

1. COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Swaraj Automotives Limited (SAL) is a public limited company incorporated under the provisions of the Companies Act, 1956 on 24th November, 1974 and has its principal place of business at Nabha and its registered office at C-127, IV Floor, Satguru Infotech, Phase VIII, Industrial Area, SAS Nagar, (Mohali), Punjab.

SAL is engaged in the business of manufacturing seats for tractor & LCV, Seats Mechanisms, Agri Implements namely Rotavators & Tractor Trolleys.

The company is listed at Bombay Stock Exchange (BSE) Limited.

1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Companies (Accounting Standard) Rules, 2006 (Indian GAAP).

These financial statements for the year ended 31 March, 2018 are the first, the Company has prepared in accordance with IndAS. The financial statements have been prepared on a historical cost basis.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgements and assumptions. These estimates, judgements 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. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

1.3 Revenue Recognition

- i) Sales are recognized at the time of dispatches to customers or their respective transporters for onward dispatches and upon transfer of ownership to customers. Hence, finished goods dispatched whose ownership has not been transferred to customers at the end of last working day of the period, have been considered as Finished Goods-In-Transit and are excluded from being recognized as operational revenue.
- ii) Impact of variation in selling price with respect to goods sold, are recognized on periodical basis based on the agreements with the customers. Sales include excise duty, wherever applicable. Sales are recorded net of Trade Discounts, Rebates & Sales Tax. In respect of Tooling's developed for the customers to be used for the production of components, sale is recognized on completion of such Tooling upon approval from the customers.
- iii) Incomes from services rendered are booked based on agreements / arrangements with the concerned parties.
- iv) Interest on fixed deposits is recognized on a time proportion basis taking into account the underlying interest rate.

1.4 Inventories

- i) Stores, Spare Parts, Loose Tools, Raw Materials, Components and Packing Materials are valued at material cost determined on the basis of moving weighted average cost method with due provisioning for non-usable / obsolete items and impact of provisioning for price variation, if any.
- ii) Work-in-progress and Finished goods are valued at lower of cost or net realisable value as certified by Management, with due provisioning for slow moving / obsolete items. Cost includes material cost and an appropriate portion of manufacturing overheads, wherever applicable, incurred in bringing them to their present location and condition. Finished goods include excise duty, wherever applicable.
- iii) Finished Goods - In - Transit, whose ownership has not been transferred to customers at the end of last working day of the period and are not recognized for Sales revenue, are valued at cost plus taxes as applicable.
- iv) Scrap / damaged goods value is incorporated in books on the basis of expected realisable value.
- v) Rejected goods pending for quality approval are valued at 10% of the actual cost till further disposal/ rework.

1.5 Property, Plant and Equipment

The Company has applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS 101 and hence previous GAAP carrying value is considered as historical cost. Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The cost of an item of Property, Plant and Equipment comprises:

- (a) Its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- (b) Any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use.
- (c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the following assets :-

- (a) Depreciation on dies manufactured by the Company is charged @ 20%. Depreciation on vehicles (cars) is charged @ 25%.
- (b) Capital spares are amortized in a systematic manner over the useful life of the assets to which it relates.
- (c) Assets individually costing up to Rs. 5000/- are depreciated at 100% within one year from the date of purchase.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of

profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.6 Investment Property

Investment property is property held to earn rental and or capital appreciation. Investment properties are measured at cost and the same is derecognized upon disposal or when it is permanently withdrawn from use with no future economic benefits are expected from the disposal.

Depreciation is provided on Straight Line Method, pro-rata monthly rests, as per the life prescribed for building in Schedule II of the Companies Act, 2013.

1.7 Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc.

Intangible Assets (Others than Software) are amortized over a period of 6 years., which is the estimated useful life of the asset. Software expenditure capitalized during the year is amortized over 3 years from the date of its capitalization.

1.8 Employees Benefits

(i) Defined contribution plans

The Company's contribution to Provident Fund is considered as defined contribution plan and is charged as an expense to the Statement of Profit and Loss for the year when the contributions are due. The Company contributes to Life Insurance Corporation of India to cover its liability towards its master policies of employee's superannuation and gratuity. Payment of gratuity at the time of retirement is routed through the Gratuity Fund created by the company with LIC.

(ii) Defined benefit plans

The company operates a defined benefit plan for its employees in the form of gratuity fund. The cost of providing benefit under the plan is determined on the basis of actuarial valuations being carried out at each Balance Sheet date. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

(iii) Short-term / Long-term employee benefits

All employee benefits payable within twelve months of receiving the employee services are classified as Short-term employee benefits and benefits payable after twelve months of receiving the employee services are classified as Long-term employee benefits.

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognized during the period when the employee renders services. These benefits include salaries, bonus, leave travel allowance and performance incentives.

The employees of the Company are entitled to compensate absences. The Company has a policy for leave encashment, whereby the balance of leave is either availed or encashed in the following year, and hence the same is classified as short-term. The short-term leave encashment liability has been measured based on the actual leave balance outstanding at the year end.

1.9 Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

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

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

Dilutive potential equity shares are determined independently for each period presented.

1.10 Income Taxes

- (i) **Current tax** is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Advance tax and provision for current tax are presented in the balance sheet after off-setting advance tax paid and income tax provisions.
- (ii) **Deferred Tax** is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax charge or credit is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred Tax liabilities are recognised for all timing differences.

Deferred Tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual certainty of that there will be sufficient future taxable income available to realise such assets.

Deferred Tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

Deferred Tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set-off.

Deferred Tax Assets are reviewed at each balance sheet date for their realizability.

1.11 Grants-in-Aid

Capital grants received in previous years are allocated to income over the periods and in proportions in which the depreciation on those assets is charged.

1.12 Foreign Currency Transactions

Foreign currency transactions are recorded at exchange rates prevailing at the date of transaction. Exchange differences, if any, arising on settlement of transactions except those relating to fixed assets are recognized as income or expense in the year in which they arise. In case of fixed assets, the cost is adjusted for exchange differences arising on payment of liabilities incurred for the purpose of acquiring such fixed assets.

1.13 Dividends

Final dividends on shares are recorded on the date of payment after approval by the shareholders in the annual general meeting.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All the financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price.

1.15 Impairment of assets

Financial assets: The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables is measured at an amount equal to lifetime ECL and charged to the statement of profit & loss account subject to the provisions created so far.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

Non-financial assets: Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

1.16 Cash and cash equivalents

Cash and Cash equivalents comprise cash in hand, balances with banks in Current Accounts, demand deposits with banks / corporates and short term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

1.17 Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

1.18 Provisions

A provision shall be recognized when: (a) an entity has a present obligation as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.19 Product Warranty

In respect of warranty given by the company on sale of rotavators, the estimated cost of warranty is provided at the time of sale. The estimate for accounting of warranty is reviewed and revisions are made as on annual basis.

