Notes to Financial Statements for the year ended March 31, 2018

1 Corporate Information

International Combustion (India) Limited is a public limited company in India, having its registered office in Kolkata, West Bengal located in India engaged in the manufacture and supply of Heavy Engineering Equipment, Geared Motors and Gear Boxes and Dry Mix Products. The Company's shares are listed and publicly traded on the Bombay Stock Exchange Limited.

The Consolidated Financial Statements relates to International Combustion (India) Limited (hereinafter referred to as 'the Company') and its joint ventures as detailed below:

Investment in Joint Ventures

Name of the Joint Venture	Principal Activity	Principal place of business	Effective proportion of ownership interest (%)		
			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Mozer Process Technology Private Limited	Trading in Mozer Dryers	India	50.00%	50.00%	50.00%

2 Statement of Compliance and Recent Pronouncements

2.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Financial Statements have been recasted/restated to make it comparable with current year figures.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented (Note No 47), a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017.The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No. 47(b) of the financial statement.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

2.2 Recent Pronouncements

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115, "Revenue from Contract with Customers" and Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration" which are applicable with effect from financial periods beginning on or after April 1, 2018.

Ind AS 115 – Revenue from Contract with Customers

The standard requires 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 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 effect of this amendment on the financial statements of the company is being evaluated.

Ind AS 21 – Appendix B "Foreign currency transactions and advance consideration"

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). The effect of this amendment on the financial statements of the company is being evaluated.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention except certain financial instruments which are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

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

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

(a) **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

(c) **Level 3:** Inputs for the asset or liability which are not based on observable market data.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. For major projects, interest and other costs incurred on / related to direct borrowings to finance projects / fixed assets during construction period and related pre-operative expenses, if appropriate, are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses of equipments to be installed, construction and erection materials, advances etc. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization of Expenses:

"Depreciation on Property, Plant and Equipment (other than on certain building and vehicles which is amortised over the period of lease) is provided on useful life as specified in Schedule II of the Companies Act, 2013 on the following basis:

(a) Nagpur, Aurangabad and Ajmer Units - on straight line method;

(b) Other Units - on written down value method.

(c) Leasehold Land being perpetuity in nature and having a term upto 99 years of lease with an option of renewal has not been amortised.

Intangible assets are amortized on straight line method over a period of six years.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

Category	Useful life (years)
Buildings	
Non-Factory Building (RCC Frame Structure)	60
Factory Building	30
Roads	
Carpeted Roads-RCC	-
Carpeted Roads-other than RCC	-
Non-Carpeted Roads	3

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

Category	Useful life (years)
Plant and machinery	
Continuous Process Plant	15
Computer equipment	
Servers and networks	6
Others	3
Furniture and fixtures and Laboratory Equipment's	10
Office equipment	5
Vehicles	
Motor cycles, scooters and other mopeds	-
Others	8

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, Technical Knowhow fees, cost of computer software packages (ERP and others) and Patents are amortized over a period of 6 years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible Assets

Tangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party 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 and Loss) 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 and Loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business 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 are measured at amortized cost.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) **Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) **Financial Assets or Liabilities at Fair Value Through Profit and Loss**

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and Loss. These are recognised at fair value and changes therein are recognized in the statement of Profit and Loss.

(vi) Investments in Joint Venture are being carried at cost.

(vii) **Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(viii) **Derecognition of financial instruments**

The Company derecognizes a financial asset or a group of financial assets 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, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in case of work-in-progress and finished goods represent material, labour, and other appropriate overheads. Cost in respect of raw materials, components, stores and spares include expenses incurred for procuring the same.

3.9 Asset Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

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

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account. Foreign exchange gain/loss to the extent considered as adjustment to interest cost are considered as part of borrowing cost.

3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.13 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund, Superannuation Fund and Pension Fund is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity scheme and Interest Rate Guarantee on Provident Fund schemes which are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

3.14 Revenue

Sale of goods:

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes and duties collected on behalf of third parties and is inclusive of excise and other duties which the company pays as principal.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

Export Benefits

Export benefits are accounted for as and when the ultimate realisability of such benefits are established.

3.15 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

that the future economic benefit associated with the same will be realised.

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

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

"Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

4.1 An arrangement containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.2 Depreciation / amortization and impairment loss on property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.3 Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

4.5 Provisions and Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy. Based on management best estimates the same does not qualify for recognition in the financial statements.

4.6 Insurance Claim and Liquidated damages

Insurance claims are accounted as and when admitted/settled. Liquidated damages and penalties are accounted for in accordance with the terms of agreement for loss of opportunity/profit of the company due to delay in completion. Subsequent changes in value if any are provided for.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose/ Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Impairment on Investments in Joint Venture

Investments in Joint Venture are been carried at cost. The company has tested for impairment at year end based on the Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

5. Property, Plant and Equipment:

As at March 31, 2018

(₹in lac)

Particulars	Freehold land	Lease-hold Land	Freehold Build-ings	Lease-hold Build-ings	Plant and Equip-ments	Furni-ture and Fixtures	Vehicles	Office Equip-ment	Elec-trical Installa-tion	Total	Capital Work-in-prog-ress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2017	3.04	549.05	1166.38	578.35	2810.96	72.79	18.75	3.27	258.24	5460.82	50.06	5510.88
Additions	-		27.38	-	116.77	1.17	-	1.48	1.79	148.59	13.45	162.04
Disposals	-	-	-	-	15.83	2.88	6.15	0.66	-	25.52	24.72	50.24
Gross Block as at March 31, 2018	3.04	549.05	1193.76	578.35	2911.90	71.08	12.60	4.09	260.03	5583.89	38.79	5622.68
Accumulated Depreciation as at April 1, 2017	-	0.05	61.50	43.29	320.58	20.60	6.16	0.80	27.88	480.86	-	480.86
Charge for the period	-	0.05	65.09	40.04	355.89	14.29	5.63	1.44	27.38	509.81	-	509.81
Disposals	-	-	-	-	15.83	0.79	5.37	0.66	-	22.65	-	22.65
Accumulated Depreciation as at March 31, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Net carrying amount as at March 31, 2018	3.04	548.95	1067.17	495.02	2251.26	36.98	6.18	2.51	204.77	4615.87	38.79	4654.66

As at March 31, 2017

Particulars	Freehold land	Perpetu-al Lease	Freehold Build-ings	Lease-hold Build-ings	Plant and Equip-ments	Furni-ture and Fixtures	Vehicles	Office Equip-ment	Elec-trical Installa-tion	Total	Capital Work-in-prog-ress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2016	3.04	549.05	532.40	578.35	1940.54	51.10	23.52	0.30	160.83	3839.12	536.5	4375.62
Additions	-	-	633.98	-	876.87	22.26	-	3.05	97.41	1633.57	614.78	2248.35
Disposals	-	-	-	-	6.45	0.57	4.77	0.08	-	11.87	1101.22	1113.09
Gross Block as at March 31, 2017	3.04	549.05	1166.38	578.35	2810.96	72.79	18.75	3.27	258.24	5460.82	50.06	5510.88
Accumulated Depreciation as at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	
Charge for the period	-	0.05	61.50	43.29	326.59	21.17	10.89	0.88	27.88	492.25	-	492.25
Disposals	-	-	-	-	6.01	0.57	4.73	0.08	-	11.39	-	11.39
Accumulated Depreciation as at March 31, 2017	-	0.05	61.50	43.29	320.58	20.60	6.16	0.80	27.88	480.86	-	480.86
Net carrying amount as at March 31, 2017	3.04	549.00	1104.88	535.06	2490.38	52.19	12.59	2.47	230.36	4979.96	50.06	5030.02

Notes:

5.1 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date (Refer note no. 47).

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

5. Property, Plant and Equipment (Contd.):

As at March 31, 2017 (Contd.)

Notes (Contd.):

5.2 The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on March 31, 2016

5.4 Refer Notes 20.2, 20.3 and 24.1 to financial statements in respect of charges created against borrowings

5.5 Details of assets under lease included above

A. Finance Lease disclosures:

The leasehold lands located at Nagpur, Aurangabad, Ajmer and Kolkata has been classified under finance lease. The lease term ranges from 89 to 99 years.

