359.53	131.84	491.37	385.92	209.18	595.10
(f) Non-current tax assets (Net)		409.20	–	409.20	652.45	–	652.45
(g) Other non-current assets	1,2	1,033.24	297.27	1,330.51	545.57	302.93	848.50
Total non-current assets		8,512.67	93.58	8,606.25	8,705.87	159.28	8,865.15
Current assets							
(a) Inventories		1,877.88	–	1,877.88	2,147.60	–	2,147.60
(b) Financial assets							
(i) Trade receivables	1,4,7	4,468.98	(374.01)	4,094.97	12,235.40	(596.46)	11,638.94
(ii) Cash and cash equivalents		6,224.75	–	6,224.75	126.10	–	126.10
(iii) Bank balances other than cash & cash equivalent		388.84	–	388.84	327.19	–	327.19
(iv) Loans		0.33	–	0.33	0.35	–	0.35
(v) Other financial assets		123.19	–	123.19	247.10	–	247.10
(c) Other current assets	1,2	6,711.09	5.66	6,716.75	4,577.56	5.65	4,583.21
		19,795.06	(368.35)	19,426.71	19,661.30	(590.81)	19,070.49
Assets classified as held for sale		–	–	–	3.89	–	3.89
Total current assets		19,795.06	(368.35)	19,426.71	19,665.19	(590.81)	19,074.38
Total Assets		28,307.73	(274.77)	28,032.96	28,371.06	(431.53)	27,939.53
Equity and liabilities							
Equity							
(a) Equity share capital		493.78	–	493.78	493.78	–	493.78
(b) Other equity		14,968.03	(266.89)	14,701.14	14,576.15	(423.47)	14,152.68
Total Equity		15,461.81	(266.89)	15,194.92	15,069.93	(423.47)	14,646.46

Particulars	Note No.	As at March 31, 2017			As at April 01, 2016 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Trade payables	1,4	34.59	(4.83)	29.76	54.76	(7.57)	47.19
(ii) Other financial liabilities		–	–	–	87.00	–	87.00
(b) Provisions	1,4	240.00	(3.05)	236.95	193.48	(0.49)	192.99
(c) Other non-current liabilities		195.00	–	195.00	1,162.79	–	1,162.79
Total non-current liabilities		469.59	(7.88)	461.71	1,498.03	(8.06)	1,489.97
Current liabilities							
(a) Financial liabilities							
(i) Trade payables		3,633.93	–	3,633.93	6,155.38	–	6,155.38
(ii) Other financial liabilities		191.24	–	191.24	89.74	–	89.74
(b) Provisions		620.84	–	620.84	1,148.44	–	1,148.44
(c) Current tax liabilities (Net)		8.13	–	8.13	8.13	–	8.13
(d) Other current liabilities		7,922.19	–	7,922.19	4,401.41	–	4,401.41
Total current liabilities		12,376.33	–	12,376.33	11,803.10	–	11,803.10
Total liabilities		12,845.92	(7.88)	12,838.04	13,301.13	(8.06)	13,293.07
Total Equity and Liabilities		28,307.73	(274.77)	28,032.96	28,371.06	(431.53)	27,939.53

39.2 Reconciliation of total equity as at March 31, 2017 and April 01, 2016

(₹ in lakhs)

Particulars	Notes	March 31, 2017	April 01, 2016
Total equity (shareholders' fund) under previous GAAP		15,461.81	15,069.93
Effect of prior period adjustment in respect of property, plant and equipment		(30.01)	(30.67)
Restated total equity (shareholders' fund) under previous GAAP		**15,431.80**	**15,039.26**
Adjustments for doubtful trade receivables (expected credit loss)	7	(374.01)	(600.43)
Effective interest method accounting adjustments of non-current financial assets and liabilities as per Ind AS	4	5.30	(1.54)
Tax adjustments	5	131.83	209.17
Total adjustment to equity		**(236.88)**	**(392.80)**
Total Equity under Ind AS		**15,194.92**	**14,646.46**

39.3 Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Notes	March 31, 2017
Net Profit/(Loss) as per previous GAAP		345.49
Effect of prior period adjustment in respect of property, plant and equipment		0.66
Restated profit under previous GAAP		**346.15**
Adjustments for doubtful trade receivables (expected credit loss)	7	226.42
Actuarial gain on employees defined benefit plans reclassified to OCI	3	115.01
Effective interest method accounting adjustments of non-current financial assets and liabilities as per Ind AS	4	6.84
Tax adjustments on above items	5	(115.37)
Net Profit for the year as per Ind AS		**579.05**
Other Comprehensive Income (net of tax)	3	(30.59)
Total Comprehensive Income under Ind AS		**548.46**

Notes forming part of the financial statements

39.4 Effect of Ind AS adoption on Cash Flows for year ended March 31, 2017

(₹ in lakhs)

Particulars	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Net cash generated from operating activities	5,977.09	–	5,977.09
Net cash generated from investing activities	172.03	–	172.03
Net cash used in financing activities	(1.32)	–	(1.32)
Net increase in Cash and cash equivalents	**6,147.80**	**–**	**6,147.80**