1.20 Segment Reporting

The Company identifies primary segments based on the dominant nature of products, risks and returns, category of customers dealt and the internal reporting system, organization and management structure.

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The Company's business is primarily dominated by Automobile components and Agriculture Implements and accordingly there is no reportable secondary segment. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

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Statement Of Changes in Equity (SOCE)

A. CHANGES IN EQUITY SHARE CAPITAL

(Rs in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding at the beginning	239.77	239.77	239.77
Changes in equity share capital during the year	–	–	–
Outstanding at the end	239.77	239.77	239.77

B. CHANGES IN OTHER EQUITY

(Rs in Lakhs)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016					
	General Reserve	Retained Earnings	OCI - Actuarial gain/(loss)	Total	General Reserve	Retained Earnings	OCI - Actuarial gain/(loss)	Total	General Reserve	Retained Earnings	OCI - Actuarial gain/(loss)	Total
Opening	1872.24	780.11	(2.24)	2650.11	1822.24	700.86	–	2523.10	1822.24	557.11	–	2379.35
Transition Changes due to Ind AS*				–				–		143.75		143.75
Restated Opening Balance	1872.24	780.11	(2.24)	2650.11	1822.24	700.86	–	2523.10	1822.24	700.86	–	2523.10
Profit / (Loss) after tax for the period		340.62	10.89	351.51		230.25	(2.24)	228.01				–
Dividend paid on Equity Shares		(95.91)		(95.91)		(83.92)		(83.92)				–
Dividend Distribution Tax		(19.52)		(19.52)		(17.08)		(17.08)				–
Transfers to Reserves				–		(50.00)		(50.00)				–
Transfers from retained earnings				–	50.00			50.00				–
Closing	1872.24	1005.30	8.65	2886.19	1872.24	780.11	(2.24)	2650.11	1822.24	700.86	–	2523.10

* Adjustment of Rs 143.75 lakhs includes (Rs 101 Lakhs on account of proposed dividend including dividend distribution tax considered on payment basis and Rs 42.75 Lakhs on account of Deferred Tax adjustment as per Ind AS).

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2.1 PROPERTY , PLANT AND EQUIPMENT as at 31st March,2018 (Refer Note 1.5) (Rs in Lakhs)

Description of Assets	Land	Buildings	Plant and Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross Carrying Value as at 1st April, 2017	2.73	417.11	1164.26	129.23	121.23	23.85	161.52	2019.93
Additions during the year		5.35	301.34	14.96	14.71	3.40	44.71	384.47
Disposals / Adjustments during the year			(72.19)	(0.92)	(1.82)	(0.61)	(57.82)	(133.36)
Gross Carrying Value as at 31st March,2018 (A)	2.73	422.46	1393.41	143.27	134.12	26.64	148.41	2271.04
Accumulated depreciation as at 1st April, 2017	0.00	293.17	872.63	113.31	97.79	13.34	114.71	1504.95
Depreciation expense for the year		8.55	44.27	1.97	8.46	1.69	11.84	76.78
Adjustment on disposals during the year			(67.17)	(0.87)	(1.73)	(0.19)	(49.70)	(119.66)
Accumulated depreciation as at 31st March,2018 (B)	0.00	301.72	849.73	114.41	104.52	14.84	76.85	1462.07
Net Carrying Value as at 31st March, 2018 (A - B)	2.73	120.74	543.68	28.86	29.60	11.80	71.56	808.97

Following are the changes in the carrying value of Property , Plant and Equipment for the year ended 31st March, 2017 :
(Rs in Lakhs)

Description of Assets	Land	Buildings	Plant and Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross Carrying Value as at 1st April, 2016	451.81	415.86	1090.04	128.62	138.42	19.08	121.59	2365.42
Classified as Investment Property	(449.08)	(3.00)						(452.08)
Restated Gross Carrying Value as at 1st April, 2016	2.73	412.86	1090.04	128.62	138.42	19.08	121.59	1913.34
Additions during the year		4.25	80.22	0.61	11.36	4.77	39.93	141.14
Disposals / Adjustments during the year			(6.00)		(28.55)			(34.55)
Gross Carrying Value as at 31st March, 2017 (A)	2.73	417.11	1164.26	129.23	121.23	23.85	161.52	2019.93
Accumulated depreciation as at 1st April,2016		285.59	831.33	111.64	116.70	12.10	108.63	1465.99
Classified as Investment Property		(0.54)						(0.54)
Restated Accumulated depreciation as at 1st April, 2016	0.00	285.05	831.33	111.64	116.70	12.10	108.63	1465.45
Depreciation expense for the year		8.12	42.36	1.67	8.45	1.24	6.08	67.92
Adjustment on disposals during the year			(1.06)		(27.36)	–	–	(28.42)
Accumulated depreciation as at 31st March, 2017 (B)	0.00	293.17	872.63	113.31	97.79	13.34	114.71	1504.95
Net Carrying Value as at 31st March, 2017 (A - B)	2.73	123.94	291.63	15.92	23.44	10.51	46.81	514.98
Net Carrying Value as at 31st March, 2016	2.73	127.81	258.71	16.98	21.72	6.98	12.96	447.89

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(Rs in Lakhs)

Description of Assets	Total
Gross Carrying Value as at 1st April, 2017	452.08
Additions during the year	0.00
Disposals / Adjustments during the year	0.00
Gross Carrying Value as at 31st March, 2018 (A)	452.08
Accumulated depreciation as at 1st April, 2017	0.63
Depreciation expense for the year	0.12
Adjustment on disposals during the year	0.00
Accumulated depreciation as at 31st March, 2018 (B)	0.75
Net Carrying Value as at 31st March, 2018 (A - B)	451.33

Following are the changes in the carrying value of Investment Property for the year ended 31st March, 2017 :

Description of Assets	Total
Gross Carrying Value as at 1st April, 2016	0.00
Transferred from Property,Plant & Equipment	452.08
Restated Gross Carrying Value as at 1st April, 2016	452.08
Additions during the year	0.00
Disposals / Adjustments during the year	0.00
Gross Carrying Value as at 31st March, 2017 (A)	452.08
Accumulated depreciation as at 1st April, 2016	0.00
Transferred from Property,Plant & Equipment	0.54
Restated Accumulated depreciation as at 1st April,2016	0.54
Depreciation expense for the year	0.09
Adjustment on disposals during the year	
Accumulated depreciation as at 31st March, 2017 (B)	0.63
Net Carrying Value as at 31st March, 2017 (A - B)	451.45
Net Carrying Value as at 31st March,2016	451.54

Disclosure on investment property

Residential plot is held for capital appreciation and the same is classified as investment property based on the nature, characteristics and risks . As at 31.03.18 historical cost of the plot is considered as fair value of the investment property.