The net carrying amount of the leasehold land, classified as finance lease, is Rs. 548.95 lac as at March 31, 2018 (March 31, 2017: Rs. 549 lac and April 1, 2016: Rs. 549.05 lac).

(₹in lac)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at March 31,2018	As at March 31,2017	As at March 31,2018	As at March 31,2017
Not later than one year	0.38	0.38	0.18	0.20
Later than one year and not later than five years	2.53	2.46	1.02	0.90
Later than five years	189.89	190.34	1.63	1.75

5.6 Capital Work-in-Progress includes Plant and Equipments, construction including material and other costs and other assets amounting to Rs. 38.79 lac (March 31, 2017: Rs. 70.23 lac and April 1, 2016: Rs 577.64 lac) under installation and the following pre-operative expenditure incurred towards construction and other activities directly attributable to construction of said assets pending completion of the project. Details of such expenditure are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Amount brought forward	-	48.64
Addition during the year	-	-
Less : Capitalised during the year	-	(48.64)
Total pre-operative expenses carried forward pending allocation	-	-

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

6. Other Intangible Assets:

As at March 31, 2018

(₹in lac)

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2017	44.71	23.64	6.76	75.11	20.17	95.28
Additions	40.01	-	-	40.01	19.84	59.85
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	40.01	40.01
Gross Block as at March 31, 2018	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2017	9.36	3.60	1.74	14.70	-	14.70
Charge for the period	8.76	3.94	1.56	14.26	-	14.26
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2018	18.12	7.54	3.30	28.96	-	28.96
Net carrying amount as at March 31, 2018	66.60	16.10	3.46	86.16	-	86.16

As at March 31, 2017

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2016	7.85	0.02	6.76	14.63	41.14	55.77
Additions	36.86	23.62	-	60.48	24.09	84.57
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	45.06	45.06
Gross Block as at March 31, 2017	44.71	23.64	6.76	75.11	20.17	95.28
Accumulated Depreciation as at April 1, 2016	-	-	-	-	-	-
Charge for the period	9.36	3.60	1.74	14.70	-	14.70
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2017	9.36	3.60	1.74	14.70	-	14.7
Net carrying amount as at March 31, 2017	35.35	20.04	5.02	60.41	20.17	80.58

Notes:

6.1 The Company has elected to continue with the carrying value of its Intangible Assets recognised as on April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date (Refer note no. 47).

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

7. Non-Current Investments

(Fully paid up except otherwise stated)

(₹in lac)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding	Value	Holding	Value	Holding	Value
Investments in Equity Instruments	Nos.		Nos.		Nos.	
Investment measured at Cost						
Unquoted						
Joint Venture						
Mozer Process Technology Private Limited (Face value of Rs.10/- each)	500000	50.00	500000	50.00	500000	50.00
		50.00		50.00		50.00
Investment in Mutual Funds						
Investment measured at fair value through Profit and Loss						
Quoted						
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	837479	111.79	837479	102.66	-	-
ICICI Prudential Fixed Maturity Plan-Sr.75-1246 Days-Plan U (Face Value of Rs. 10 each)	-	-	3000000	377.89	3000000	332.11
Kotak FMP Series 172 - 1126 Days (Face Value of Rs. 10 each)	1500000	221.44	1500000	181.70	1500000	166.20
Birla Sunlife Fixed Term Plan-Corp Bond Sr.A 1170 D (Face Value of Rs. 10 each)	-	-	-	-	3000000	373.99
ICICI Prudential FMP Series 73 -1140 Days (Face Value of Rs. 10 each)	-	-	-	-	2000000	243.34
Reliance Fixed Horizon Fund XXVII Sr.3 (Face Value of Rs. 10 each)	-	-	-	-	2000000	232.17
HDFC FMP 1184D January 2015(I) - Sr.33 (Face Value of Rs. 10 each)	-	-	2000000	248.49	2000000	223.88
Kotak FMP Series 127-730 Days (Face Value of Rs. 10 each)	-	-	1500000	204.69	1500000	185.78
HDFC FMP 1213 D Mar 2017(1) Reg Gr. (Face Value of Rs. 10 each)	3000000	323.73	3000000	300.92	-	-
UTI-FTIF-Series XXII-VI (1098 Days) Growth Plan (Face Value of Rs. 10 each)	-	-	3000000	358.86	3000000	321.04
ICICI Prudential FMP Series 81 -1101 Days-Plan E (Face Value of Rs. 10 each)	2000000	211.96	-	-	-	-
Kotak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	42000	5.17	-	-	-	-
Kotak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	50000	6.19	-	-	-	-
		880.28		1775.21		2078.51
Total -Non -Current Investments		930.28		1825.21		2128.51
Aggregate NAV of Quoted Investments						
- Mutual Funds		880.28		1775.21		2078.51

7.1 The Company as on the transition date has adopted to measure investment in Joint Venture at Cost (Refer note no. 47)

7.2 Particulars of Investments as required under section 186(4) of the Companies Act, 2013 has been disclosed herein above

7.3 Refer Note No. 20.1 and 24.2 to financial statements in respect of charges created against borrowings

7.4 Details of Joint Venture in accordance with Ind AS 112 " Disclosure of Interest in other entities"

Name of the Company	Country	Proportion of Ownership Interest/ Voting rights by the Company
Mozer Process Technology Private Limited	India	50%

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

8. Other Financial Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good				
Security Deposits		63.48	64.65	56.67
Fixed Deposit with Banks (having original maturity of more than 1 year)	14.1	110.33	33.94	168.98
Surrender Value of Keyman Insurance Policy	8.1	556.26	497.62	-
		730.07	**596.21**	**225.65**

8.1 The Company has recognised the surrender value of Keyman insurance policy considering the expected accrual of proceeds thereof on maturity in favour of the company.

9. Other Non-Current Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances		-	-	113.04
		-	-	**113.04**

10. Inventories

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials		1380.10	1150.81	1105.84
Raw materials in transit		-	-	0.50
Work-In-Progress		521.19	636.18	672.60
Finished goods		1248.00	1012.36	981.33
Packing Materials		222.63	17.68	19.22
Stores and spares		32.70	221.40	184.67
		3404.62	**3038.43**	**2964.16**

Note: Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

11. Current Investments

(Fully paid up except otherwise stated)

(₹in lac)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding	Value	Holding	Value	Holding	Value
Investment measured at fair value through Profit and Loss Investment in Mutual Funds	Nos.		Nos.		Nos.	
Mutual Funds (Quoted)						
Reliance Fixed Horizon Fund XXIII Sr.11 (Face Value of Rs. 10 each)	-	-	-	-	3000000	368.60
Birla Sunlife Fixed Term Plan - Series.-JJ (Face Value of Rs. 10 each)	-	-	-	-	1000000	121.94
DHFL Pramerica Fixed Maturity Plan Sr.68 (Face Value of Rs. 10 each)	-	-	2500000	313.85	2500000	294.83
UTI-FTIF Series XXII-VI(1098 D) Growth Fund (Face Value of Rs. 10 each)	3000000	389.82	-	-	-	-
Reliance Fixed Horizon Fund XXVII Sr.3 (Face Value of Rs. 10 each)	-	-	2000000	254.24	-	-
ICICI Prudential FMP Series 73 -1140 Days (Face Value of Rs. 10 each)	-	-	2000000	263.39	-	-
Birla Sunlife Fixed Term Plan-Corp Bond Sr.A 1170 D (Face Value of Rs. 10 each)	-	-	3000000	404.81	-	-
ICICI Prudential Fixed Maturity Plan-Sr.75-1246 Days-Plan U (Face Value of Rs. 10 each)	3000000	409.54	-	-	-	-
Kotak FMP Series 172 - 1126 Days (Face Value of Rs. 10 each)	1500000	196.93	-	-	-	-
HDFC FMP 1184D January 2015(I) - Sr.33 (Face Value of Rs. 10 each)	2000000	266.09	-	-	-	-
Reliance Corporate Bond	1875314	262.79	-	-	-	-
Total	-	**1525.17**	-	**1236.29**	-	785.37
Aggregate amount of NAV of Quoted Investments						
- In Mutual Funds		**1525.17**		**1236.29**		785.37

11.1 Refer Note No. 20.1 and 24.2 to financial statements in respect of charges created against borrowings

11.2 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note No. 7 and 11

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

12. Trade Receivables

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Considered good				
Unsecured		3949.99	3916.43	4149.99
Less: Impairment allowances for doubtful debts	12.1	(73.34)	(56.68)	(54.96)
		3876.65	**3859.75**	**4095.03**
12.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings				
12.2 Movement of Impairment allowances for doubtful debts				
Balance as at the beginning of the year		56.68	54.96	54.96
Recognised during the year		16.66	1.72	-
Reversal during the year		-	-	-
Balance at the end of the year		73.34	56.68	54.96
12.3 The Company has provided for impairment allowances at an amount equal to its life time expected credit losses.				