39.5 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Note	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from operations (gross)		15,776.73	–	15,776.73
Less: Excise duty	6	396.12	(396.12)	–
Revenue from operations (net)		**15,380.61**	**396.12**	**15,776.73**
Other income	4	1,406.56	7.03	1,413.59
Total revenue		**16,787.17**	**403.15**	**17,190.32**
Expenses				
(a) Construction materials consumed		6,996.77	–	6,996.77
(b) Changes in inventories of finished goods and work-in-progress		(80.23)	–	(80.23)
(c) Excise duty on sale of goods	6		396.12	396.12
(d) Employee benefits expense	3	4,869.99	(115.01)	4,754.98
(e) Finance costs	4	102.93	0.19	103.12
(f) Depreciation and amortisation expense	2	524.85	(6.30)	518.55
(g) Other expenses	2,7	3,935.46	(220.78)	3,714.68
Total expenses		**16,349.77**	**54.22**	**16,403.99**
Profit before exceptional item and tax		**437.40**	**348.93**	**786.33**
Exceptional item		–	–	–
Profit before tax		**437.40**	**348.93**	**786.33**
Tax expense:				
(a) Current tax	9	79.00	38.03	117.03
(b) Deferred tax	5	12.91	77.34	90.25
		91.91	**115.37**	**207.28**
Profit for the year before non-controlling interest		**345.49**	**233.56**	**579.05**
Other comprehensive income (net of tax)	3	–	(30.59)	(30.59)
Total Comprehensive income for the year		**345.49**	**202.97**	**548.46**

Note 40 Disclosure of additional information

(a) Corporate Social Responsibility (CSR) expenditure:

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of it's average net profit for the immediately preceding three financial year on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The expenditure has been incurred on activities specified in Schedule VII of the Companies Act, 2013.

(i) Gross amount required to be spend during the year is ₹ Nil (Year ended March 31, 2017: ₹ 0.99 lakhs).

(ii) Amount spent during the year on:

(₹ in lakhs)

Particulars	**In Cash**	**Yet to be paid in Cash**	**Total**
Construction/acquisition of any asset	–	–	–
On purpose other than above	21.07	–	21.07

(b) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Total outstanding dues of Micro and Small Enterprises, which are outstanding for more than the stipulated period are given below:

(₹ in lakhs)

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
(a) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year			
Principal	**–**	–	–
Interest	**–**	–	0.04
(b) The amount of interest paid along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	–	–
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified	**–**	–	0.04
(d) The amount of interest accrued and remaining unpaid at the end of the year	**–**	–	0.04
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise	**–**	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Due dates with regards to payments to be made to Micro and Small Enterprises have been determined with reference to Micro, Small and Medium Enterprises Development Act, 2006, considering criteria of quality of goods and related incidental services provided by the vendors. This has been relied upon by the auditors.

(c) Project related expenses comprise:

(₹ in lakhs)

Nature of expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Design and engineering charges	**100.79**	56.79
Testing and inspection	**28.37**	15.60
Transport charges (inward)	**88.20**	62.78
Crane hire charges	**18.57**	16.48
Clearing and forwarding expenses (import)	**14.32**	0.24
Technology fees	**5.43**	70.61
Cess on technology fees	**0.04**	0.11
Total	**255.72**	222.61

(d) Details of liabilities/provisions no longer required written back:

(₹ in lakhs)

Nature of expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Reversal of provision for warranties	**245.76**	723.95
Reversal of provision for employee benefits	**110.56**	62.69
Expense provision reversal	**6.74**	8.66
Total	**363.06**	795.30

(e) Brand and Technology fees:

The Company has also entered into an agreement with CMI SA for providing knowhow, access to various industrial processes, development and implementation of strategy, access to best practices for business operations, exploitation of knowledge for new business initiatives, access to new global business opportunities, etc.

The Company has entered into an agreement with CMI SA for rights to use the CMI brand name. The Company pays 0.6% of net sales. The agreement is originally effective from January 1, 2010 for the tenure of 5 years and revised for another 5 years with effect from January 1, 2015.

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Technology fees	**5.43**	70.61
Brand fees	**107.15**	69.49

(f) Value of imports calculated on CIF basis:

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials, components, stores and spares	**5,547.12**	**610.13**

Note: The Company's records do not distinguish between raw materials, components and stores and spares. Therefore, separate figures for each category of imported items have not been given. The above amounts have been computed based on the purchase bills to the extent identified by the Company, for imported items.

(g) Expenditure in foreign currency (on accrual basis):

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Commission on sales, supervision and erection expenses, design and engineering services and consultancy charges	**66.12**	58.37
Travelling expenses	**88.81**	143.08
Brand and technology fees [including Income-tax deducted ₹11.26 lakhs (Year ended March 31, 2017: ₹ 14.01 lakhs)]	**112.58**	140.10
Others	**1.99**	58.73

(h) Earnings in foreign exchange:

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Export of goods calculated on FOB basis	**8,232.97**	6,362.90
Export of services	**359.86**	643.20

Note: Sales on CFR/CIF/CIP/CPT/DAP basis has been converted into FOB.

(i) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Joao Felix Da Silva
Chairman
DIN: 07662251

Raman Madhok
Managing Director
DIN: 00672492

Yves Honhon
Director
DIN: 02268831

Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place : Taloja
Date : May 30, 2018