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2.3 INTANGIBLE ASSETS as at 31st March, 2018 (Refer Note 1.7)

(Rs in Lakhs)

Description of Assets	Software	Design & Development	Patents	Plant Setup	Total
Gross Carrying Value as at 1st April, 2017	48.37	67.45	0.00	0.00	115.82
Additions during the year	19.79		0.09	-	19.88
Disposals / Adjustments during the year	-	-	-	-	0.00
Gross Carrying Value as at 31st March, 2018 (A)	68.16	67.45	0.09	0.00	135.70
Accumulated depreciation as at 1st April, 2017	46.02	6.58	0.00	0.00	52.60
Depreciation expense for the year	2.79	10.67	-	-	13.46
Adjustment on disposals during the year	-	-	-	-	0.00
Accumulated depreciation as at 31st March, 2018 (B)	48.81	17.25	0.00	0.00	66.06
Net Carrying Value as at 31st March, 2018 (A - B)	19.35	50.20	0.09	0.00	69.64

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2017 : (Rs in Lakhs)

Description of Assets	Software	Design & Development	Patents	Plant Setup	Total
Gross Carrying Value as at 1st April, 2016	31.45	-	-	-	31.45
Additions during the year	2.76	67.45	-	-	70.21
Disposals / Adjustments during the year	14.16	-	-	-	14.16
Gross Carrying Value as at 31st March, 2017 (A)	48.37	67.45	0.00	0.00	115.82
Accumulated depreciation as at 1st April, 2016	31.45	-	-	-	31.45
Depreciation expense for the year	0.91	6.58	-	-	7.49
Adjustment on disposals during the year	13.66	-	-	-	13.66
Accumulated depreciation as at 31st March, 2017 (B)	46.02	6.58	0.00	0.00	52.60
Net Carrying Value as at 31st March, 2017 (A - B)	2.35	60.87	0.00	0.00	63.22

SWARAJ AUTOMOTIVES LIMITED
2.4 NON CURRENT FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits	37.28	29.19	19.61
Fixed Deposits	297.00	-	
Fixed Deposits against Margin Accounts and Guarantee	-	151.27	
	<u>334.28</u>	<u>180.46</u>	<u>19.61</u>

2.5 (a) DEFERRED TAX ASSET / (LIABILITY)

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Liabilities			
- PPE	(59.25)	(38.61)	(33.41)
- Intangibles	<u>(4.13)</u>	<u>(3.07)</u>	<u>-</u>
	(63.38)	(41.68)	(33.41)
Deferred Tax Assets			
- Investment Property	60.87	41.87	36.44
- Intangibles	-	-	0.71
- Provision for Gratuity	64.14	73.15	76.22
- Provision for Leave Encashment	61.45	60.29	60.46
- Provision for Bonus	10.02	9.91	12.69
- Provision for Warranty	1.74	0.89	1.35
- Provision for Doubtful Debts	29.31	28.98	203.83
	<u>227.53</u>	<u>215.09</u>	<u>15.96</u>
Deferred Tax Assets / (Liabilities)	164.15	173.41	170.42

2.5 (b) Income Tax Recognised in Profit and Loss Account

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
- Current Tax	146.33	111.65
- Deffered Tax	<u>9.26</u>	<u>(2.99)</u>
	155.59	108.66

2.5 (c) Reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income tax is summarised below:-

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Profit before Tax	496.22	338.91
Income Tax expense @ 33.06%	164.05	112.04
Income not considered for tax purposes	-	-
Effect of estimated non deductible expenses	1.94	2.46
Others (including temporary difference)	<u>(10.40)</u>	<u>(5.84)</u>
Income Tax recognised in profit & loss account	155.59	108.66

SWARAJ AUTOMOTIVES LIMITED**2.6 NON CURRENT OTHER ASSETS**

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Advances	30.14	4.08	
Prepaid Expenses	19.57	1.09	2.93
	<u>49.71</u>	<u>5.17</u>	<u>2.93</u>

2.7 INVENTORIES (Refer Note 1.4)

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Materials & Components *	324.02	227.11	218.29
Work-in-Progress	117.95	111.91	119.98
Finished Goods	115.13	128.29	197.78
Goods in Transit	45.26	54.77	
Stores and Spares	19.93	24.60	24.74
Loose Tools	12.18	13.74	11.61
	<u>634.47</u>	<u>560.42</u>	<u>572.40</u>

Inventory as at 31st Mar, 2018 has been physically verified and certified by the Management.

* Includes Goods in Transit of Rs 3.99 Lakhs (Previous year Nil)

2.8 TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Debts outstanding from the date they are due for payment			
Unsecured			
For more than six months			
– Considered Doubtful	88.66	87.65	48.28
Less : Provision for doubtful debts (Refer Note 2.45 (b))	<u>(88.66)</u>	<u>(87.65)</u>	<u>(48.28)</u>
– Considered good	92.29	102.83	110.84
For less than six months			
– Considered good	2984.75	1829.11	1520.33
	<u>3077.04</u>	<u>1931.94</u>	<u>1631.17</u>

SWARAJ AUTOMOTIVES LIMITED**2.9 CASH & BANK BALANCES**

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash & Cash Equivalents			
– Cash on hand	1.17	0.66	1.27
– Cheques & Drafts on hand	-	-	-
– In Current Accounts	84.03	138.18	264.26
Bank Balances			
– On Margin Accounts and Deposits against Guarantee and OD Limit	462.08	195.56	353.26
– Fixed Deposits maturing within next 12 months	170.00	514.88	426.77
– Earmarked Balances with Banks - Unclaimed Dividend	4.75	4.38	4.01
	<u>722.03</u>	<u>853.66</u>	<u>1049.57</u>

Cash and cash equivalents comprise cash balances on hand, bank balance and term deposits with banks.

Deposits are with State Bank of India, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Cash and cash equivalents as of 31st March, 2018 include restricted cash and bank balances of Rs.466.83 lakhs (2017 - Rs.199.94 lakhs). The restrictions are primarily on account of cash and bank balances held as margin money, deposits against guarantees, OD limit and unpaid / unclaimed dividends.