13. Cash and Cash Equivalents

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks				
In current and cash credit accounts		123.33	130.86	172.64
Cash on hand		2.81	3.08	2.79
		126.14	**133.94**	**175.43**

14. Bank Balances Other than Cash and Cash Equivalents

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Balances with bank				
In Margin Money Accounts	14.1	36.15	101.89	71.00
In Unpaid Dividend Account		8.27	10.59	12.93
Fixed deposits with Banks(having original maturity of more than 3 months)		-	8.08	8.07
		44.42	**120.56**	**92.00**

14.1 Fixed Deposits with banks in Margin Money Account includes Rs.146.48 lac (March 31, 2017: Rs 135.83 lac and April 1, 2016: Rs. 239.98 lac) including Rs 110.33 lac (March 31, 2017: Rs 33.94 lac and April 1, 2016: Rs. 168.98 lac) disclosed under "Other Non-current Financial Assets" have been lodged with Banks against guarantee issued by them.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

15. Loans

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good				
Loans and advances to related parties	45(B)	-	-	0.54
		-	-	**0.54**

16. Other Financial Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Export Incentive receivable		26.02	16.02	16.75
Others		28.70	2.57	8.40
		54.72	**18.59**	**25.15**

16.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

17. Other Current Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances for supply of goods		53.31	21.06	64.75
Balance with Government authorities		276.95	424.54	314.14
Prepaid expenses		30.85	39.82	28.77
Loans and advances to employees		9.35	6.60	9.71
		370.46	**492.02**	**417.37**

17.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

18. Equity Share Capital

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised				
50,00,000 (March 31, 2017: 50,00,000 and April 1, 2016: 50,00,000) Equity Shares of Rs.10 each		500.00	500.00	500.00
		500.00	**500.00**	**500.00**
Issued, Subscribed and Paid-up				
23,90,276 (March 31, 2016: 23,90,276 and April 1, 2016: 23,90,276) Equity Shares of Rs.10 each		239.03	239.03	239.03
		239.03	**239.03**	**239.03**

18.1 The Company has one class of shares refered to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

18. Equity Share Capital (Contd.)

18.2 Reconciliation of the number of equity shares outstandings

(No. of shares)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Number of shares at the beginning		2390276	2390276	2390276
Add: Addition during the year		-	-	-
Number of shares at the end		**2390276**	**2390276**	**2390276**

18.3 Shareholders holding more than 5% equity shares

(No. of shares)

Name of shareholders	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Tradelink Securities Limited		343703	343703	343703
Stephen Court Limited		279088	279088	279088
Woolworth Merchandise Private limited		170609	170609	170609

19. Other Equity

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve	19.2	605.34	605.34	605.34
Securities Premium Reserve	19.3	890.41	890.41	890.41
General Reserve	19.4	7301.82	7301.82	7301.82
Retained Earnings	19.5	468.35	703.26	489.56
Other Comprehensive Income	19.6			
Re-measurement of Defined benefit plans		(92.81)	(78.93)	(61.85)
		9173.11	**9421.90**	**9225.28**

19.1 Refer Statement of changes in Equity for movement in balances of reserves

19.2 Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under section 52 of Companies Act, 2013.

19.3 General Reserve

The General Reserve is used from time to time by appropriating profits from Retained Earnings. As the General Reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of Profit and Loss.

19.4 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

19.5 Other Comprehensive Income

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI and will not be reclassified to statement of Profit and Loss.

19.6 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported above are not entirely distributable.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

20. Borrowings

(₹in lac)

Particulars	Note no.	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Non Current	Current	Non Current	Current	Non Current	Current
Secured							
Term Loan loan from Bank	20.1 and 20.2	1316.97	639.68	1957.25	600.94	2392.25	369.15
Vehicle Finance loan from Bank	20.3	1.21	3.54	4.76	4.34	9.10	3.94
		1318.18	643.22	1962.01	605.28	2401.35	373.09

20.1 Term Loan from Kotak Bank is secured by way of lien on investments in units of mutual fund held by the Company and is repayable in 60 monthly instalments starting from January, 2016. The Interest rate is Base Rate + 185 basis points which is currently 11.35%. The outstanding as on March 31, 2018 is Rs. 1032.91 lac (March 31, 2017: Rs. 1,341.97 lac and April 1, 2016 Rs.1,611.12 lac)

20.2 Term Loan from Axis Bank is secured by way of exclusive hypothecation charge over movable fixed assets at Ajmer unit, equitable mortgage over Company's leasehold land and building thereon situated at Ajmer and second charge as collateral securities by way of equitable mortgage on immovable assets located at Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units. The Interest rate is Base Rate + 250 basis points which is currently 12.00%. The outstanding as on March 31, 2018 is Rs.929.19 lac (March 31, 2017: Rs. 1,229.19 lac and April 1, 2016 Rs. 1,167.19 lac)

20.3 Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from July, 2014 and March,2016 respectively. The Interest rate is 10.51% and 9.40% respectively. The outstanding as on March 31, 2018 is Rs 4.75 lac (March 31, 2017: Rs 9.10 lac and April 1, 2016 Rs 13.03 lac)

20.4 Repayment details of above loans are as follows:

(₹in lac)

Particulars	Term Loan	Vehicle Finance Loan
2018-19	639.68	3.54
2019-20	676.59	1.21
2020-21	616.63	-
2021-22	23.75	-

20.5 The outstanding balance disclosed in Note no. 20 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

21. Other Financial Liabilities

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Vendors		-	-	81.44
		-	-	81.44

22. Provisions

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	41	128.89	101.66	72.15
		128.89	101.66	72.15

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

23. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax Assets		427.56	(296.60)	(200.27)
Deferred tax Liabilities		471.61	471.65	347.18
Net Deferred Tax (Assets)/Liabilities		**44.05**	**175.05**	**146.91**

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in profit & loss	Charge/(Credit) recognised in other compre-hensive income	As at March 31, 2018
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	-	-	3.50
Leasehold liability	0.88	0.06	-	0.82
MAT Credit Entitlement	77.11	-	-	77.11
Unabsored depreciation loss	156.69	(45.15)	-	201.84
Provision for expected credit losses against financial assets	17.51	(5.18)	-	22.69
Expenses allowable on payment basis	5.61	(74.49)	-	80.10
Remeasurement of defined benefit obligations	35.30	0.00	(6.20)	41.50
Total Deferred Tax Assets	**296.60**	**(124.76)**	**(6.20)**	**427.56**
Deferred Tax Liabilities:			-	
Fair valuation (gain)/ loss on Investments	115.67	(24.16)	-	91.51
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	352.68	25.74	-	378.42
Borrowings designated at Amortised Cost	3.30	(1.62)	-	1.68
Total Deferred Tax Liabilities	**471.65**	**(0.04)**	**-**	**471.61**
Net Deferred Tax (Assets)/ Liabilities	**175.05**	**(124.80)**	**(6.20)**	**44.05**

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2017 are given below:

Particulars	As at April 1, 2016	Charge/ (Credit) recognised in profit & loss	Charge/ (Cred-it) recognised in other compre-hensive income	As at March 31, 2017
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	-	-	3.50
Leasehold liability	0.94	0.06	-	0.88
MAT Credit Entitlement	55.41	(21.70)	-	77.11
Unabsored depreciation loss	91.91	(64.78)	-	156.69
Provision for expected credit losses against financial assets	16.98	(0.53)	-	17.51
Expenses allowable on payment basis	3.87	(1.74)	-	5.61
Remeasurement of defined benefit obligations	27.66	(0.00)	(7.64)	35.30
Total Deferred Tax Assets	**200.27**	**(88.69)**	**(7.64)**	**296.60**
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	85.26	30.41	-	115.67
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	256.76	95.92	-	352.68
Borrowings designated at Amortised Cost	5.16	(1.86)	-	3.30
Total Deferred Tax Liabilities	**347.18**	**124.47**	**-**	**471.65**
Net Deferred Tax (Assets)/ Liabilities	**146.91**	**35.78**	**(7.64)**	**175.05**

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

24. Borrowings

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured				
Repayable on demand				
Working capital facilities from banks				
Indian Currency	24.1 & 24.2	657.60	777.65	543.50
Buyer's Credit	24.3	202.96	177.30	191.93
		860.56	**954.95**	**735.43**

24.1 Loans repayable on demand being Working Capital facilities from UCO Bank and Axis Bank (both fund based and non-fund based) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, trade receivables and other current assets of the Company and all moveable assets and by equitable mortgage by deposit of title deeds of immoveable properties comprising of land and buildings of the Company's factories situated at Nagpur and Aurangabad.

24.2 Loans repayable on demand being Working Capital facilities from Kotak Mahindra Bank is secured by way of lien on investments in units of mutual funds held by the Company.

24.3 Buyer's Credit is secured against hypothecation of the plant and equipment purchased thereagainst

25. Trade Payables

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable for Goods and Services				
Due to Micro and Small Enterprises	25.1	61.18	45.66	28.17
Others		2169.05	1700.18	1261.81
		2230.23	**1745.84**	**1289.98**

25.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Principal & Interest amount remaining unpaid but not due as at year end			
Principal amount unpaid	61.18	45.66	28.17
Interest due	-	-	-
b) Interest paid by the Company in terms of Section 16 of the "Micro, Small and Medium Enterprise Development Act, 2006" along with the amounts of the payment made to the supplier beyond the appointed day during the year:			
Principal amount unpaid	63.97	154.12	191.67
Interest due	-	-	-
c) 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 under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil
d) Interest accrued and remaining unpaid as at year end	Nil	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

26. Other Financial Liabilities

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term debt- Secured	20	639.68	600.94	369.15
Current maturities of finance lease obligation- Secured	20	3.54	4.34	3.94
Interest accrued but not due on borrowings		14.11	17.24	15.33
Unclaimed dividends	26.1	8.27	10.59	12.93
Capital vendors		48.13	308.71	153.02
		713.73	941.82	554.37

26.1 The same is not due for payment to Investor Education and Protection Fund.

27. Other Current Liabilities

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from customers		582.38	470.73	387.43
Statutory dues-PF, ESI, Service Tax, TDS, Entry Tax etc.		370.44	149.42	105.45
Excise duty on stock		-	112.48	109.04
		952.82	732.63	601.92

28. Provisions

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	42	94.26	88.78	69.71
		94.26	88.78	69.71

29. Current Tax Liabilities (Net)

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for taxation (net of advance tax)		48.49	67.93	36.07
		48.49	67.93	36.07

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

30. Revenue From Operations

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (including Excise Duty)	30.1	10597.26	10694.14
Sale of Services		31.89	37.70
Other operating revenues			
Scrap Sales		72.47	53.67
Liabilities no longer required written back		42.18	50.48
Incentive on exports		20.10	21.92
		10763.90	**10857.91**

30.1 Includes Excise Duty of Rs. 103.81 lac (2016-17 – Rs. 1015.76 lac)

31. Other Income

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income			
On deposits, overdue debts etc.		12.44	15.22
Net gain/(loss) on redemption of Current investments (net)		6.84	14.70
Net gain/(loss) on fair valuation of investments through profit and loss (net)		173.57	251.46
Profit/(loss) on sale of fixed assets (net)		-	1.56
Net gain/(loss) on foreign currency transaction and translation		12.33	10.92
Fair valuation of Surrender Value of Keyman Insurance policy	8.2	58.64	497.62
Miscellaneous income		29.47	55.80
		293.29	**847.28**

32. Cost of materials consumed

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material Consumed		**4991.81**	4293.31

33. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock			
Finished Goods		1012.36	981.33
Work-in-Progress		636.18	672.60
		1648.54	**1653.93**
Less: Closing Stock			
Finished Goods		1248.00	1012.36
Work-in-Progress		521.19	636.18
		1769.19	**1648.54**
		(120.65)	5.39

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

34. Employee Benefits Expense

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages		2514.91	2380.72
Contribution to provident and other funds		253.43	219.83
Travelling and Conveyance		379.40	356.84
Staff welfare expenses		131.43	111.96
		3279.17	**3069.35**

35. Finance Costs

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		344.98	386.64
Other borrowing cost		51.86	15.64
		396.84	**402.28**

36. Depreciation and Amortisation Expenses

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation Expenses	5	509.81	492.25
Amortisation Expenses	6	14.26	14.70
		524.07	**506.95**

37. Other Expenses

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumable Stores		273.23	239.16
Packing Materials consumed (net of recoveries)		144.85	169.11
Power and fuel		184.26	195.49
Rent		25.73	22.17
Repairs to buildings		36.05	38.43
Repairs to machinery		26.98	8.31
Repairs to others		57.14	57.27
Insurance		10.43	13.26
Rates and taxes		23.89	22.50
Directors fees and Commission		6.10	9.20
Selling and Distribution Expenses	37.2	584.22	505.97
Auditors' Remuneration	37.1	4.15	4.42
Irrecoverable Debts/Advances written off		58.01	75.31
Royalty		260.63	198.78
Excise duty paid and on stock		(8.67)	1019.21
Communication Expenses		31.42	30.98
Provision for expected Credit losses		16.66	1.72
Consultancy		68.99	41.95
Freight and Forwarding Charges (Net of realisation of Rs. 47.15 lac (March 31, 2017: Rs. 48.44 lac)		173.05	108.39
Loss on sale of fixed assets (net)		0.97	-
Miscellaneous expenses	37.3	367.57	395.09
		2345.66	**3156.72**

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

37. Other Expenses (Contd.)

37.1 Auditor's Remuneration comprises of:

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Audit Fees		3.25	3.25
(b) Certification and other expenses		0.90	1.17

37.2 Selling and Distribution Expenses comprises of:

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Travelling Expenses		466.05	421.99
(b) Commission on Sales		94.36	61.98
(b) Other Expenses		23.81	22.00

37.3 During the year, the Company has incurred Rs. 2.12 lac (March 31, 2017 Rs. 4.15 lac) on account of Corporate Social Responsibility (CSR).

37.4 **Operating Lease disclosures:**

The Company has operating lease arrangements for office accommodations etc. with tenure extending upto 1 or 3 or 5 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 12 or 24 or 36 months as the case may be from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs. 26.11 lac (March 31, 2017 Rs. 22.17 lac).

38. Tax Expenses-Current Tax

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for current tax		-	21.71
		-	21.71

38.1 Components of Tax Expense:

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax			
In respect of the current year		-	21.71
Total Current tax expense recognised in the current year		-	**21.71**
Deferred tax			
In respect of the current year		(124.80)	35.78
MAT credit entitlement		-	-
Total Deferred tax expense recognised in the current year		(124.80)	35.78
Total Tax expense recognised in the current year		(124.80)	57.49

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

38. Tax Expenses-Current Tax (Contd.)

38.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from "Profit Before Tax" as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit Before Tax		(359.71)	271.19
Income tax expense calculated at 30.90%*		(111.15)	83.80
Less : Effect of			
Difference in tax rate for Long Term Capital Gain		(18.58)	(27.41)
Effect of other adjustments		4.93	1.10
Income Tax Expense recognised in Profit and Loss		**(124.80)**	**57.49**

* The tax rate used for reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under the Indian tax laws.