2.10 OTHER FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Insurance Claim recoverable	-	-	1.47
Other Recoverable	6.20	13.48	6.62
Loans & Advances to Employees	3.28	2.71	1.59
Interest Accrued on Fixed Deposits	25.09	16.10	20.84
Security Deposits	3.76	3.06	10.49
	<u>38.33</u>	<u>35.35</u>	<u>41.01</u>

2.11 OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Prepaid Expenses	12.12	5.36	7.27
Balance with Govt. Authorities (other than income tax)	4.89	36.36	41.62
Advances to Suppliers	22.38	30.53	10.98
Value Added Tax Recoverable	433.57	422.71	414.87
	<u>472.96</u>	<u>494.96</u>	<u>474.74</u>

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2.12 EQUITY SHARE CAPITAL (refer SOCE)

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised			
Equity Shares, Rs.10/- par value 30,00,000 (2017 - 30,00,000) Equity Shares	300.00	300.00	300.00
Redeemable Cumulative Preference Shares, Rs.100/- par value 50,000 (2017 - 50,000) Redeemable Cumulative Preference Shares	50.00	50.00	50.00
	350.00	350.00	350.00
Issued, Subscribed & Paid-up			
Equity Shares, Rs.10/- par value 23,97,713 (2017 - 23,97,713) Equity Shares fully paid-up	239.77	239.77	239.77
	239.77	239.77	239.77

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs.10/-. Each Equity Shareholder is entitled to one vote per share.

The Board of Directors in their meeting held on 12th May, 2017 proposed a dividend of Rs 4.00 per equity share for the financial year ended on 31.03.2017. Dividend proposed by the Board of Directors was approved by the shareholders in their annual general meeting held on 11th August, 2017. Same has resulted in a cash outflow of Rs 115.43 Lakhs including corporate dividend tax.

Proposed Dividend : "The company declares and pay dividend in indian rupees. The Board of Directors in their meeting held on 11th May, 2018 proposed a dividend of Rs 4.50 per equity share for the financial year ended on 31.03.2018. Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Upon approval of the proposed dividend in the Annual General Meeting, same would result in a cash outflow of Rs 130.08 Lakhs including corporate dividend tax of Rs. 22.18 Lakhs."

Equity Shares held by Holding Company on 31-03-2018 :

– Name of Holding Company	b4S Solutions Pvt. Limited
– Shares Held	17,98,285 (75%)

Equity Shareholders holding more than 5% shares :

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Name	No. of Shares Held	% of Share- holding	No. of Shares Held	% of Share- holding	No. of Shares Held	% of Share- holding
b4S Solutions Pvt. Limited	1,798,285	75%	1,958,371	81.68%	2,116,730	88.28%

SWARAJ AUTOMOTIVES LIMITED

Reconciliation of number of Equity Shares outstanding and the amount of Share Capital :

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	Share Capital	No. of Shares	Share Capital	No. of Shares	Share Capital
	(Rs. in lakhs)		(Rs. in lakhs)		(Rs. in lakhs)	
Number of equity shares at the beginning	2397713	239.77	2397713	239.77	2397713	239.77
Movement in equity shares during the year	-	-	-	-	-	-
Number of equity shares at the closing	2397713	239.77	2397713	239.77	2397713	239.77

In the last 5 years, the Company has not :

- allotted any shares as fully paid-up pursuant to contract(s) without being received in cash,
- allotted any bonus shares,
- bought back its shares.

2.13 OTHER EQUITY (refer SOCE)

(Rs. in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
General Reserve	1872.24		1872.24		1822.24	
Retained Earnings	1013.95	2886.19	777.87	2650.11	700.86	2523.10
		<u>2,886.19</u>		<u>2,650.11</u>		<u>2,523.10</u>

2.14 NON-CURRENT BORROWINGS

(Rs. in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Secured Loans						
Car Loan - ICICI Bank *	14.82		-		-	
Vehicle Loan - Axis Bank *	12.76		-		-	
	<u>27.58</u>		<u>-</u>		<u>-</u>	
Less : Current Maturities of Long-Term Loan (Ref Note No 2.17)	(5.48)	22.10	-	-	-	-
		<u>22.10</u>		<u>-</u>		<u>-</u>

* Secured against hypothecation of vehicles.

2.15 NON-CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Financial Liabilities						
Capital Grant (Refer Note 1.11)						
Opening Balance	0.24		3.94		7.64	
Less : Transfer to Current Financial Liabilities (Refer Note 2.19)	<u>(0.24)</u>	-	<u>(3.70)</u>	0.24	<u>(3.70)</u>	3.94
Deposits & Earnest Money	-		-		-	
		<u>-</u>		<u>0.24</u>		<u>3.94</u>

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Capital Grant represents the unappropriated portion of grant-in-aid received in kind, in 1997-98, from United Nations Office for Project Services for implementation of United Nations Development Programme Montreal Protocol for phasing out of CFC's in the manufacture of cold cured PU Foam.

The unappropriated portion of grant-in-aid in previous year was as per terms and conditions of agreement between Government of India and UNDP dated 06.01.1997.

2.16 NON-CURRENT PROVISIONS

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits (Refer Note 1.8)			
– Provision for Gratuity (Refer Note 2.41)	158.19	168.31	139.77
– Provision for Leave Encashment	111.24	98.46	91.08
	<u>269.43</u>	<u>266.77</u>	<u>230.85</u>

2.17 CURRENT FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Maturities of Long-Term Loan (Ref Note No2.14)	5.48		
Bank Overdrafts	355.00		
	<u>360.48</u>	<u>-</u>	<u>-</u>

2.18 TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Payables - Micro & Small Enterprises (Refer Note 2.43)	460.25	46.08	68.78
Trade Payables - Other than Micro & Small Enterprises	2291.05	1732.36	1481.12
Other Accruals	47.17	57.76	41.78
	<u>2798.47</u>	<u>1836.20</u>	<u>1591.68</u>

2.19 OTHER CURRENT FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Grants-in-Aid			
– Capital Grant (Refer Note 1.11 & 2.15)	0.24	3.70	3.70
Deposits & Earnest Money	1.15	1.27	1.35
Unpaid / Unclaimed Dividend *	4.75	4.38	4.01
	<u>6.14</u>	<u>9.35</u>	<u>9.06</u>

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* Net of Rs 0.68 Lakhs credited to Investor Education and Protection Fund during the year.

2.20 CURRENT PROVISIONS

(Rs. in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Provision for Employee Benefits						
– Provision for Gratuity	35.81		52.96		90.79	
– Provision for Leave Encashment	74.64	110.45	83.91	136.87	91.79	182.58
Others						
– Warranty Claim (Refer Note 2.45 (a))	5.28	5.28	2.68	2.68	4.09	4.09
		<u>115.73</u>		<u>139.55</u>		<u>186.67</u>

2.21 OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Advances from Customers	4.08		0.65		4.89	
Statutory Dues Payable	29.98		31.49		38.53	
Employees Dues Payable	112.24		102.31		127.36	
		<u>146.30</u>		<u>134.45</u>		<u>170.78</u>

2.22 REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
Sale of Products (Refer Note 2.40 A)	11581.32	10253.89
Other Operating Revenues		
– Sale of Scrap	55.69	49.61
– Job Work Charges	4.16	49.61
	<u>11641.17</u>	<u>10303.50</u>

2.23 OTHER INCOME

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
Interest Income	64.28	64.71
Profit on Sale of Fixed Assets	15.99	3.96
Miscellaneous Income*	12.50	30.77
	<u>92.77</u>	<u>99.44</u>

* Includes written back of trade liabilities, defferred income of capital grant and reversal of excess provision related to previous year.