38.3 Income tax recognised in other comprehensive income

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred Tax			
Arising on income and expenses recognised in other comprehensive income:			
Tax impact on Remeasurement of defined benefit obligation		6.20	7.64
Total Income Tax recognised in Other Comprehensive Income		**6.20**	**7.64**
Bifurcation of the income tax recognised in Other Comprehensive Income into:			
Items that will not be reclassified to Profit and Loss		6.20	7.64
Items that may be reclassified to Profit and Loss		-	-

39. Components of Other Comprehensive Income

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Items that will not be reclassified to Statement of Profit or Loss			
Remeasurement of gains / (losses) on defined benefit plans		(20.08)	(24.72)
		(20.08)	(24.72)

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:

(₹in lac)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)						
Financial Assets designated at Amortised Cost						
Trade Receivables	3876.65	3876.65	3859.75	3859.75	4095.03	4095.03
Cash and Cash Equivalents	126.14	126.14	133.94	133.94	175.43	175.43
Bank Balances other than Cash and Cash Equivalents	44.42	44.42	120.56	120.56	92.00	92.00
Loans and Other financial assets	784.79	784.79	614.80	614.80	250.80	250.80
Financial Assets designated at Fair Value through Profit and Loss Account						
Investment in Mutual Funds	2405.45	2405.45	3011.50	3011.50	2863.88	2863.88
Financial Liabilities (Current and Non-Current)						
Financial Liabilities designated at Amortised Cost						
Borrowings	2821.96	2821.96	3522.24	3522.24	3509.87	3509.87
Trade Payables	2230.23	2230.23	1745.84	1745.84	1289.98	1289.98
Other Financial Liabilities	70.51	70.51	336.54	336.54	262.72	262.72

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities/financial assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/ amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Investments (other than Investments in Joint Venture) i.e. Mutual Funds are determined by reference to the quoted market prices (i.e. NAV) at the reporting date multiplied by the quantity held.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2018:

(₹in lac)

Particulars	As at March 31*	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds (Current and Non-Current) - 2018	2405.45	2405.45	-	-
- 2017	(3011.50)	(3011.50)	-	-
- 2016	[785.37]	[785.37]	-	-

(*) Figures in round brackets ( ) indicate figures as at March 31, 2017 and in brackets [ ] indicate figures as at April 01, 2016

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company has an Enterprise Risk Management (ERM) process which involves periodic identification of risks likely to affect the business adversely, rating the risks, their importance and likelihood, preparation of risk identification procedures, implementation of risk mitigation plans and its continuous monitoring by the Executive Management/ Divisional Heads. The Risk Management Committee has already identified the risks in the various business areas and it also develops and monitors various mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks. The presence in India of players with low cost products which has intensified the competition in the large domestic market consequently shrinking the margins for the Company's products is an area of risk. To mitigate the risk involved in this area, steps have been initiated to move ahead of the competition with the Company's strong brand image along with upgradation of technology, carving out a niche product portfolio and effective marketing framework.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated transactions.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

The Company is having a net foreign exchange inflow and has adopted a comprehensive risk management review system wherein it evaluates exchange rate exposure arising from these transactions and follows established risk management policies.

The carrying amount of various exposure to foreign currency at the end of the reporting period are as follows:

(₹in lac)

Particulars	As at March 31, 2018			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	24.40	-	-	24.40
EURO	62.73	202.96	5.17	(145.40)
Total	**87.13**	**202.96**	**5.17**	**(121.00)**

Particulars	As at March 31, 2017			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	5.84	-	-	5.84
EURO	75.56	177.30	12.43	(114.17)
Total	**81.40**	**177.30**	**12.43**	**(108.33)**

Particulars	As at April 1, 2016			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	97.67	-	-	97.67
EURO	103.08	191.93	6.36	(95.21)
Total	**200.75**	**191.93**	**6.36**	**2.46**

The company is principally exposed to foreign currency risk against USD & Euro. Sensitivity of profit or loss arises mainly from USD & EURO denominated are as follows:

(₹in lac)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Receivables (Weaking of INR By 5%)		
USD	1.22	0.29
EURO	3.14	3.78
Payables (Weaking of INR By 5%)		
USD	-	-
EURO	(10.41)	(9.49)

A 5% stregthening of INR would have an equal and opposite effect on the Company's financial statements

Interest rate risk

The company exposure in market risk related to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Interest rate risk (Contd.)

Further, there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes and as such does not cause material implication.

With all other variables held constant, the following table demonstrates the impact of exposure of Company's borrowings to interest rate changes at the end of the reporting period. A hypothetical basis point shift, as detailed below, would result in a corresponding increase or decrease in interest costs for the company on a yearly basis.

(₹in lac)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2018	For the year ended March 31, 2017
Foreign Currency Loan	+0.25	0.51	0.44
Rupee Loan	+0.50	13.07	16.68

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in foreign currency loan would have an equal and opposite effect on the Company's financial statements

Other price risk

The company's exposure in Joint Venture are carried at cost and these are subject to impairment testing as per the policy followed in this respect. Further,the investment in mutual funds which are fair valued through profit and loss are material as these are Fixed Maturity Plan(FMP) that are closed ended scheme with a pre-defined maturity which is subject to investment objective and allocation which is basically in debt instruments, Certificate of Deposits and Commercial papers. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Collection of sale proceeds promptly from the clients on sale of products is also an area where risk is involved. The Company has adopted various recovery measures for improvement in collection and liquidity position which is also monitored by the Executive Management at regular intervals.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2018 and March 31, 2017 respectively.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery thereagainst has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Financial assets that are past due but not impaired

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement. The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at the Balance Sheet date:

Interest rate and currency of borrowings

(₹in lac)

Particulars	As at March 31, 2018			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	2619.01	2614.25	4.76	-
EURO	202.96	202.96	-	-
Total	**2821.96**	**2817.21**	**4.76**	**-**

Particulars	As at March 31, 2017			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	3344.94	3335.84	9.10	-
EURO	177.30	177.30	-	-
Total	**3522.24**	**3513.14**	**9.10**	**-**

Particulars	As at April 1, 2016			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	3317.95	3304.90	13.05	-
EURO	191.93	191.93	-	-
Total	**3509.88**	**3496.83**	**13.05**	**-**

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Maturity Analysis of Financial Liabilities

(₹in lac)

Particulars	As at March 31, 2018					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2821.96	-	316.48	326.74	2178.74	2821.96
Other Liabilities	70.51	8.27	62.24	-	-	70.51
Trade and other payables	2230.23	2230.23	-	-	-	2230.23

Particulars	As at March 31, 2017					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	3522.24	-	298.40	308.08	2915.76	3522.24
Other Liabilities	336.54	10.59	325.95	-	-	336.54
Trade and other payables	1745.84	1745.84	-	-	-	1745.84

Particulars	As at April 1, 2016					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	3509.87	-	282.71	292.29	2934.87	3509.87
Other Liabilities	262.72	12.93	249.79	-	-	262.72
Trade and other payables	1289.98	1289.98	-	-	-	1289.98

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP. Further,the Company relies on mix of borrowings and excess operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The gearing ratio are as follows:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	2178.74	2916.96	3136.78
Equity	9412.14	9660.93	9464.31
Gearing Ratio	0.23	0.30	0.33

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on ''Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under:

(₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund	102.88	104.08
Employer's Contribution to Pension Fund	59.34	59.17
Employer's Contribution to Superannuation Fund	11.83	9.95
Employers State Insurance Fund	32.78	15.75

b) Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹in lac)

Particulars	Gratuity (Funded)	
	2017 - 2018	2016 - 2017
a) **Change in the fair value of the defined benefit obligation:**		
Liability at the beginning of the year	728.94	642.44
Interest Cost	53.44	51.43
Current Service Cost	47.08	50.26
Actuarial (gain) / loss on obligations	14.09	18.44
Benefits paid	(78.69)	(33.63)
Liability at the end of the year	**764.86**	**728.94**
b) **Changes in the Fair Value of Plan Asset**		
Fair value of Plan Assets at the beginning of the year	695.68	657.04
Expected Return on Plan Assets	53.91	52.56
Contributions by the Company	33.54	25.99
Benefits paid	(78.69)	(33.63)
Actuarial gain / (loss) on Plan Assets	(5.99)	(6.28)
Fair value of Plan Assets at the end of the year	**698.45**	**695.68**
c) **Actual return on Plan Asset**		
Expected return on Plan assets	53.91	52.56
Actuarial gain / (loss) on Plan Assets	(5.99)	(6.28)
Actual Return on Plan Assets	**47.92**	**46.28**
d) **Amount Recognized in Balance Sheet**		
Liability at the end of the year	764.86	728.94
Fair value of Plan Assets at the end of the year	698.45	695.68
	66.41	**33.26**
e) **Components of Defined Benefit Cost**		
Current Service Cost	47.08	50.26
Interest Cost	53.44	51.43
Expected Return on Plan Assets	(53.91)	(52.56)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	20.08	24.72
Total Defined Benefit Cost recognised in Profit and Loss and OCI	**66.69**	**73.85**

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

b) **Defined Benefit Plans (Contd.)**

(₹in lac)

Particulars	Gratuity (Funded)	
	2017 - 2018	2016 - 2017
f) Balance Sheet Reconciliation		
Opening Net Liability	33.26	(14.60)
Expenses as above	66.69	73.85
Employers Contribution	(33.54)	(25.99)
Amount Recognized in Balance Sheet	**66.41**	**33.26**
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.75%	7.50%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	**7.75%**	**7.50%**

h) **Percentage allocation of plan assets in respect of fund managed by insurer is as follows:**

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
G-Sec/ Corporate Securities	-	-	-
Equity	-	-	-
Fixed Deposit and other Assets	-	-	-
Insurance Policies	100.00%	100.00%	100.00%

Interest Rate Guarantee

The obligation for provident fund trustees set up by the employer for Interest Rate guarantee in respect of shortfall in respect of in a defined benefit plan and is recognized in the same manner as gratuity. The actuarial valuation of such provident fund liability on account of shortfall of interest as determined by the acturial is Rs.Nil (March 31, 2017 - Rs. 3.13 lac) has been recognised in the Statement of Profit and Loss.

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated priviliged and sick leaves of the employees of the Company as at March 31, 2018 is given below:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017
Leave Encashment	113.13	108.71

Particulars	Leave Encashment (Non-Funded)	
	2017 - 2018	2016 - 2017
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	108.71	101.17
Interest Cost	6.66	7.87
Current Service Cost	35.39	33.18
Benefits paid	(45.67)	(23.69)
Actuarial (gain) / loss on obligations	8.04	(9.82)
Liability at the end of the year	**113.13**	**108.71**

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

(₹in lac)

Particulars		Leave Encashment (Non-Funded)	
		2017 - 2018	2016 - 2017
b)	**Amount Recognized in Balance Sheet**		
	Liability at the end of the year	113.13	108.71
	Fair value of Plan Assets at the end of the year	-	-
		113.13	**108.71**
c)	**Components of Defined Benefit Cost**		
	Current Service Cost	35.39	33.18
	Interest Cost	6.66	7.87
	Expected Return on Plan Assets	-	-
	Net Actuarial (gain) / loss on remeasurement recognised in Profit and Loss	8.04	(9.82)
	Total Defined Benefit Cost recognised in Profit and Loss and OCI	**50.09**	**31.23**
d)	**Balance Sheet Reconciliation**		
	Opening Net Liability	108.71	101.17
	Expenses as above	50.09	31.23
	Benefits paid	(45.67)	(23.69)
	Amount Recognized in Balance Sheet	**113.13**	**108.71**
e)	**Principal Actuarial assumptions as at the Balance Sheet date**		
	Discount Rate	7.75%	7.50%
	Salary Escalation - First 5 years	6.00%	6.00%
	Salary Escalation - After 5 years	6.00%	6.00%
	Rate of Return on Plan Assets	N.A	N.A

Notes:

i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Recognised in Other Comprehensive Income

Particulars	Gratutiy
Remeasurement - Acturial loss/(gain)	
For the year ended March 31, 2017	24.72
Remeasurement - Acturial loss/(gain)	
For the year ended March 31, 2018	20.08

Sensitivity analysis:

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31, 2017			
Discount Rate	+1%	689.95	101.59
	-1%	776.23	116.79
Salary Growth Rate	+1%	771.86	116.83
	-1%	689.95	101.43
Withdrawal Rate	+1%	736.96	109.91
	-1%	722.38	107.73

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

Sensitivity analysis (contd.):

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31, 2018			
Discount Rate	+1%	739.84	106.41
	-1%	831.45	120.69
Salary Growth Rate	+1%	830.63	120.77
	-1%	739.72	106.28
Withdrawal Rate	+1%	787.35	113.93
	-1%	778.55	112.24

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (Projected Unit Credit Method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2017		
Plan Liabilities - (loss)/gain	(3.21)	(13.50)
Plan Assets - (loss)/gain	6.29	-
For the year ended March 31, 2018		
Plan Liabilities - (loss)/gain	42.42	9.74
Plan Assets - (loss)/gain	6.00	-

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity	Leave Encashment
01 Apr 2018 to 31 Mar 2019	34.81	5.58
01 Apr 2019 to 31 Mar 2020	222.54	31.84
01 Apr 2020 to 31 Mar 2021	60.03	6.34
01 Apr 2021 to 31 Mar 2022	52.89	7.19
01 Apr 2022 to 31 Mar 2023	63.87	9.62
01 Apr 2022 to 31 Mar 2028	1343.89	53.58

Particulars	As at March 31, 2018	As at March 31, 2017
Average no of people employed	469	466

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

42. Calculation of Earning Per Share is as follows:

(₹in lac)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	Net profit for basic and diluted Earnings Per Share as per Statement of Profit and Loss	(234.91)	213.70
(b)	Weighted average number of equity shares for calculation of basic and diluted Earnings Per Share (Face value Rs. 10/- per share)		
	No of equity shares outstanding as on 31st March	2390276	2390276
	Number of equity shares considered in calculating basic and diluted EPS	**2390276**	**2390276**
(c)	Weighted average number of equity shares outstanding	2390276	2390276
(d)	Earnings Per Share (EPS) of Equity Share of Rs. 10 each:		
	a) Basic (Rs.)	(9.83)	8.94
	b) Diluted (Rs.)	(9.83)	8.94

43. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (March 31, 2017 Rs. Nil and April 1, 2016 Rs. 1,151.86 lac)

44. Contingent Liabilities not provided for in respect of:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding Bank Guarantees	97.94	75.86	75.13

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A) Names of related parties and description of relationship

1) Key Management Personnel (KMP) and close member of their family	Mr. Sanjay Bagaria - Chairman and Non Executive Director Mr. Indrajit Sen - Managing Director Mr. Ratan Lal Gaggar - Director Mr. Ravi Ranjan Prasad - Director Mrs. (Prof.) Bharati Ray - Director Mr. Ashish Kumar Neogi - Chief Financial Officer Mr. Suhas Chandra Saha - Company Secretary
2) Joint Venture Company	Mozer Process Technology Pvt. Ltd.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows: (Contd.)

B) **Related Party Transactions**

(₹in lac)

Particulars	Joint Venture Company	KMP & Close members of Family	Total	Outstanding as on March 31, 2018	Outstanding as on March 31, 2017	Outstanding as on April 1, 2016
Remuneration						
Mr. Sanjay Bagaria	-	-	-	-	-	-
Mr. Indrajit Sen	-	178.96	178.96	5.82	-	-
Mr. Ashish Kumar Neogi	-	36.36	36.36	-	-	-
Mr. Suhas Chandra Saha	-	39.15	39.15	-	-	-
Total	-	**254.47**	**254.47**	**5.82**	-	-
Previous Year						
Mr. Sanjay Bagaria	-	2.77	2.77	-	2.77	-
Mr. Indrajit Sen	-	167.68	167.68	-	-	-
Mr. Ashish Kumar Neogi	-	33.71	33.71	-	-	-
Mr. Suhas Chandra Saha	-	36.66	36.66	-	2.68	-
Sitting Fees						
Mr. Sanjay Bagaria	-	1.80	1.80	-	-	-
Mr. Ratan Lal Gaggar	-	1.30	1.30	-	-	-
Mr. Ravi Ranjan Prasad	-	1.30	1.30	-	-	-
Mrs. (Prof.) Bharati Ray	-	1.70	1.70	-	-	-
Previous Year						
Mr. Sanjay Bagaria	-	1.90	1.90	-	-	-
Mr. Ratan Lal Gaggar	-	1.50	1.50	-	-	-
Mr. Ravi Ranjan Prasad	-	1.30	1.30	-	-	-
Mrs. (Prof.) Bharati Ray	-	1.70	1.70	-	-	-
Sale of Stock in Trade						
Mozer Process Technology Pvt. Ltd.		-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	224.36	-	-	-	-	-
Recovery of Rent						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Total	**0.36**	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Recovery of Selling and Distribution expenses						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Misc. expenses						-
Mozer Process Technology Pvt. Ltd.	2.41	-	-	0.20	-	-
Total	**2.41**	-	-	**0.20**	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	1.74	-	-	-	-	-
Advance Received						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Receivable at year end						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	0.54
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows: (Contd.)