SWARAJ AUTOMOTIVES LIMITED**2.24 COST OF MATERIALS CONSUMED (Refer Note 2.40 B)**

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
Opening Stock	240.85	229.90
Add : Purchases*	8320.36	6518.45
Job Work Charges	107.17	103.89
	8427.53	6622.34
	8668.38	6852.24
Less : Closing Stock*	336.20	240.85
	8332.18	6611.39

* Includes Goods in Transit of Rs 3.99 Lakhs (Previous year Nil)

2.25 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
Opening Stock		
– Work in Progress	111.91	119.98
– Finished Goods	183.06	197.78
	294.97	317.76
Closing Stock		
– Work in Progress	117.95	111.91
– Finished Goods	160.39	183.06
	278.34	294.97
	16.63	22.79

2.26 EMPLOYEE BENEFITS EXPENSE

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
Salaries & Wages	1458.45	1369.17
Contribution to Provident & Other Funds	82.58	86.15
Gratuity	37.73	38.53
Workmen & Staff Welfare	116.35	102.42
	1695.11	1596.27

2.27 FINANCE COSTS

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
Processing / Interest Charges	10.94	1.71
Vehicle Loan Interest	1.52	-
	12.46	1.71

SWARAJ AUTOMOTIVES LIMITED**2.28 OTHER EXPENSES**

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
Power, Fuel & Water Charges	189.55	192.29
Consumption of Stores & Spares	57.09	50.70
Rent	19.89	13.62
Rates and Taxes	11.12	9.44
Insurance	4.13	5.25
Repairs and Maintenance		
– Buildings	6.89	7.09
– Machinery	67.05	56.51
– Others	46.25	34.59
Postage & Telephone	6.57	5.97
Printing & Stationery	10.22	8.15
Legal and Professional Charges	18.09	12.90
Advertisement	7.36	6.10
Freight Outward	166.81	165.97
Sales Promotion & Logistic Expenses	11.46	18.02
Travelling & Conveyance Expenses	102.33	75.98
Provision for Doubtful Debts	25.30	39.37
Auditors' Remuneration		
– Statutory Audit Fees	1.50	1.50
– Other Services	1.75	1.75
– Reimbursement of Expenses	0.74	1.08
Tax Auditors' Fees	0.30	0.30
Cost Auditors Fees	0.50	0.63
Internal Auditor's Fee	2.70	3.60
Internal Auditor's Expenses	0.71	2.32
Directors' Sitting Fees	4.81	5.25
Design & Development Expenses	24.93	7.46
Warranty Claims	3.70	6.20
Loss on sale of Fixed Assets	0.63	0.41
Bank Charges	0.45	1.58
Interest & Penalties	7.48	3.40
Testing Charges	2.81	0.04
Miscellaneous Expenses	17.48	14.31
	820.60	751.78

2.29 FINANCIAL INSTRUMENTS

(Refer Note 1.14)

Capital Management

Company's capital management objectives are to :-

- ensure the company's ability to continue as a going concern
- provide an adequate return to the shareholders by pricing the products and services commensurately with the level of risk.

For the purposes of Company's capital management, capital includes issued capital and all other equity reserves. Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants.

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Equity Share Capital	239.77	239.77	239.77
- Other Equity Reserves	2886.19	2650.11	2523.10
	<u>3,125.96</u>	<u>2,889.88</u>	<u>2,762.87</u>

Categories of Financial assets and Liabilities

As at 31st March, 2018

(Rs. in Lakhs)

Particulars	Amortised Costs	Fair Value through Profit & Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Current Assets					
- Trade Receivables	3077.04	-	-	3,077.04	3077.04
- Cash & Cash Equivalents including Bank Balances	722.03	-	-	722.03	722.03
- Other Financial Assets	38.33	-	-	38.33	38.33
	<u>3,837.40</u>	<u>-</u>	<u>-</u>	<u>3,837.40</u>	<u>3,837.40</u>
Current Liabilities					
- Trade Payables	2798.47	-	-	2,798.47	2798.47
- Other Financial Liabilities	366.62	-	-	366.62	366.62
	<u>3,165.09</u>	<u>-</u>	<u>-</u>	<u>3,165.09</u>	<u>3,165.09</u>

SWARAJ AUTOMOTIVES LIMITED**As at 31st March, 2017**

(Rs. in Lakhs)

Particulars	Amortised Costs	Fair Value through Profit & Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Current Assets					
- Trade Receivables	1931.94	-	-	1,931.94	1931.94
- Cash & Cash Equivalents including Bank Balances	853.66	-	-	853.66	853.66
- Other Financial Assets	35.35	-	-	35.35	35.35
	<u>2,820.95</u>	<u>-</u>	<u>-</u>	<u>2,820.95</u>	<u>2,820.95</u>
Current Liabilities					
- Trade Payables	1836.20	-	-	1,836.20	1836.20
- Other Financial Liabilities	9.35	-	-	9.35	9.35
	<u>1,845.55</u>	<u>-</u>	<u>-</u>	<u>1,845.55</u>	<u>1,845.55</u>

As at 1st April, 2016

(Rs. in Lakhs)

Particulars	Amortised Costs	Fair Value through Profit & Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Current Assets					
- Trade Receivables	1631.17	-	-	1631.17	1631.17
- Cash & Cash Equivalents including Bank Balances	1049.57	-	-	1049.57	1049.57
- Other Financial Assets	41.01	-	-	41.01	41.01
	<u>2,721.75</u>	<u>-</u>	<u>-</u>	<u>2,721.75</u>	<u>2,721.75</u>
Current Liabilities					
- Trade Payables	1591.68	-	-	1591.68	1591.68
- Other Financial Liabilities	9.06	-	-	9.06	9.06
	<u>1,600.74</u>	<u>-</u>	<u>-</u>	<u>1,600.74</u>	<u>1,600.74</u>

Financial Risk Management Framework

Companies activities expose it to financial risks viz credit risks and liquidity risks

Credit Risk: -

- Credit Risk management
- Majority of the company's receivables pertain to OEM's. Based on the overall credit worthiness of receivables and looking into their past record, companies expect minimum risks with regard to its outstanding receivables. There is standard mechanism to periodically track the outstanding amounts and assess the same with regard to its realization and creates the provision against dues doubtful to realize. Company expects all the debtors to be realized in full except the provisions stated in the financials.
- Credit risk on cash and cash equivalents is limited as company generally invests in Fixed deposits with banks.