C) Details of compensation paid to KMP during the year are as follows:

(₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	-	-
Post-employment benefits*	20.38	-
Other long-term benefits*	-	-

* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

45.1 In respect of the above parties, there is no provision for doubtful debts as on March 31, 2018 and no amount has been written off or written back during the year in respect of debt due from/to them

45.2 The above related party information is as identified by the management and relied upon by the auditor

46. Segment Information

a) **Reportable Segments:**

The Company's operating segment are established on the basis of those component of the Company that are evaluated regularly by the Board ("The Chief Operating Decision Maker") as defined in Ind AS 108 "Operating Segments". The Company has three principal operating and reporting segments i.e.

i) Mineral & Material Processing and Handling Equipment

ii) Gear Box and Geared Motor Drive System

iii) Building Material Division

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment Transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

46. Segment Information (Contd.)

(b) **Summary of segment information as at and for the year ended March 31, 2018 and March 31, 2017 is as follows:**

(₹in lac)

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Geared Motor Drive System		Building Material Division		Unallocated/Corporate		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Segment Revenue												
External Revenue	6324.77	6586.76	4098.05	4161.98	341.08	109.17		-	-	-	10763.90	10857.91
Inter-Segment Revenue	5.15	32.05	161.70	165.04		-		-	(166.85)	(197.09)	-	-
Total Revenue	6329.92	6618.81	4259.75	4327.02	341.08	109.17	-	-	(166.85)	(197.09)	10763.90	10857.91
Segment Result	1945.80	1987.73	146.13	32.78	(539.93)	(554.42)	(1707.72)	(1073.99)	-	-	(155.72)	392.10
Add/(less):												
Interest earned on loans and deposits, income from current and non-current investments, Profit and Loss on sale of investments etc. - Net	-	-	-	-	-	-	-	-	-	-	(192.85)	(281.37)
Finance costs	-	-	-	-	-	-	-	-	-	-	396.84	402.28
Provision for Taxes	-	-	-	-	-	-	-	-	-	-	(124.80)	57.49
Profit for the year	-	-	-	-	-	-	-	-	-	-	(234.91)	213.70
Other Information												
Segment Assets	5266.23	5211.27	3313.71	3317.15	3305.44	3390.84	3917.98	4512.35	-	-	15803.36	16431.61
Segment Liabilities	1609.22	1428.64	1390.26	978.11	196.97	339.62	328.74	309.77	-	-	3525.19	3056.14
Capital Expenditure												
Segment capital expenditure	115.83	147.45	28.08	44.20	5.83	833.56	7.41	22.25	-	-	157.15	1047.46
Depreciation and Amortisation												
Segment depreciation and amortisation	78.76	72.28	189.38	206.61	185.57	140.74	70.36	87.31	-	-	524.07	506.94
Significant Non Cash Expenditure												
Segment significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

46. Segment Information (Contd.)

c) **Summary of Segment Assets and Liabilities as at April 01, 2016**

Particulars	Assets	Liabilities
Mineral & Materials Processing And Handling Equipment	5480.89	1035.21
Gear Box and Geared Motor Drive System	3338.15	799.40
Building Material Division	2571.84	258.09
Unallocated Corporate Assets/ Liabilities	4062.75	239.83
Total	**15453.63**	**2332.53**

d) **Geographical Information**

(₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from sale of Products by Geographical Market		
Within India	9641.05	9706.37
Outside India	956.21	987.77
	10597.26	**10694.14**

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc.

a) **Reconciliation in terms of Ind AS 101 "First Time Adoption of Indian Accounting Standards"**

i) **Reconciliation of Equity as at March 31, 2017 and April 1, 2016**

(₹in lac)

Particulars	Note No. [Under 47 (c)]	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016		
		Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS	Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
1 Non-Current Assets							
(a) Property, Plant and Equipment	(i) & (iv)	4988.80	(8.84)	4979.96	3847.92	(8.80)	3839.12
(b) Capital work-in-progress		70.23	-	70.23	577.64	-	577.64
(c) Other Intangible assets		60.41	-	60.41	14.63	-	14.63
(d) Financial Assets							
(i) Investments	(iii)	1550.00	275.21	1825.21	1849.98	278.53	2128.51
(ii) Others	(ii)	607.53	(11.32)	596.21	236.97	(11.32)	225.65
(e) Other Non current Assets	(v)	77.11	(77.11)	-	168.45	(55.41)	113.04
2 Current Assets							
(a) Inventories		3038.43	-	3038.43	2964.16	-	2964.16
(b) Financial Assets							
(i) Investments	(iii)	950.00	286.29	1236.29	650.00	135.37	785.37
(ii) Trade Receivables	(ii)	3916.43	(56.68)	3859.75	4149.99	(54.96)	4095.03
(iii) Cash and Cash equivalents		133.94	-	133.94	175.43	-	175.43
(iv) Bank balances other than (iii) above		120.56	-	120.56	92.00	-	92.00
(v) Loans		-	-	-	0.54	-	0.54
(vi) Others		18.59	-	18.59	25.15	-	25.15
(c) Other Current Assets		492.02	-	492.02	417.37	-	417.37
Total Assets		**16024.05**	**407.55**	**16431.60**	**15170.23**	**283.41**	**15453.64**

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

i) **Reconciliation of Equity as at March 31, 2017 and April 1, 2016 (Contd.)**

(₹in lac)

Particulars	Note No. [Under 47 (c)]	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016		
		Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS	Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		239.03	-	239.03	239.03	-	239.03
(b) Other Equity	47(a)(ii)	9023.81	398.09	9421.90	8942.96	282.32	9225.28
Liabilities							
1 Non-current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	(v)	1972.88	(10.87)	1962.01	2418.05	(16.70)	2401.35
(ii) Other Financial Liabilities		-	-	-	81.44	-	81.44
(b) Provisions		101.66	-	101.66	72.15	-	72.15
(c) Deferred Tax Liabilities (net)	(v)	157.77	17.28	175.05	132.17	14.74	146.91
2 Current liabilities							
(a) Financial liabilities							
(i) Borrowings		954.95	-	954.95	735.43	-	735.43
(ii) Trade Payables		1745.84	-	1745.84	1289.98	-	1289.98
(iii) Other Financial Liabilities	(i)	938.77	3.05	941.82	551.32	3.05	554.37
(b) Other Current Liabilities		732.63	-	732.63	601.92	-	601.92
(c) Provisions		88.78	-	88.78	69.71	-	69.71
(d) Current Tax Liabilities (Net)		67.93	-	67.93	36.07	-	36.07
Total Equity and Liabilities		**16024.05**	**407.55**	**16431.60**	**15170.23**	**283.41**	**15453.64**

ii) **Reconciliation of Total Equity as given above:**

(₹in lac)

Particulars	Note No. [Under 47 (c)]	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 01, 2016 (Date of transition)
Total Equity (shareholders' funds) under Previous GAAP		9262.84	9181.99
Ind AS Adjustment			
Effect of amortization of financial assets	(ii)	(11.32)	(11.32)
Effect of provision for expected credit loss	(ii)	(56.68)	(54.96)
Effect of fair valuation of investment	(iii)	561.50	413.90
Effect of amortization of financial liability	(iv)	(2.08)	3.94
Effect of recognition of present value of future lease payment	(i)	1.07	0.91
Effect of deferred tax on above	(v)	(94.40)	(70.15)
Total adjustment to Equity		**398.09**	**282.32**
Total Equity under Ind AS		**9660.93**	**9464.31**