Liquidity Risk: -

– Liquidity Risk management

The company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and by matching profiles of financial assets and liabilities. Financial Liabilities include trade payables, capital purchases, unpaid / unclaimed dividends etc which are in the normal course of business having maturity of less than 1 year and non-interest bearing. Following is the tabulated summary of balance contractual maturity for its financial liabilities with agreed repayment periods based on the earliest date on which these are required to pay.

As at 31st March, 2018				(Rs. in Lakhs)
Particulars	Less than One year	One to Three Years	More than Three Years	
– Trade Payables	2798.47	-	-	
– Other Financial Liabilities	366.62	-	-	
	<u>3,165.09</u>	<u>-</u>	<u>-</u>	

As at 31st March, 2017				(Rs. in Lakhs)
Particulars	Less than One year	One to Three Years	More than Three Years	
– Trade Payables	1836.20	-	-	
– Other Financial Liabilities	9.35	-	-	
	<u>1,845.55</u>	<u>-</u>	<u>-</u>	

As at 1st April, 2016				(Rs. in Lakhs)
Particulars	Less than One year	One to Three Years	More than Three Years	
– Trade Payables	1591.68	-	-	
– Other Financial Liabilities	9.06	-	-	
	<u>1,600.74</u>	<u>-</u>	<u>-</u>	

The Company had a working capital of Rs. 1517.71 Lakhs including cash and cash equivalents of Rs.722.03 Lakhs as at 31st March'2018

The Company had a working capital of Rs.1756.77 Lakhs including cash and cash equivalents of Rs.853.66 Lakhs as at 31st March'2017

Accordingly, company do not perceive any liquidity risks.

Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

				(Rs. in Lakhs)
Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
– Secured Bank Cash Credit facility (expiring within one year)	250.00	250.00	250.00	
	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>	

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2.30 CONTINGENT LIABILITIES

(Not provided for in Accounts as certified by the Management)

Contingent Liabilities

Particulars	As at 31st March	
	2018 (Rs. in lakhs)	2017 (Rs. in lakhs)
Claims against the Company, not acknowledged as debts*		
i) Telephone & Telex	1.47	1.47
ii) Employees / Workers	15.65	15.65
iii) Excise & Service Tax	24.02	23.04
iv) Pending C Forms (Tax Value)	98.23	248.24

*Amounts have been identified on the basis of current status of the cases and does not include interest & other charges, if any.

2.31 CAPITAL COMMITMENTS

Particulars	As at 31st March	
	2018	2017
Estimated amount of contracts remaining to be executed on capital account (Net of advances Rs 30.14 Lakhs ; 2017 Rs. 4.21 Lakhs)	70.00	4.38

2.32 EARNINGS IN FOREIGN CURRENCY

Particulars	As at 31st March	
	2018	2017
i) Exports (on FOB basis)		
- In US\$	6099.62	10506.73
- In INR	396603	680941

2.33 EXPENDITURE IN FOREIGN CURRENCY

Particulars	As at 31st March	
	2018	2017
i) Development Charges		
- In Euro	12347	—
- In INR	8,75,252	—
ii) Travelling Expenses		
- In US\$	—	637
- In INR	—	45,800

2.34 CURRENT ASSETS / CURRENT LIABILITIES

Party's accounts are subject to reconciliation and confirmation. However, in the opinion of the board, all current assets and loans and advances in the ordinary course of business, have a value on realisation at least equal to the amount at which they are stated in the financials.

2.35 SEGMENT REPORTING

Company's principal business covers two primary business segments, viz. "Automobile Components" and "Agriculture Implements". Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and also include amount allocable on reasonable basis. Items which are not directly relatable to the identified segments are shown as unallocated. The disclosure requirements of Ind AS - 108 "Operating Segments", issued by the Institute of Chartered Accountants of India are accordingly complied with.

Particulars	2018 (Rs. in lakhs)	2017 (Rs. in lakhs)
Segment Revenue:-		
Automobile Components	8931.69	8086.38
Agriculture Implements	2439.08	1212.53
Total	11370.77	9298.91
Segment Results (before finance cost and other un-allocable income (loss)):-		
Automobile Components	376.87	270.17
Agriculture Implements	39.02	(-) 28.98
Total	415.89	241.19
Less:		
(i) Finance Cost	(-)12.46	(-) 1.71
(ii) Other Un-allocable Income	92.77	99.44
(iii) Tax Expense	(-)155.58	(-)108.67
Total	340.62	230.25
Segment Assets:-		
Automobile Components	5030.59	3966.88
Agriculture Implements	1186.91	676.70
Total	6217.50	4643.58
Segment Liabilities:-		
Automobile Components	3126.87	2242.08
Agriculture Implements	591.78	144.45
Total	3718.65	2386.53

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2.36 RELATED PARTY DISCLOSURES

Related party disclosures for the year ended 31st March, 2018 are as follows:

i) Holding Company*	b4S Solutions Pvt. Limited
ii) Associate Company	Bhardwaj Packaging & Components Pvt Ltd SAB Motors Pvt Ltd
iii) Key Management Personnel	Shri Rama Kant Sharma Shri Jeevan Mahaldar

A) Transactions with related parties:	(Rs. in Lakhs)	
	Holding Company	Associate Company
a) Purchase of raw materials	-	60.53
	(-)	(29.56)
Bhardwaj Packaging & Components (P) Ltd	-	60.53
	(-)	(29.56)
b) Purchase of fixed assets	-	19.02
	(-)	(-)
SAB Motors Pvt Ltd	-	19.02
	(-)	(-)
c) Reimbursement in respect of services received	28.98	-
	(30.27)	(-)
b 4S Solutions Pvt Ltd	28.98	-
	(30.27)	(-)
d) Dividend Paid	78.33	-
	(74.09)	(-)
b4S Solutions Pvt. Limited	78.33	-
	(74.09)	(-)
e) Inter Corporate Deposits	-	-
f) Interest Paid	-	-
		(0.01)
B) Aggregate balances outstanding as at the year end		
- Receivables	-	(-)
	-	(-)
- Payables	3.04	14.38
	(2.10)	(0.30)

Previous year's figures are given in brackets.

C) Key Management Personnel

Particulars	2018 (Rs. in lakhs)	2017 (Rs. in lakhs)
Remuneration	54.00	54.00
Reimbursement of Expenses	18.63	16.26

2.37 EARNING PER SHARE (EPS)

Particulars	Year ended 31st March	
	2018	2017
Profit attributable to equity shareholder (Rs.lakhs) (A)	351.51	228.01
Basic/Weighted average number of equity shares (B)	23,97,713	23,97,713
Basic / Diluted Earning Per Share (A/B) (Face Value Rs.10/- per share)	Rs.14.66	Rs.9.51

2.38 GRANTS- IN -AID

Miscellaneous income under Other Income includes a sum of Rs.3.70 Lakhs (2017 - Rs.3.70 Lakhs) being the depreciation on Plant & Machinery received as Capital Grant-in-aid which is adjusted against the grant received.

2.39 PROVISION FOR DOUBTFUL DEBTS

Trade Receivables, includes debts aggregating to Rs. 88.66 Lakhs (2017 - Rs 87.65 lakhs), which management consider as doubtful for recovery. Adequate provisions for doubtful balances have been made in financial statements.

2.40 PRODUCT SALES & CONSUMPTION OF MATERIALS

Information with regard to Production, Sales & Stocks, as certified by the management.

A. Production, Sales & Stock of Finished Goods

Particulars	Units	Year ended 31st March	
		2018	2017
i) Seats for Light Commercial Vehicles			
Opening stock	Sets	49	122
Production	"	9127	11181
Sales	"	9150	11254
Closing stock	"	26	49
ii) Seats Others			
Opening stock	Nos.	970	1600
Production	"	181278	155472
Sales	"	181535	156102
Closing stock	"	713	970
iii) Seat Components			
Opening stock	Nos.	43966	48490
Production	"	1887555	1812269
Sales	"	1895901	1816793
Closing stock	"	35620	43966
iv) Agriculture Implements			
Opening stock	Nos.	87	136
Production	"	4467	1965

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Sales	"	4461	2014
Closing stock	"	93	87
v) Sales of Products (including Excise Duty)		(Rs. in Lakhs)	(Rs. in Lakhs)
Seat Components		3763.67	3823.34
Seats of Light Commercial Vehicles and parts		588.60	830.64
Tools, Dies & Fine Blanking Components		75.08	37.05
Tractor Seat and Parts		4714.81	4351.21
Agriculture Implements		2439.15	1211.65
		11581.32	10253.89

B (a) Consumption of Raw Materials & Components

Particulars	Unit	Year ended 31st March			
		Qty.	2018 Rs. lakhs	Qty.	2017 Rs. lakhs
PU Foam Material	MT	207.03	353.62	206.47	316.25
CRCA Sheet & Steel Sheet	MT	1008.48	546.98	989.85	495.63
Paints & Chemicals	MT	120.26	158.72	104.86	162.23
Trim Comp., Frames & Silencer etc.	Nos. (in lakhs)	5.50	472.43	6.71	501.22
Stopper, B. Plates, Arm Plate, H Plate	"	47.68	463.91	44.09	384.15
Guide Block, Sect-disc Lever etc.	"	59.62	531.54	57.76	493.96
Upper Rail, Lower Rail, Pawl Lock etc.	"	22.20	434.47	19.93	342.44
Tractor Seat Parts	-		2066.88		1634.26
Agriculture Implement Parts	-		2200.59		1182.16
Packing Materials	-		127.59		112.62
Job Work Charges	-		107.17		103.89
Seat Frame	-		37.86		-
Others	-		830.42		882.58
			8332.18		6611.39

Notes:

- It is not feasible to furnish quantitative information of all the components in view of large number of items varied in size and nature.
- Quantities and values of all items in Analysis of Raw Materials consumed represent the issues from stores made during the year. The figure of others is a balancing figure, based on total consumption shown as above and includes adjustments for excess / shortage found on physical verification.

(b) Value of imported and indigenous Raw Materials & Components, Stores and Spares etc. consumed & percentage of each to total consumption

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Particulars	Year ended 31st March			
		2018		2017
	%age	Rs. lakhs	%age	Rs. lakhs
a) Raw material & Components				
i) Imported	-	-	-	-
ii) Indigenous	100.00	8332.18	100.00	6611.39
	100.00	8332.18	100.00	6611.39
b) Stores & Spares				
i) Imported	-	-	-	-
ii) Indigenous	100.00	57.09	100.00	50.70
	100.00	57.09	100.00	50.70

2.41 EMPLOYEE DEFINED BENEFITS:

Defined benefit plans - as per Actuarial Valuation

Gratuity Plan	2018	2017
	(Rs. in lakhs)	(Rs. in lakhs)
I. Expenses Recognised in the Statement of Profit & Loss Account		
1. Current Service Cost	22.05	20.50
2. Interest	30.04	33.38
3. Expected Return on plan assets	(15.23)	(16.28)
4. Total Expense	36.86	37.60
II. Net Asset / (Liability) recognised in the Balance Sheet		
1. Present value of Defined Benefit Obligation	(409.16)	428.65
2. Fair Value of plan assets	214.93	207.38
3. Funded Status [Surplus / (Deficit)]	(194.23)	(221.27)
III. Change in the obligation during the year		
1. Present value of Defined Benefit Obligation as at beginning of the year	428.65	475.54
2. Expenses recognised in profit & loss account		
– Current service cost	22.05	20.50
– Interest Exp / (Income)	30.04	33.38
3. Recognised in Other Comprehensive Income		
Remeasurement (Gain) / Losses		
– Actuarial (Gain) / Loss arising from		
i) Demographic Assumption	-	-
ii) Financial Assumptions	(6.89)	22.91
iii) Experience Adjustments	(8.48)	(17.69)
4. Benefits Paid	(56.21)	(105.99)
5. Present value of Defined benefit Obligation as at end of the year	409.16	428.65

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IV. Change in the Fair Value of Assets

1. Fair Value of plan assets at the beginning of the year	207.38	244.98
2. Expected return on plan assets	15.23	16.28
3. Recognised in Other Comprehensive Income		
Remeasurement Gain / (Loss)		
– Actual Return on Plan Assets in excess of the expected return	0.89	1.88
4. Contribution by employer	47.64	50.23
5. Actual benefits paid	(56.21)	(105.99)
6. Fair value of plan assets at the end of the year	214.93	207.38

V. The major categories of plan assets as a percentage of total plan

Funded with LIC	100%	100%
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VI. Actuarial Assumptions

1. Imputed Rate	7.65%	7.50%
2. Expected rate of return on plan assets	7.50%	7.50%
3. In-service Mortality	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate
4. Turnover Rate	10% / 5%	5.00%
5. Salary Rise - Officers/workers	10% / 6%	10% / 6%
6. Remaining Working life	15.01 Yrs	12.39 Yrs

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

(Rs. Lakhs)

Principal Assumptions	Changes in Assumptions	Increase / (Decrease) Impact on defined obligation		
		Increase in assumption	Decrease in assumption	
Discount Rate	2018	1.00%	(15.74)	16.92
	2017	0.50%	(10.22)	10.69
Salary Growth Rate	2018	1.00%	16.23	(15.57)
	2017	0.50%	10.62	(10.26)

The methods and types of assumptions used in preparing the sensitivity analysis didn't change compared to previous period.

2.42 COMPENSATED ABSENCES (UNFUNDED)

The leave obligations cover the Company's liability for sick and casual leaves. The Company does not have an unconditional right to defer settlement for the obligations shown as current provision balance above.

However, based on the past experience, the company does not expect all employees to take the full amount of accrued leave or require payments within the next 12 months, therefore, based on the independent actuarial report only a certain amount of provision has been presented as current and remaining as non-current. Amount of Rs. 37.25 Lakhs (2017 Rs. 46.08 lakhs) has been recognized in the statement of profit & loss.

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	2018 (Rs. in lakhs)	2017 (Rs. in lakhs)
Current	74.64	83.91
Non-Current	111.24	98.46

2.43 DISCLOSURES UNDER MSMED ACT, 2006

Micro, Small & Medium Enterprises have been identified by the Company on the basis of information available. Total Outstanding dues of Micro & small enterprises, which are outstanding for more than stipulated period, are given below:-

Sr. No.	Particulars	2018 (Rs. in lakhs)	2017 (Rs. in lakhs)
(a)	Dues remaining unpaid as at 31st March		
	– Principal	–	–
	– Interest on above	–	3.10
(b)	Interest paid in terms of Section 16 of the Act along with the amount of payments made to the supplier beyond the appointed date during the year		
	– Principal paid beyond the appointed date	–	202.46
	– Interest paid in terms of Section 16 of the Act	–	2.29
(c)	Amount of interest due and payable for the period of delay in payments made beyond the appointed date during the year	–	0.66
(d)	Further interest due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the small enterprises	–	2.44
(e)	Amount of interest accrued and remaining unpaid as at 31st March	–	3.10

2.44 RESEARCH & DEVELOPMENT EXPENDITURE

Particulars	Year ended 31st March	
	2018 Rs. lakhs	2017 Rs. lakhs
a. Revenue Expenditure (Charged to Statement of Profit and Loss)	24.93	8.07
b. Capital Expenditure (Capitalised under CWIP/Assets)	–	–
	24.93	8.07

SWARAJ AUTOMOTIVES LIMITED**2.45 (a) MOVEMENT IN PROVISIONS FOR WARRANTY OBLIGATIONS**

Particulars	Year ended 31st March	
	2018 Rs. lakhs	2017 Rs. lakhs
a. As at the Beginning of the Year	2.68	4.09
b. Provided during the year	2.60	2.68
c. Reversed during the Year	-	4.09
d. As at the end of the Year	5.28	2.68

2.45 (b) MOVEMENT IN PROVISIONS FOR DOUBTFUL DEBTS

Particulars	Year ended 31st March	
	2018 Rs. lakhs	2017 Rs. lakhs
As at the Beginning of the Year	87.65	48.28
Provided during the year	25.31	39.37
Utilized during the Year	24.30	-
As at the end of the Year	88.66	87.65

2.45 (c) MOVEMENT IN PROVISIONS FOR BONUS

Particulars	Year ended 31st March	
	2018 Rs. lakhs	2017 Rs. lakhs
As at the Beginning of the Year	29.98	38.37
Provided during the year	29.01	29.28
Utilized during the Year	28.67	37.68
As at the end of the Year	30.32	29.98

2.46 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a) Derivative Outstanding: -

Currency	Payable / Receivable	As at 31.03.18	As at 31.03.17
US\$	-	-	-

b) Un hedged Foreign Currency Exposures: -

Currency	Payable / Receivable	As at 31.03.18	As at 31.03.17
US\$ / INR	Payable	-	-
US\$ / INR	Receivable	US\$ 6099.62 INR 396903	USD 10506.73 / INR 680941

2.47 LIABILITIES WRITTEN BACK

Trade Payables amounting to **Rs 6.87 Lakhs** being more than three years old which management considers not required to be paid has been written back during the year (2017 - Rs.4.85 Lakhs).

2.48 NEW PLANT SET UP

Company has started new manufacturing plant at Dharwad in the State of Karnataka for seat frames business. Plant has been commissioned and commenced commercial production on dated 24.01.2018. Out of total Initial Plant set up cost for the value of **Rs. 52.26 lakhs**, an amount of Rs.38.79 lakhs has been allocated over the PPE which are directly attributable to the items of PPE and the remaining amount of Rs.13.47 lakhs has been charged to the statement of profit and loss.

2.49 PREVIOUS YEAR FIGURES

Previous year figures certified/audited by a different firm of Chartered Accountants as per the requirement of first time adoption to Ind AS are considered accordingly. However, the figures have been regrouped / recasted wherever necessary so as to correspond with those of the current year.

2.50 FIRST TIME ADOPTION OF Ind-AS

This financial statement is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies.

The transition to Ind AS has been carried out in accordance with Ind AS 101-'First time adoption of Indian Accounting Standards' with 1st April, 2016 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Indian GAAP financial statements as at 1st April, 2016 and financial statements as at and for the year ended 31st March, 2017 in accordance with Ind AS 101.

First Time Ind-AS Adoption reconciliations

The effect of the company's transition to Ind-AS is summarised in this note as follows:

- (i) Reconciliation of Equity and Net Profit as previously reported under Indian GAAP to Ind-AS;
 - (a) **Reconciliation of Total Equity**

Particulars	Year ended 31st March	
	2017 Rs. lakhs	2016 Rs. lakhs
Equity as reported under previous GAAP	2842.32	2619.12
Ind-AS adjustments increase/(decrease):		
Adjustments for proposed Dividend including DDT	101.00	101.00
Deferred tax impact due to Ind-AS transition and other transition adjustments	(53.44)	42.75
Equity as reported under Ind-AS	2889.88	2762.87

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(b) Reconciliation of Total Comprehensive income

Particulars	Year ended 31st March
	2017 Rs. lakhs
Profit or loss as per previous GAAP	223.20
Ind-AS adjustments increase/(decrease):	
Actuarial (gain)/loss on employee defined benefits plan recognised in other comprehensive income (net of tax)	2.24
Deferred tax impact on Ind-AS transition adjustments	4.81
Total adjustment to profit or loss	7.05
Profit or loss under Ind-AS	230.25
Other comprehensive income	(2.24)
Total comprehensive income under Ind-AS	228.01

Note: Reconciliation starts with under previous GAAP because no statement of the comprehensive income was produced under previous GAAP.