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(₹in lac)

Particulars	Note No. [Under 48 (c)]	As per IGAAP for the year ended March 31, 2017	Ind AS Adjustments	As per Ind AS for the year ended March 31, 2017
INCOME				
Revenue from operations		10857.91	-	10857.91
Other Income	(iii)	699.68	147.60	847.28
Total Revenue		**11557.59**	**147.60**	**11705.19**
EXPENSES				
Cost of materials consumed		4293.31	-	4293.31
Changes in inventories of finished goods, Stock-in-Trade and work-in progress		5.39	-	5.39
Employee Benefit Expenses	(vi)	3094.07	(24.72)	3069.35
Finance costs	(i) & (iv)	396.12	6.16	402.28
Depreciation and Amortisation expenses	(i)	506.90	0.05	506.95
Other Expenses	(i)	3155.35	1.37	3156.72
Total Expenses		**11451.14**	**(17.14)**	**11434.00**
Profit/(loss) before tax		**106.45**	**164.74**	**271.19**
Tax expense:				
Current tax		21.71	-	21.71
Deferred tax	(v)	3.89	31.89	35.78
Profit/(loss) for the year		**80.85**	**132.85**	**213.70**
Other Comprehensive Income/(Loss)				
(i) Items that will not be reclassified to Profit and Loss	(vi)	-	(24.72)	(24.72)
(ii) Income tax related to items that will not be reclassified to Profit and Loss	(vi)	-	7.64	7.64
Other Comprehensive Income (net of tax)/(Loss)		-	(17.08)	(17.08)
Total Comprehensive Income for the year		80.85	115.77	196.62

iv) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017:

Particulars	For the Year ended March 31, 2017
Net profit / Other Equity under previous GAAP	**80.85**
Items recognised in Other Comprehensive Income	24.72
Provision for expected credit losses	(1.72)
Fair valuation of investment	147.60
Interest expense on loan amortization	(6.16)
Others	0.30
Effect of Taxes on above	(31.89)
Net Profit for the period / Other Equity as at March 31, 2017 under Ind AS	**213.70**
Actuarial gain/ (loss) on Employees defined benefit	(17.08)
Total Comprehensive Income for the period / Other Equity as at March 31, 2017 under Ind AS	**196.62**

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

v) Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2017

(₹in lac)

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from Operating Activities	1318.30	(212.38)	1105.92
Net cash flows from Investing Activities	(996.64)	239.57	(757.07)
Net cash flows from Financing Activities	(365.50)	(24.84)	(390.34)
Net increase (decrease) in Cash and Cash Equivalents	**(43.84)**	**2.35**	**(41.49)**
Cash and Cash Equivalents at the beginning of the period	188.37	(12.94)	175.43
Cash and Cash Equivalents at the end of the period	**144.53**	**(10.59)**	**133.94**

Analysis of Cash and Cash Equivalents as at March 31, 2017 and as at April 1, 2016 for the purpose of statement of cash flows under Ind AS

(₹in lac)

Particulars	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 1, 2016 (Date of transition)
Cash and Cash Equivalents for the purpose of statement of cash flows as per Previous GAAP		
Unpaid Dividend Account considered as cash and cash equivalents	(10.59)	(12.93)
Cash and Cash Equivalents for the purpose of statement of cash flows under Ind AS	(10.59)	(12.93)

b) **FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions**

These financial statements are covered by Ind AS 101, "First Time Adoption of Indian Accounting Standards", as they are the Company's first Ind AS financial statements for the year ended March 31, 2018.

i) **Overall principle:**

The Company has prepared the opening Balance Sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind-AS had recognized directly in retained earnings at the date of transition.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

ii) **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).

iii) **Deemed cost for Property, Plant and Equipment and Intangible assets:**

The Company has elected to continue with the carrying value of all of its property, plant and equipments and intangible assets recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

iv) **Investment in Joint Venture**

The Company has elected to measure its investment in joint venture, Mozer Process Technology Private Limited, at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS

v) **Impairment of financial assets**

Ind AS 109 "Financial Instruments" requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, 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 recognized 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 increases in credit risk since initial recognition, as permitted by Ind AS 101.

vi) **Determining whether an arrangement contains a lease**

The Company as on the date of transition complied with Ind AS 17 "Leases" to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS.

c) **Explanatory Notes to reconciliation between Previous GAAP and Ind AS**

(i) **Property, Plant and Equipment**

Under the previous GAAP, leasehold land was shown as a part of Property, Plant and Equipment at a carrying value consisting of the initial costs incurred and was amortised over the period of lease.

Under Ind AS 101, the Company has recognized the present value of minimum lease payments to its carrying value with corresponding recognition of lease liability. On transition, this has resulted in capitalization of Rs.3.97 lac in Property Plant and Equipment with corresponding recognition of lease liabilty of Rs.3.05 lac as on April 1, 2016.

(ii) **Fair Valuation of financial assets and liabilities**

Under previous GAAP, receivables and payables were measured at transaction cost less allowances for recoverability, if any.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of Profit and Loss.

On transition, the Company has fair valued certain financial assets including Security deposits. This has resulted in decrease in total equity by Rs. 11.32 lac and Rs. 11.32 lac as on March 31, 2017 and April 1, 2016 respectively. Further, the Company has provided for expected credit losses on trade receivables based on past five years trend of bad debts as a percentage of debts due over a period of 180 days which resulted in decrease in total equity by Rs. 56.68 lac and Rs. 54.96 lac as on March 31, 2017 and April 1, 2016 respectively

(iv) **Fair valuation of Investment in Mutual Funds**

Under previous GAAP, Current investments were measured at lower of cost or market price.

Under Ind AS, these investments are measured at fair value through Profit and Loss and accordingly, difference betwen the fair value and carrying value is recognised in the Statement of Profit and Loss.

On transition, the Company has fair valued through Profit and Loss these investment resulting in increase in total equity by Rs.561.50 lac and Rs. 413.90 lac as on March 31, 2017 and April 1, 2016 respectively.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

(v) **Borrowings**

Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Profit and Loss for the period in which such transaction costs is incurred.

Under Ind AS, Finance Liabilities consisting of Long Term Borrowings to be designated and measured at amortised cost based on Effective Interest Rate (EIR) method. The transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Profit and Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

On transition, the Company has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by Rs.10.89 lac and Rs.16.70 lac as on March 31, 2017 and April 1, 2016 respectively with corresponding increase in total equity by Rs.3.94 lac as on April 1, 2016 and decrease by Rs.2.08 lac as on March 31, 2017 Further, Rs.12.76 lac and Rs.12.76 lac as on March 31, 2017 and April 1, 2016 respectively has been reduced from the carrying amount of Property, Plant and Equipment relating to borrowings for Building Material Division.

(vi) **Taxation**

Deferred tax has been recognized in respect of on accounting differences between previous GAAP and Ind AS. These adjustments have resulted increase in deferred tax liability and decrease in equity by Rs.95.16 lakhs and Rs.70.15 lakhs as on March 31, 2017 and April 1, 2016 respectively.

(vii) **Remeasurement of Defined Benefit Plan**

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of Profit and Loss.

Under Ind AS, the actuarial gain and losses form part of re-measurements of net defined benefit liability/ asset which is recognised in Other Comprehensive Income (OCI). Consequently, the tax effect on the same has also been recognised in OCI instead of statement of Profit and Loss.

Under Ind AS, the entity is permitted to transfer amounts recognized in the Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred all re-measurement costs recognized relating prior to the transition date from Retained Earnings as on the date of transition as permitted under Ind AS.

On transition, this has resulted in reclassification and re-measurement of losses on defined benefit plans of Rs.17.08 lac for the year ended March 31, 2017 from Statement of Profit and Loss to OCI.

(viii) Previous GAAP figures have been reclassifed/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

48. These financial statements have been approved by the Board of Directors of the Company on 23rd May, 2018 for issue to the shareholders for their adoption.

As per our report of even date

For **Ray & Ray**
Chartered Accountants
(Firm's Registration No. 301072E)

Abhijit Neogi
Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer