1. General Information

Bimetal Bearings Limited ("the Company" or "BBL") is engaged in manufacturing of Engine Bearings, Bushings, Thrust Washers, Alloy Powder and Bimetallic Strips. The Company has manufacturing plants at Coimbatore, Hosur, Chennai (Sembiam and Thoraipakkam). The Company is a public listed company and listed on The Bombay Stock Exchange.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

(a) certain financial assets and liabilities (including derivative instruments) that is measured at fair value and

(b) defined benefit plans — plan assets measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Managing Director of the Company has been identified as being the chief operating decision maker.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in INR, the national currency of India, which is the functional currency of the Company.

(ii) Transaction and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(i) Sale of goods:

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

(iii) Other operating revenue:

Income from duty drawback and other export incentives is recognised on accrual basis.

(e) Taxation

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

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone 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. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

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

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

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

(f) Leasing

As a lessee

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(g) Impairment of assets

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

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

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

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

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

(h) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of Transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are determined and assigned to individual items of inventory using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity 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 or 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 or loss are recognised immediately in profit or loss.

(k) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales or purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets .

(i) Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

(a) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss);

(b) those measured at amortised cost and

(c) those measured at cost.

The classification depends on the entity's business model for managing the financial assets, the contractual terms of the cash flows and whether the investment meets the definition of interest in associates and joint ventures. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes. Investments forming part of interest in associates and joint ventures are measured at cost.

(ii) Measurements

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

– Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

(a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

(b) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or Fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/ other expenses in the period in which it arises. Interest income from these financial assets is included in other income.

– Equity instruments

The Company subsequently measures all equity investments other than investments forming part of interest in associates and joint ventures at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ other expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at cost and amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer notes to accounts for the details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

(a) The Company has transferred the rights to receive cash flows from the financial asset or

(b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the c a s h flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

(a) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options) but does not consider the expected credit losses.

(b) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(l) Financial liabilities and equity instruments

(i) Classification as debt or equity

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

(ii) Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

(m) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The impact of the fair value changes are included in other income.

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

(o) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets on the same basis as other property assets commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. However, the estimates of useful lives of certain assets, based on technical evaluation are different from those specified in Schedule II which are set out below:

Plant and equipment - Useful life 20 years

Assets costing individually upto Rs. 5,000/- are fully depreciated in the year of purchase.

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

(p) Intangible assets

(i) Acquired intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Derecognition of intangible assets

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

(iv) Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Technical Know how - Useful life 5 years

Computer Software - Useful life 6 years

Assets costing individually upto INR 5,000/- are fully amortized in the year of purchase.

(q) Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Onerous contracts

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

(r) Employee Benefits

Employee benefits include provident fund, employee state insurance, gratuity fund, super annuation fund and compensated absences.

(i) Retirement benefit costs and termination benefits

Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

(ii) Defined benefit costs are categorised as follows:

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

For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India.

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expenses’. Curtailment gains and losses are accounted for as past service costs.

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(iii) Short-term and other long-term employee benefits

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

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

(s) Exceptional items

Company recognises exceptional item when items of income and expense within the Statement of Profit and Loss from ordinary activities are of such size, nature or incidence that their separate disclosure is relevant to explain the performance of the Company for the period.

(t) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the standalone balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(v) Rounding off amounts

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

(w) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(x) New standards and interpretations not yet adopted

(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

(ii) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

(y) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of defined benefit obligation – Note 22

Estimation of current tax expense and payable – Note 32

Estimation of fair value of investment – Note 33

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3. Property, Plant and Equipment

	Land	Building (Refer Note ii)	Plant and equipment	Furniture and fixtures	Vehicles	Total
Year ended March 31, 2017						
Gross carrying amount						
Opening gross carrying amount	23.49	381.43	3,014.67	41.83	79.87	3,541.29
Additions	–	41.27	604.44	17.41	7.88	671.00
Regroupings	–	–	(14.66)	15.29	(0.63)	(0.00)
Disposal	–	–	1.03	–	3.13	4.16
Closing gross carrying amount	23.49	422.70	3,603.42	74.53	83.99	4,208.13
Accumulated depreciation						
Opening accumulated depreciation	–	22.22	307.84	8.50	15.74	354.30
Depreciation charge during the year	–	19.44	320.86	21.20	18.12	379.62
Disposals	–	–	0.03	–	1.09	1.12
Closing accumulated depreciation	–	41.66	628.67	29.70	32.77	732.80
Net carrying amount March 31, 2017	23.49	381.04	2,974.75	44.83	51.22	3,475.33
Year ended March 31, 2018						
Gross carrying amount						
Opening gross carrying amount	23.49	422.70	3,603.42	74.53	83.99	4,208.13
Additions	–	189.84	827.68	13.12	–	1,030.64
Regroupings	–	–	–	–	8.30	8.30
Disposal	–	–	–	–	2.71	2.71
Closing gross carrying amount	23.49	612.54	4,431.10	87.65	89.58	5,244.36
Accumulated depreciation						
Opening accumulated depreciation	–	41.66	628.67	29.70	32.77	732.80
Depreciation charge during the year	–	22.87	358.61	12.89	19.40	413.78
Disposals	–	–	–	–	2.71	2.71
Closing accumulated depreciation	–	64.53	987.28	42.59	49.46	1,143.87
Net carrying amount March 31, 2018	23.49	548.01	3,443.82	45.06	40.12	4,100.49

Notes: (i) All fixed assets are owned by the Company, unless stated as taken on lease.

(ii) Gross carrying amount of cost of building as at March 31, 2018 includes INR 28.21 lakhs (March 31, 2017-INR 28.21 lakhs) being cost of buildings on lease hold land.

4. Other intangible assets

	Computer software	Others-Technical know-how	Total
Year ended March 31, 2017			
Gross carrying amount			
Opening gross carrying amount	129.69	16.54	146.23
Additions	3.39	–	3.39
Regroupings	–	–	–
Disposal	–	–	–
Closing gross carrying amount	133.08	16.54	149.62
Accumulated depreciation			
Opening accumulated depreciation	29.56	10.03	39.59
Regroupings	4.41	(4.41)	–
Depreciation charge during the year	25.09	2.25	27.34
Disposals	–	–	–
Closing accumulated depreciation	59.06	7.87	66.93
Net carrying amount March 31, 2017	74.02	8.67	82.69
Year ended March 31, 2018			
Gross carrying amount			
Opening gross carrying amount	133.08	16.54	149.62
Additions	44.97	11.94	56.91
Regroupings	(8.30)	–	(8.30)
Disposal	–	–	–
Closing gross carrying amount	169.75	28.48	198.23
Accumulated depreciation			
Opening accumulated depreciation	59.06	7.87	66.93
Depreciation charge during the year	27.53	3.96	31.49
Disposals	–	–	–
Closing Accumulated depreciation	86.59	11.83	98.42
Net carrying amount March 31, 2018	83.16	16.65	99.81

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

5.	Non current investments	Face Value INR	As at March 31, 2018 Units	Market Value	As at March 31, 2017 Units	Market Value
(i)	Investment in equity instruments (fully paid-up)					
	At cost					
	Unquoted					
	(i) In associates					
	IPL Green Power Limited	10	7,50,000	75.00	7,50,000	75.00
	Less: Provision for impairment of investment carried at cost	–		(75.00)		(75.00)
				–		–
	(ii) In joint ventures					
	BBL Daido Private Limited	10	26,00,000	494.76	26,00,000	494.76
	At fair value through other comprehensive income					
	Unquoted					
	Amalgamations Repco Limited	10	1,20,750	156.98	1,20,750	156.98
	Arkay Energy (Rameswaram) Limited	10	2,80,000	28.00	2,80,000	28.00
	Madras Stock Exchange Ltd	1	4,55,620	11.99	4,55,620	11.99
	South Asian Financial Exchange Limited	10	20,000	–	20,000	–
	Stanes Amalgamated Estates Limited	10	6,380	8.29	6,380	3.19
	Quoted					
	Aditya Birla Nuvo Limited	10	–	–	1,400	21.26
	Aditya Birla Fashion and Retail Ltd	10	7,280	10.98	7,280	11.20
	Aditya Birla Capital Limited	10	5,040	7.36	–	–
	Ashok Leyland Limited	1	11,000	16.00	11,000	9.30
	Asian Paints (India) Limited	1	7,000	78.43	7,000	75.15
	Axis Bank Limited	2	1,950	9.95	1,950	9.57
	Bajaj Finance Limited	10	6,700	120.43	6,700	78.46
	Bajaj Holdings and Investment Limited	10	950	25.31	950	20.56
	Bajaj Auto Limited	10	1,900	52.15	1,900	53.30
	Bajaj Finserve Limited	10	1,040	53.78	1,040	42.62
	Bank of Baroda	2	18,500	26.33	18,500	32.00
	Bank of India	10	900	0.93	900	1.25
	Bharat Petroleum Corporation Limited	10	12,810	54.76	8,540	55.50
	Biocon Limited	10	900	5.35	300	3.40
	Canfin Homes Limited	10	1,000	4.85	200	4.24
	Colgate-Palmolive (India) Limited	1	2,800	29.59	2,800	27.87
	Cummins India Limited	2	1,960	13.72	1,960	18.61
	G I C Housing Finance Limited	10	2,500	9.31	2,500	9.14
	Gas Authority of India Limited	10	1,493	4.91	1,493	5.63
	Glaxo Smithkline Beecham Consumer Health Care Limited	10	750	45.75	750	38.67
	Grasim Industries Limited	10	3,600	37.83	1,500	15.74
	Great Eastern Shipping Corporation Limited	10	1,080	3.57	1,080	4.50
	Great Offshore Limited	10	270	0.03	270	0.04
	HDFC Bank Limited	2	2,000	37.72	2,000	28.85
	Hindustan Unilever Limited	10	400	5.33	400	3.65
	Housing Development Finance Corporation Limited	10	30,000	550.60	30,000	450.63
	ICICI Bank Limited	2	18,370	51.13	16,700	46.23
	Indian Oil Corporation Limited	10	16,000	28.26	8,000	30.96
	Indraprasth Gas Limited	10	2,500	6.99	500	5.07
	Indusind Bank Limited	10	1,500	26.95	1,500	21.38
	Industrial Development Bank of India	10	1,560	1.13	1,560	1.17
	L.I.C.Housing Finance Limited	2	3,750	20.04	3,750	23.19
	Mahindra and Mahindra Limited	5	4,000	29.56	2,000	25.74
	Maruti Suzuki India	10	200	17.72	200	12.03
	National Aluminium Company Limited	10	4,500	2.99	4,500	3.44
	National Thermo Power Corporation Limited	10	1,500	2.55	1,500	2.49
	Neyveli Lignite Corporation Limited	10	600	0.50	600	0.64
	Nilkamal Plastics Limited	10	700	10.64	700	13.66
	Oil and Natural Gas Corporation Limited	5	15,300	27.20	15,300	28.31
	Petronet LNG Limited	10	2,000	4.62	1,000	4.03
	Punjab National Bank	2	8,750	8.34	8,750	13.12
	Reliance Industries Limited	10	2,670	23.57	1,335	17.63
	Rural Electrification Corporation of India	10	2,120	2.64	2,120	3.84
	Schaeffler India Limited (Formerly known as FAG Bearings India Limited)	10	600	31.21	600	27.47
	State Bank of India	1	11,500	28.74	11,500	33.74
	Sundaram Finance Limited	10	13,200	223.40	13,200	213.15
	Sundaram Finance Holdings Limited	10	13,200	40.99	–	–
	Tata Chemicals Ltd.	10	1,400	9.48	1,400	8.38
	Tata Consultancy Services Limited	1	832	23.70	832	20.23
	Tata Motors Limited	2	9,495	31.03	9,495	44.23
	Tata Steel Limited	10	1,972	11.26	1,700	8.21
	Tata Steel Limited	10	136	0.19	–	–
	Tata Global Beverages Limited	1	13,000	33.64	13,000	19.57
	The United Nilgiri Tea Estates Limited	10	17,264	59.01	17,264	62.67
	Ultratech Cement Limited	10	171	6.75	171	6.81
	Total (equity instruments - fully paid-up)			2,669.22		2,413.47

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

5.	Non current investments – (Contd.)	Face Value INR	As at March 31, 2018 Units	As at March 31, 2018 Market Value	As at March 31, 2017 Units	As at March 31, 2017 Market Value
(ii)	Investment in equity instruments (partly paid-up)					
	Adyar Property Holding Company Limited (paid up Rs. 65 per share)	100	55	0.04	55	0.04
	Total (equity instruments - partly paid-up)			0.04		0.04
(iii)	Investment in preference instruments in joint venture (Unquoted)					
	At Cost					
	Unquoted					
	BBL Daido Private Ltd (FCCPS)	100	3,00,000	300.00	3,00,000	300.00
	Total (preference shares)			300.00		300.00
(iv)	Investment in bonds					
	At amortised cost					
	Quoted					
	8.00% Indian Railway Finance Corporation Limited Tax Free – Secured Redeemable Non-convertible Bonds	1,000	1,088	10.88	1,088	10.88
	8.20% Power Finance Corporation Limited Tax Free – Secured Redeemable Non-convertible Bonds	1,000	1,424	14.24	1,424	14.24
	7.19% Power Finance Corporation Limited – Tax Free Secured Bonds	1,000	1,200	12.00	1,200	12.00
	7.22% Rural Electrification Corporation Limited – Tax Free Secured Bonds	1,000	1,000	10.00	1,000	10.00
(v)	Investment in debentures					
	At fair value through profit or loss					
	Quoted					
	8.49% SR-54 Non-Convertible Debentures of National Thermal Power Corporation Limited	12.50	1,500	0.20	1,500	0.19
	Total (bonds and debentures)			47.32		47.31
(vi)	Investment in mutual funds					
	At fair value through profit or loss					
	Unquoted					
	Axis Equity Saver Fund - Growth	10	11,74,362	138.46	11,74,362	128.24
	Axis Dynamic Equity Fund - Growth	10	2,70,120	27.96	–	–
	Aditya Birla Sun Life Medium Term Plan -Growth	10	1,86,030	40.89	1,86,030	37.97
	Aditya Birla Sun Life Equity Savings Fund - Growth	10	92,593	11.97	–	–
	Aditya Birla Sun Life Balanced Advantage Fund - Growth	10	72,088	35.87	–	–
	DSP Black Rock Income Opportunities Fund - Regular Plan - Growth	10	51,560	14.75	51,560	13.86
	DSP Black Rock Balanced Fund - Growth	10	30,680	43.70	30,680	40.60
	Franklin India Monthly Income Plan - Plan A - Growth	10	88,161	46.41	88,161	44.08
	Franklin India Balanced Fund - Growth	10	68,974	77.48	25,283	26.36
	HDFC Focused Equity Fund - Plan B	10	60,000	7.77	60,000	7.30
	HDFC MF Monthly Income Plan - Growth	10	60,352	26.08	60,352	25.00
	HDFC Equity Savings Fund - Growth	10	34,692	11.99	–	-
	ICICI Prudential Balanced Fund - Regular Plan - Dividend	10	2,09,429	50.37	2,09,429	51.71
	ICICI Prudential Multiple Yield Fund Series 6 - Plan - F - Growth	10	–	–	1,20,000	15.26
	ICICI Prudential Growth Fund Series 1	10	–	–	1,12,848	13.69
	ICICI Prudential Growth Fund Series 4	10	60,000	6.41	60,000	7.73
	ICICI Prudential Capital Protection Oriented Fund - Series VII - Plan A - 1285 Days	10	–	–	90,000	10.86
	ICICI Capital Protection Oriented Fund Series VII - 1284 Days - Plan H	10	–	–	1,00,000	11.39
	ICICI Prudential Capital Protection Oriented Fund VIII - 1101 Days - Plan D	10	–	–	1,50,000	16.87
	ICICI Prudential Balanced Fund - Regular Plan - Growth	10	10,525	13.15	10,525	12.03
	ICICI Prudential Balanced Advantage Fund - Dividend	10	2,06,705	31.17	2,06,705	33.28
	ICICI Prudential Balanced Advantage Fund - Growth	10	1,23,588	40.92	85,876	25.97
	ICICI Prudential MIP-25 - Growth	10	3,02,804	119.26	1,68,165	61.39
	Kotak Capital Protection Oriented Scheme -Series 1 Growth	10	1,00,000	11.65	1,00,000	10.98
	Kotak Balance - Growth	10	1,18,805	28.28	58,371	13.08
	Kotak Equity Savings Fund - Growth	10	2,52,359	33.31	–	–
	LIC Nomura MF CPOF Series 3 - Growth	10	–	–	60,000	7.35
	Reliance Equity Savings Fund - Dividend Plan	10	90,951	10.36	90,951	10.42
	Reliance Equity Savings Fund - Growth Plan	10	4,68,030	57.99	2,05,497	23.55
	Reliance Monthly Income Plan - Growth	10	2,89,269	118.49	–	–
	SBI Mutual Fund- Gold Exchange Traded Scheme- Growth Open	10	200	5.58	200	5.24
	SBI Dynamic Bond Fund	10	73,133	15.56	73,133	15.06
	SBI Magnum Balanced Fund - Dividend	10	1,03,492	28.71	1,03,492	28.15
	SBI Magnum Balanced Fund - Growth	10	11,994	14.73	–	–
	SBI Dual Advantage Fund Series II - Growth	10	–	–	1,20,000	15.01
	SBI Equity Opportunities Fund	10	–	–	60,000	8.52
	SBI Dual Advantage Fund Series V - Growth	10	–	–	2,10,000	24.40
	SBI Equity Savings Fund - Dividend	10	1,20,000	14.30	1,20,000	13.64
	SBI Equity Savings Fund - Growth	10	6,47,781	80.33	6,47,781	74.74
	SBI Dual Advantage Fund - Series XV - Regular	10	1,18,758	13.60	1,18,758	12.80
	Sundaram Monthly Income Plan - Aggressive Reg - Quarterly Dividend	10	1,48,516	21.61	1,48,516	21.00
	Tata Balanced Fund	10	20,245	14.59	20,245	15.15
	Tata Dual Advantage Fund - Series 2 - Scheme A - Plan A - Growth	10	–	–	1,20,000	14.95
	UTI Wealth Builder Fund - Growth	10	3,47,898	115.02	2,73,802	84.67
	UTI Dynamic Bond Fund - Growth	10	78,806	15.80	78,806	15.12
	UTI-Capital Protection Oriented Fund Scheme - Series V- I (1163 Days)–Regular Plan - Growth	10	–	–	90,000	10.34
	Total (mutual funds)			1,344.52		1,007.88
	Total			4,361.10		3,768.70
	Aggregate amount of quoted investments and market value thereof			2,016.52		1,765.87
	Aggregate amount of unquoted investments			2,344.58		2,002.83
	Aggregate amount of impairment in value of investments			75.00		75.00

		As at March 31, 2018		As at March 31, 2017	
		Curent	Non-Curent	Curent	Non-Curent
6.	Other financial assets				
	Financial assets at fair value				
	(i) Derivatives financial instruments not designated as hedging carrying at fair value				
	Foreign currency forward contracts	–	–	34.39	–
	(ii) Financial assets at amortised cost				
	Intercorporate deposits	316.00	332.00	281.00	361.00
	Interest accrued on deposits	3.14	–	7.25	–
	Interest accrued on investments	1.93	–	1.59	–
	Security deposits	2.40	180.51	7.48	178.50
	Receivable from related parties	–	–	2.50	–
	Others - insurance claims	89.95	–	528.91	–
	Total other financial assets	413.42	512.51	863.12	539.50

		As at March 31, 2018	As at March 31, 2017
7.	Current tax assets (net)		
	Advance income tax*	48.45	345.21
	Advance fringe benefit tax*	–	0.37
	Total current tax assets (net)	48.45	345.58
	*Net of provision		
	– for income tax	351.81	4,999.80
	– for fringe benefit tax	–	73.50
8.	Other non-current assets		
	Capital advances for capital work-in-progress	53.49	54.77
	Prepayments	5.31	–
	Advance income tax*	376.48	–
	Total other non-current assets	435.28	54.77
	*Net of provision		
	– for income tax	4,946.41	–
9.	Inventories		
	Raw materials*	1,388.28	1,868.41
	Work-in-progress**	1,766.12	1,336.44
	Finished goods	764.27	1,033.65
	Stock-in-trade acquired for trading	53.14	55.54
	Stores, spares and packing material	285.13	266.33
	Total inventories	4,256.94	4,560.37
	*Goods in transit	260.26	406.77
	**Includes manufactured strips and powder	1,253.81	992.49

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to INR 81.63 lakhs (March 31, 2017 - INR 82.09 lakhs). These were recognised as an expense during the year and included in 'the changes in inventories of finished goods, work-in-progress and stock-in-trade' in statement of profit and loss.

BIMETAL BEARINGS LIMITED

Notes to the Standalone financial statements for the year ended March 31, 2018

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

10. Current Investments	Face Value INR	As at March 31, 2018		As at March 31, 2017	
		Units	Market Value	Units	Market Value
(i) Investment in bonds					
At amortised cost					
Unquoted					
9.20% Central Bank of India Tier II Bonds (Series XII)		–	–	1	10.00
Total (bonds)			–		10.00
(ii) Investment in mutual funds					
At Fair value through Profit or Loss					
Unquoted					
ICICI Capital Protection Oriented Fund VI - 1100 Days Plan H	10	–	–	90,000	10.81
ICICI Prudential Multiple Yield Fund - Series VII - Plan F - 1100 Days	10	–	–	90,000	10.69
ICICI Prudential Capital Protection Oriented Fund – Series VII - Plan A - 1285 Days	10	90,000	11.54	–	–
ICICI Capital Protection Oriented Fund Series VII - 1284 Days - Plan H	10	1,00,000	11.95	–	–
ICICI Prudential Capital Protection Oriented Fund VIII - 1101 Days - Plan D	10	1,50,000	17.64	–	–
Kotak Bond (Short Term) - Growth	10	2,03,854	66.13	1,56,714	48.17
Kotak Low Duration Fund	10	965	20.48	-	-
Reliance Dual Advantage Fixed Tenure Fund-II-Plan G - Dividend	10	–	–	1,17,277	18.51
Reliance Dual Advantage Fixed Tenure Fund V Plan B - Growth	10	–	–	1,20,000	14.32
Reliance Dual Advantage Fixed Tenure Fund V Plan G - Growth	10	–	–	1,00,000	12.81
Reliance Dual Advantage Fixed Tenure Fund VI - Plan A - Growth	10	–	–	2,40,000	27.81
SBI Short Term Debt Fund - Growth	10	76,644	15.35	–	–
UTI-Capital Protection Oriented Fund Scheme – Series V- I (1163 Days) - Regular Plan - Growth	10	90,000	10.91	–	–
Total (mutual funds)			154.00		143.12
Total non-current investments carrying value			154.00		153.12
Aggregate amount of Unquoted investments			154.00		153.12

	As at March 31, 2018	As at March 31, 2017
11. Trade receivables		
Unsecured and considered good		
Trade receivables	4,509.23	3,045.56
Receivables from related parties	595.29	703.57
Total trade receivables	5,104.52	3,749.13
Trade receivables stated above includes :		
Debts due by private companies in which directors are directors	493.39	615.43
12. Cash and cash equivalents		
Unrestricted balances with banks		
– in current accounts	267.26	342.98
– in EEFC accounts	117.05	141.24
– in deposit accounts with original maturity less than 3 months	7.64	7.14
Cash in hand	1.46	1.07
Cheques on hand	–	16.10
Total Cash and cash equivalents	393.41	508.53

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

13. Other bank balances		
Deposit with maturity period more than 3 months but less than 12 months	30.00	30.00
In unpaid dividend account*	19.53	22.04
Margin money deposits (Refer note below)	30.00	30.00
Total other bank balances	79.53	82.04

*Earmarked for payment of unclaimed dividend

Note: Balances with bank held as margin money for guarantees	30.00	30.00

BIMETAL BEARINGS LIMITED

Notes to the Standalone financial statements for the year ended March 31, 2018

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

		As at March 31, 2018	As at March 31, 2017
14	Loans		
	(Unsecured, considered good)		
	Loans to employees	6.87	4.56
	Total loans	6.87	4.56
15.	Other current assets		
	Prepayments	88.15	67.85
	Advances to suppliers	61.55	30.89
	Balance with government authorities (other than income tax)	206.10	814.98
	Other advances	9.19	21.47
	Advances to employees	4.06	0.64
	Gratuity	159.76	92.80
	Total other current assets	528.81	1,028.63
	Note: Refer Note 22 for disclosure of Gratuity		

			Number of shares	Amount
16.	Equity share capital			
	Authorised:			
	(i)	Equity shares of INR. 10 each with voting rights		
		As at April 1, 2016	62,50,000	625.00
		Movement during the year	–	–
		As at March 31, 2017	62,50,000	625.00
		Movement during the year	–	–
		As at March 31, 2018	62,50,000	625.00
	(ii)	Redeemable cumulative preference shares of INR 100 each		
		As at April 1, 2016	1,25,000	125.00
		Movement during the year	–	–
		As at March 31, 2017	1,25,000	125.00
		Movement during the year	–	–
		As at March 31, 2018	1,25,000	125.00
	Issued, subscribed and fully paid up :			
	(i)	Equity shares of INR 10 each with voting rights		
		As at April 1, 2016	38,25,000	382.50
		Movement during the year	–	–
		As at March 31, 2017	38,25,000	382.50
		Movement during the year	–	–
		As at March 31, 2018	38,25,000	382.50
	(i)	Reconciliation of the number of shares outstanding at the beginning and at the end of the year:		
		Equity shares with voting rights		
		As at March 31, 2016	38,25,000	382.50
		Movement during the year	–	–
		As at March 31,2017	38,25,000	382.50
		Movement during the year	–	–
		As at March 31, 2018	38,25,000	382.50

(ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company in proportion to their shareholding.

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

16. Equity share capital – (Contd.)

(iii) Details of shares of the company held by holding company and their subsidiaries and details of shareholders holding more than 5% shares in the company:

	As at March 31, 2018			As at March 31, 2017		
	Number of shares	Amount	% of holding in that class of shares	Number of shares	Amount	% of holding in that class of shares
Amalgamations Private Limited, the holding company	9,69,000	96.90	25.33%	9,69,000	96.90	25.33%
India Pistons Limited, step down subsidiary of Amalgamations Private Limited	7,65,000	76.50	20.00%	7,65,000	76.50	20.00%
Simpson & Company Limited, a subsidiary of Amalgamations Private Limited	11,11,411	111.14	29.06%	11,11,411	111.14	29.06%
Associated Printers (Madras) Private Limited, a subsidiary of Amalgamations Private Limited	2,040	0.20	0.05%	2,040	0.20	0.05%
Higginbothams Private Limited, a subsidiary of Amalgamations Private Limited	3,975	0.40	0.10%	3,975	0.40	0.10%
Sri Rama Vilas Service Limited, a step down subsidiary of Amalgamations Private Limited	12,500	1.25	0.33%	12,500	1.25	0.33%
	28,63,926	286.39	74.87%	28,63,926	286.39	74.87%

17. Other equity	As at March 31, 2018	As at March 31, 2017
Capital reserve	–	3.81
General reserve	13,703.81	13,500.00
Retained earnings	1,225.22	755.10
Other reserves	2,139.28	1,767.31
Total reserves and surplus	17,068.31	16,026.22
(a) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of Company's own equity instruments is transferred to capital reserve		
Opening balance	3.81	3.81
Less: Transferred to General Reserve	(3.81)	–
Closing balance	–	3.81
(b) General reserve		
This represents appropriation of profit by the Company		
Opening balance	13,500.00	13,350.00
Add: Transferred from Capital Reserve	3.81	-–
Add: Transferred from Retained earnings	200.00	150.00
Closing balance	13,703.81	13,500.00
(c) Retained earnings		
Retained earnings comprise of the Company's prior years undistributed earnings after taxes.		
Opening balance	755.10	750.49
Profit for the year	1,015.40	499.89
Less: Appropriations		
(i) Transferred to General Reserve	(200.00)	(150.00)
(ii) Dividend on equity shares	(286.88)	(286.88)
(iii) Dividend distribution tax on above	(58.40)	(58.40)
Closing balance	1,225.22	755.10
(d) Other reserves		
Other items of other comprehensive income consist of currency translation, fair value changes on FVTOCI financial assets and financial liabilities and remeasurement of net defined benefit liability/asset.		
Opening balance	1,767.31	1,318.62
Add: Movement in OCI (Net) during the year	371.97	448.69
Closing balance	2,139.28	1,767.31

Nature and purpose of other reserves

FVOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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

18. Deferred tax liabilities (Net)	As at March 31, 2018	As at March 31, 2017
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment	407.59	485.09
Other timing differences	52.73	44.02
Total deferred tax liabilities	460.32	529.11
Set-off of deferred tax assets pursuant to		
Provision for compensated absences	37.96	44.61
MAT credit entitlement	54.44	74.00
Other timing differences	81.01	22.29
Net deferred tax liabilities	286.91	388.21

Movement in deferred tax liabilities	Depreciation	Provision for compensated absences	MAT credit	Other timing differences	Total
At April 1, 2016	419.00	(51.03)	–	(29.74)	338.23
Charged/(credited):					
– to statement of profit and loss	66.09	6.42	(74.00)	25.12	23.63
– to other comprehensive income	–	–	–	26.35	26.35
At March 31, 2017	485.09	(44.61)	(74.00)	21.73	388.21
Charged/(credited):					
– to statement of profit and loss	(77.50)	6.65	19.56	(2.16)	(53.45)
– to other comprehensive income	–	–	–	(47.85)	(47.85)
At March 31, 2018	407.59	(37.96)	(54.44)	(28.28)	286.91

19. Trade payables	As at March 31, 2018	As at March 31, 2017
Trade Payables (Refer note below)		
(a) Total outstanding dues of micro enterprises and small enterprises	55.33	110.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,383.48	2,242.86
Total trade payables	2,438.81	2,353.76
Note: The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to said MSMED Act are as follows:		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	40.70	81.11
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	14.63	29.79
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	221.14	406.01
Interest paid, other than Section 16 of MSMED Act, to supplier registered under the MSMED Act, beyond the appointed day during the year.	–	–
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	–	–
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	3.21	18.34
Further interest remaining due and payable for earlier years	11.42	21.51

20. Other financial liabilities		
A. Other Financial liabilities measured at amortised cost		
Unpaid Dividend [Refer note (a)]	19.53	22.04
Creditors for capital supplies / services	87.48	63.03
B. Other financial liabilities measured at fair value		
Foreign currency forward contracts	8.56	–
Total other financial liabilities	115.57	85.07

Note (a): There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

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

	As at March 31, 2018	As at March 31, 2017
21. Current liabilities		
Statutory dues-taxes payable(other than income tax)	134.18	155.34
Advance received from customers	5.10	21.14
Total current liabilities	139.28	176.48

	As at March 31, 2018		As at March 31, 2017	
22. Provisions				
Provisions for employee benefits:	Current	Non-current	Current	Non-current
Provision for compensated absences	27.67	103.96	21.78	107.13
Total provisions	27.67	103.96	21.78	107.13

Employee benefits plan

(i) Defined contribution plan

The company makes Provident Fund, Superannuation fund and Employee State Insurance scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits.

	For the year ended March 31, 2018	For the year ended March 31, 2017
– Contribution to Provident fund	101.67	100.32
– Contribution to Superannuation fund	13.72	11.37
– Employee State Insurance scheme	8.02	4.52

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined benefit plans

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Change in present value of the obligation during the year ended		
1. Opening present value of the obligation	610.04	662.63
2. Current service cost	–	37.15
3. Past service cost	21.85	–
4. Interest Cost	41.08	49.13
5. Benefits paid	(62.84)	(65.46)
6. Experience (gains)/losses	1.79	–
7. (Gain)/loss from change in demographic assumptions	(7.23)	(73.41)
8. (Gain)/loss from change in financial assumptions	(71.88)	–
9. Closing present value of obligation	532.81	610.04
B. Change in assets during the year		
1. Opening fair value of plan assets	(702.84)	(620.98)
2. Expected return on plan assets	(47.67)	(49.59)
3. (Gain)/loss from change in financial assumptions	(4.90)	(2.73)
4. Contribution made	62.84	(95.00)
5. Benefits paid	–	65.46
6. Actuarial gain/(loss) on plan assets	–	–
7. Closing fair value of plan assets	(692.57)	(702.84)
C. Net (asset)/liability recognised in the Balance Sheet		
1. Opening present value of the obligation	610.04	662.63
2. Fair Value of plan assets	(692.57)	(702.84)
3. Funded status surplus/(deficit)	(77.23)	(52.59)
4. Closing net (asset)/liability recognised in the Balance Sheet	(159.76)	(92.80)
D. Expenses recognised during year		
1. Current service cost	–	37.15
2. Past service cost	21.85	–
3. (Gains) and losses on curtailment and settlement	(82.22)	(76.14)
4. Interest expense/(income)	(6.60)	(0.46)
5. Total expenses to be recognised in statement of profit and loss	15.25	36.69
6. Total expenses to be recognised in Other Comprehensive Income	(82.22)	(76.14)

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

Note 22 – (Contd.)

(iii) Post-employment benefits

Significant estimates: actuarial assumptions and sensitivity	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.62%	7.10%
Salary growth rate	3.74%	5.18%
Attrition rate	4.80%	5.64%

(iv) Major category of plan assets as a % of total plan assets

	March 31, 2018	March 31, 2017
Insurer managed assets – Balance with Life Insurance Corporation (LIC) of India	100.00%	100.00%

The details with respect to the composition of investments in the fair value of plan assets managed by LIC have not been disclosed in the absence of the above said information.

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

These plans typically expose the Company to risks such as interest rate risk, longevity risk and salary risk.

Interest Rate Risk: A decrease in the bond interest rate will increase the plan liability.

Longevity Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

(v) Sensitivity analysis

		March 31, 2018	March 31, 2017
A.	Discount rate +50 BP	8.12%	7.60%
	Defined benefit obligation [PVO]	516.23	591.82
B.	Discount rate –50 BP	7.12%	6.60%
	Defined benefit obligation [PVO]	550.32	629.27
C.	Salary escalation rate +50 BP	4.24%	5.68%
	Defined benefit obligation [PVO]	550.59	629.69
D.	Salary escalation rate –50 BP	3.24%	4.68%
	Defined benefit obligation [PVO]	515.86	591.23

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(vi) Expected cash flows

Expected employer contribution/additional provision for future years are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	Next 5 years
March 31, 2018	57.81	43.06	38.56	70.96	65.81	331.39
March 31, 2017	53.13	63.60	59.31	146.60	64.24	308.49

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

		For the year ended March 31 ,2018	For the year ended March 31 ,2017
23.	Revenue from operations		
	(a) Revenue from sale of products (including excise duty)	17,909.42	15,178.27
	(b) Other operating revenue		
	Duty drawback and Export benefit	72.66	109.41
	Scrap sales (including excise duty)	595.96	687.85
	Total revenue from operations	18,578.04	15,975.53
24.	Other income		
	Dividend income from equity investment designated at fair value through other comprehensive income (i)	17.08	26.45
	Dividend income from investment carried at cost	0.60	14.36
	Dividend income from investment mandatorily measured at fair value through profit or loss	22.07	29.40
	Fair value gains on derivatives not designated as hedges (net)	–	20.30
	Interest income on financial assets at amortised cost	83.08	171.84
	Liabilities no longer required written back	142.73	20.47
	Net gain on financial assets carried at fair value through profit or loss	57.71	81.50
	Forex gain (net)	113.90	127.25
	Net gain on sale of Financial assets	6.14	28.14
	Other non-operating income	4.46	1.28
	Profit on sale of Property, Plant and equipment sold (net)	0.90	0.59
	Total other income	448.67	521.58
	Note: All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period. There was no derecognition of such investments during the reporting period.		
25.	Cost of materials consumed		
	Raw materials at the beginning of the year	1,868.41	1,691.54
	Add: Purchases*	8,712.89	7,327.82
	Less: Raw materials at the end of the year	1,388.28	1,868.41
	Total Cost of materials consumed	9,193.02	7,150.95
	* Also refer Note 31		
26.	Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	Inventories at the beginning of the year		
	Finished goods	1,033.65	1,319.97
	Stock-in-trade	55.54	64.97
	Work-in-progress	1,336.44	1,098.93
	Total opening balance	2,425.63	2,483.87
	Inventories at the end of the year		
	Finished goods	764.27	1,033.65
	Stock-in-trade	53.14	55.54
	Work-in-progress	1,766.12	1,336.44
	Total closing balance	2,583.53	2,425.63
	Insurance claim on stock damaged on account of cyclone/ flood	–	(250.06)
	Total changes in inventories of finished goods, work-in-progress and stock-in-trade	(157.90)	(191.82)
27.	Employee benefit expense		
	Salaries and wages, including bonus	2,054.27	1,878.14
	Contribution to provident and other funds	130.64	148.38
	Staff welfare expenses	292.41	268.67
		2,477.32	2,295.19
	Less:		
	Recovery for seconded services	3.75	14.19
	Expense related to self constructed assets	43.39	5.51
	Total employee benefit expense	2,430.18	2,275.49

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

		For the year ended March 31 ,2018	For the year ended March 31 ,2017
28.	Finance cost		
	Interest expense - others	4.48	15.68
	Total finance cost	4.48	15.68
29.	Depreciation and amortisation expense		
	Depreciation of property, plant and equipment	413.78	379.62
	Amortisation of intangible assets	31.49	27.34
	Total depreciation and amortisation expense	445.27	406.96
30.	Other expenses		
	Consumption of stores and spare parts	983.80	800.36
	Consumption of loose tools	198.39	106.15
	Consumption of packing materials	385.70	318.71
	Increase/(decrease) of excise duty on inventory	(92.21)	(48.60)
	Sub contracting charges	574.21	544.22
	Power and Fuel	1,042.80	912.74
	Rent	38.71	37.77
	Repairs and maintenance		
	– Buildings	118.21	72.98
	– Machinery	171.06	165.06
	– Others	62.66	66.48
	Contract labour cost	223.81	204.00
	Insurance	49.83	53.64
	Rates and taxes	146.26	127.29
	Travelling expenses	240.11	232.96
	Communication costs	42.46	48.41
	Packing and forwarding expenses	379.20	341.52
	Payment to auditor (Refer Note (i) below)	22.50	30.36
	Directors' sitting fees	7.00	5.00
	Sales promotional expenses	109.72	52.86
	Bank charges and commission	32.13	22.16
	Professional and consultancy charges	201.97	167.74
	Expenditure on Corporate Social Responsibility (CSR) (Refer Note (ii) below)	13.70	12.15
	Donations	0.23	0.28
	Watch and ward expenses	101.76	103.35
	Bad debts	–	2.01
	Miscellaneous expenses	116.39	135.43
		5,170.40	4,515.03
	Less : Expenses related to self constructed assets	2.61	0.66
	Total other expenses	5,167.79	4,514.37
	Note (i) Payment to auditor		
	Particulars		
	Statutory audit fee	22.50	25.00
	Reimbursement of expenses	–	0.36
	Other services	–	5.00
	Total	22.50	30.36
	Note (ii) on CSR expenditure		
	Amount required to be spent as per Section 135 of the Act	13.70	12.25
	Amount spent during the year on:		
	(i) Construction/ acquisition of an asset	–	–
	(ii) On purpose other than (i) above		
	– Sri Paramakalyani Educational Society	10.00	10.00
	– Sri Ganga Plastic Reconstructive and Microsurgery Trust	–	2.15
	– Vathsalyam	3.70	–
	Total CSR expenditure	13.70	12.15

31. Exceptional items

Exceptional items comprises of the following -

(i) During the last year the Company's factories located at Sembiam and Thoraipakkam were affected by Vardah cyclone. The loss arising from the same including the related insurance settlement have been disclosed as an exceptional item. Previous year exceptional items pertain to loss incurred (net of insurance settlement) on account of damage arising from flood to the Company's fixed asset and stock located at Sembiam and Thoraipakkam factories.

Exceptional item of the previous year also includes an insurance settlement pertaining to a fire damage at Company's factory at Hosur in the financial year 2014-15.

	For the year ended March 31 ,2018	For the year ended March 31 ,2017
Vardah cyclone/ Flood damage		
Raw materials damaged	–	(65.28)
Work-in-progress damaged	–	(242.97)
Finished goods damaged	–	(7.09)
Other expenses resulting from damage to inventory	–	(34.22)
Scrap proceeds from disposal of above inventory	–	75.02
Expenses incurred on repair of fixed assets	–	(120.93)
Insurance claim received/ receivable on relating to current year loss	–	381.96
Insurance claim received/ receivable relating to prior year loss	–	118.55
Total exceptional items arising from damage/ insurance settlements	–	105.04
(ii) During the year ended March 31, 2017 the Management has performed an impairment assessment of its investment in its associate (IPL Green Power Limited). Based on the assessment, the Management is of the opinion that the current project of IPL Green Power Limited may not be viable. Further it has been understood that the management of IPL Green Power Limited is contemplating withdrawal of the application pending with the Regulators/ State Government and consider other viable projects in due course. Considering this the Management has decided to impair its entire investment in IPL Green Power Limited. Accordingly an impairment charge of INR 75 lakhs has been considered in the accounts for the year ended March 31, 2017 which has been presented as an exceptional item.	–	(75.00)
Total Exceptional items (i+ii)	–	30.04

32. Income tax expense

(a) Income tax expense

Current tax		
Current tax on profits for the year	351.81	158.00
Total current tax expense	351.81	158.00
Deferred tax		
Increase in deferred tax liabilities	(73.01)	97.63
MAT Credit entitlement	19.56	(74.00)
Total deferred tax expense	(53.45)	23.63
Income tax expense	298.36	181.63

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

Profit before tax	1,313.76	681.52
Tax at the Indian tax rate of 34.608% (FY 2016-2017 – 33.063%)	454.67	225.33
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	(42.08)	(29.36)
Dividend income from Mutual funds and equity instruments exempted under the Income tax act	(13.76)	(24.41)
Corporate social responsibility expenditure (net of 80G benefit)	4.74	2.07
Interest on MSME payments	1.17	2.74
Profit on sale/ fair valuation of investment, as the same is set off against carry forward of losses on which no deferred tax had been recognised	(11.62)	(36.25)
Impact of loss on fair valuation of investment	–	–
Disallowance under section 14A relating to expenditure on exempt income	7.93	6.98
Impact of remeasurement of opening deferred tax liability	–	–
Unrecognised deferred tax on Impairment of investment in associate in the absence of reasonable certainity on the realisability	–	24.80
Income that is exempt from taxation	(44.29)	-
Difference arising from measurement of deferred tax at 34.608% as against the current tax rate of 33.063%	(53.45)	4.36
Others	(4.95)	5.37
Income tax expense	298.36	181.63

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

32. Income tax expense – (Contd.)

(c) Unused tax losses for which no deferred tax asset has been recognised

	March 31, 2018	March 31, 2017
Date of expiry of carry forward loss		
March 31, 2018	–	9.81
March 31, 2019	–	0.28
March 31, 2020	77.40	82.19
March 31, 2021	33.99	33.99
March 31, 2022	16.99	16.99
March 31, 2023	17.89	17.89
March 31, 2024	40.23	40.23
March 31, 2025	24.00	24.00
Total of unused tax capital loss	210.50	225.38
Potential tax benefit @ 20%	42.10	45.08

33. Fair value measurements

Financial instruments by category	As at March 31, 2018			As at March 31, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
– Equity instruments	–	2,174.50	494.76	–	1,918.75	494.76
– Mutual funds	1,498.53	–	–	1,150.98	–	–
– Preference, bonds and debentures	0.20	–	347.12	0.19	–	357.12
Trade receivables	–	–	5,104.52	–	–	3,749.13
Loans	–	–	6.87	–	–	4.56
Cash and cash equivalents	–	–	393.41	–	–	508.53
Bank balances other than above	–	–	79.53	–	–	82.04
Intercorporate deposit	–	–	648.00	–	–	642.00
Security deposits	–	–	182.91	–	–	185.98
Other claims and receivables	–	–	95.02	–	–	540.25
Derivative financial asset	–	–	–	34.39	–	–
Total financial assets	1,498.73	2,174.50	7,352.14	1,185.56	1,918.75	6,564.37
Financial liabilities						
Trade payables	–	–	2,438.81	–	–	2,353.76
Capital creditor	–	–	87.48	–	–	63.03
Unpaid dividends	–	–	19.53	–	–	22.04
Derivative Financial Liability	–	–	8.56	–	–	–
Total financial liabilities	–	–	2,554.38	–	–	2,438.83

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

33. Fair value measurements – (Contd.)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

At March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual Funds	5, 10	1,150.98	–	–	1,150.98
Preference shares, bonds and debentures	5	0.19	–	357.13	357.32
Financial Investments at FVOCI					
Listed Equity Investments	5	1,718.56	–	–	1,718.56
Unquoted equity investments	5	–	200.20	494.76	694.96
Derivatives not designated as hedges					
Forward Contracts	6	–	34.39	–	34.39
Others					
Trade receivables	11	–	3,749.13	–	3,749.13
Loans	14	–	–	4.56	4.56
Cash and cash equivalents	12	–	508.53	–	508.53
Bank balances other than above	13	–	82.04	–	82.04
Intercorporate deposit	6	–	–	642.00	642.00
Security deposits	6	–	–	185.98	185.98
Other claims and receivables	6	–	–	540.25	540.25
Total financial assets		2,869.73	4,574.29	2,224.68	9,668.70
Financial liabilities		–	2,438.83	–	2,438.83
Total financial liabilities		–	2,438.83	–	2,438.83

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual Funds	5, 10	1,498.53	–	–	1,498.53
Preference shares, bonds and debentures	5	0.20	–	347.12	347.32
Financial Investments at FVOCI					
Listed Equity Investments	5	1,969.20	–	–	1,969.20
Unquoted equity investments	5	–	205.30	494.76	700.06
Others					
Trade receivables	11	–	5,104.52	–	5,104.52
Loans	14	–	–	6.87	6.87
Cash and cash equivalents	12	–	393.41	–	393.41
Bank balances other than above	13	–	79.53	–	79.53
Intercorporate deposit	6	–	–	648.00	648.00
Security deposits	6	–	–	182.91	182.91
Other claims and receivables	6	–	–	95.02	95.02
Total financial assets		3,467.93	5,782.76	1,774.68	11,025.37
Financial Liabilities		–	2,554.38	–	2,554.38
Total financial liabilities		–	2,554.38	–	2,554.38

33. Fair value measurements – (Contd.)

Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1 and 2 during the year.

During the year ended March 31, 2018, the Company transferred an unquoted equity investment from level 3 to level 2 as there was an observable market data available in the form of a buy back offer.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of certain financial instruments have been determined based on the buy back offer made by the originator of the instrument.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

(iii) Valuation processes

The company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a post tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counter parties.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for bonds and debentures, intercorporate deposits, security deposits and other deposits were calculated based on cash flows discounted using the current interest rate as at the respective reporting date for a similar instrument. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

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

34. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Liabilities	Rolling cash flow forecasts	Availability of liquid investments, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exchange Contracts
Market risk – security prices	Investments in equity securities Investments in mutual funds	Sensitivity analysis	Portfolio Diversification

The Company's risk management is carried out by the Chief Financial Officer under policies approved by the Board of Directors. The Chief Financial officer identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed on a Company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

C1 : High-quality assets, negligible credit risk

C2 : Doubtful assets, credit-impaired

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are included –

– Internal credit rating
– External credit rating (as far as available)
– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
– Actual or expected significant changes in the operating results of the borrower
– Significant increase in credit risk on other financial instruments of the same borrower
– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
– Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the company and changes in the operating results of the borrower.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

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

34. Financial risk management (Contd.)

(ii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

Internal credit rating	Category	Description of category	Basis for recognition of expected credit loss provision		
			Investments	Loans and Deposits	Trade receivables
C1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12-month expected credit losses	12-month expected credit losses	Life-time expected credit losses (simplified approach)
C2	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is written of		

For the Year ended March 31, 2017 to March 31, 2018:

(a) Expected credit loss for loans, security deposits and investments

The estimated gross carrying amount at default is Nil (March 31, 2017: Nil) for investments and loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

(b) Expected credit loss for trade receivables under simplified approach

Customer credit risk is managed by the Company based on the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an internal credit rating system. Outstanding customer receivables are regularly monitored and assessed for its recoverability. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers has sufficient capacity to meet the obligations and the risk of default is negligible.

(iii) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on April 1, 2016	–
Changes in loss allowance	–
Loss allowance on March 31, 2017	–
Changes in loss allowance	–
Loss allowance on March 31, 2018	–

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:	March 31, 2018	March 31, 2017
Floating rate		
– Expiring beyond one year (bank overdraft)	550.00	550.00

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

34. Financial risk management – (Contd.)

(ii) Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2018						
Non-derivatives						
Trade payables	2,438.81	–	–	–	–	2,438.81
Other financial liabilities	115.57	–	–	–	–	115.57
Total non-derivative liabilities	2,554.38	–	–	–	–	2,554.38
March 31, 2017						
Non-derivatives						
Trade payables	2,353.76	–	–	–	–	2,353.76
Other financial liabilities	85.07	–	–	–	–	85.07
Total non-derivative liabilities	2,438.83	–	–	–	–	2,438.83

(C) Market risk

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR, GBP and JPY. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR lakhs, are as follows:

	Financial assets				Financial Liabilities		
	Trade Receivables	Balance in EEFC Account	Foreign exchange forward contract (Sell foreign currency)	Net exposure to foreign currency risk (assets)	Trade Payables	Foreign exchange forward contract	Net exposure to foreign currency risk (liabilities)
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
March 31, 2018							
USD	1,292.53	116.21	(1,337.79)	70.95	–	–	–
(Previous year)	699.55	72.60	(611.51)	160.64	94.28	–	94.28
EUR	44.18	0.84	(26.22)	18.80	28.07	–	28.07
(Previous year)	157.84	68.64	(200.89)	25.59	127.65	–	127.65
GBP	15.36	-	-	15.36	-	–	-
(Previous year)	4.15	-	-	4.15	-	-	-
JPY	-	-	-	-	616.88	-	616.88
(Previous year)	-	-	-	-	519.23	(242.62)	276.61

34. Financial risk management – (Contd.)

	In Foreign currency Lakhs	In Foreign currency Lakhs	In Foreign currency Lakhs	In Foreign currency Lakhs	In Foreign currency Lakhs	In Foreign currency Lakhs	In Foreign currency Lakhs
March 31, 2018							
USD	19.13	1.80	20.35	41.28	–	–	–
(Previous year)	10.87	1.13	(8.95)	3.05	1.45	–	1.45
EUR	0.56	0.01	0.32	0.89	0.34	–	0.34
(Previous year)	2.32	1.01	(2.78)	0.55	1.82	–	1.82
GBP	0.17	–	–	0.17	–	–	–
(Previous year)	0.05	–	–	0.05	–	–	–
JPY	–	–	–	–	989.06	–	989.06
(Previous year)	–	–	–	–	872.07	(419.93)	452.14

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD sensitivity		
INR/USD increases by 5%*	2.32	2.17
INR/USD decreases by 5%*	(2.32)	(2.17)
EURO sensitivity		
INR/EURO increases by 5%*	(0.30)	(3.34)
INR/EURO decreases by 5%*	0.30	3.34
GBP sensitivity		
INR/GBP increases by 5%*	0.50	0.14
INR/GBP decreases by 5%*	(0.50)	(0.14)
JPY sensitivity		
INR/JPY increases by 5%*	20.17	9.04
INR/JPY decreases by 5%*	(20.17)	(9.04)

*Holding all other variables constant

(ii) Price risk

The Company's exposure to equity securities and mutual fund price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities and mutual fund, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company. The majority of the Company's equity investments are publicly traded and are included in the NSE Nifty 50 index.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

	Impact on profit after tax		Impact on other components of equity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
NSE Nifty 50 – increase 5%	74.93	57.55	98.46	85.93
NSE Nifty 50 – decrease 5%	(74.93)	(57.55)	(98.46)	(85.93)

Profit for the period would increase/decrease as a result of gains/losses on mutual fund classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

35. Capital management

	March 31, 2018	March 31, 2017
(a) Dividends		
(i) Equity shares		
Final dividend for the year ended March 31, 2017 of INR 7.50 (March 31, 2016 of INR 7.50) per fully paid share	286.88	286.88
(ii) Dividends not recognised at the end of the reporting period (Refer Note 39)		

36 Related party transactions

(a) Name of the related parties and nature of relationship:

(i) Where control exist:

Holding company	Amalgamations Private Limited

(ii) Other related parties with whom transactions have taken place during the year

Joint venture	BBL Daido Private Limited
Associates	IPL Green Power Limited
Fellow Subsidiaries	Simpson & Company Limited
	Addison & Company Limited
	Amco Batteries Limited
	Amco Saft India Limited
	Amalgamations Repco Limited
	Associated Printers (Madras) Private Limited
	George Oakes Limited
	India Pistons Limited
	IP Rings Limited
	IP Pins & Liners Limited
	L M Van Moppes Diamond Tools India Private Limited
	Shardlow India Limited
	Simpson and General Finance Company Limited
	Speed-A-Way Private Limited
	Sri Rama Vilas Service Limited
	Stanes Amalgamated Estates Limited
	T.Stanes & Company Limited
	Tractors and Farm Equipment Limited
	TAFE Motors & Tractors Limited
	The Madras Advertising Company Private Limited
	Wheel and Precision Forgings India Limited
	Wallace Cartwright & Company Limited
	The United Nilgiri Tea Estates Company Limited
	TAFE Access Limited
	Higginbothams Private Limited
	Addisons Paints & Chemicals Limited
Key management personnel	Mr. A. Krishnamoorthy, Managing Director
	Mr. S. Narayanan, Whole Time Director

Notes to the Standalone financial statements for the year ended March 31, 2018

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

(b) Particulars of transactions with related parties

Description	Holding Company		Joint Venture		Fellow Subsididaries		Key Management Personnel		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Transaction during the year										
Sale of goods	–	–	1,038.23	853.50	1,089.70	1,162.36	–	–	2,127.93	2,015.86
Simpson & Company Limited	–	–	–	–	444.24	455.38	–	–	444.24	455.38
George Oakes Limited	–	–	–	–	289.19	326.96	–	–	289.19	326.96
Speed-A-Way Private Limited	–	–	–	–	354.79	374.01	–	–	354.79	374.01
BBL Daido Private Limited	–	–	1,038.23	853.50	–	–	–	–	1,038.23	853.50
TAFE Motors and Tractors Limited	–	–	–	–	1.48	6.01	–	–	1.48	6.01
Claims reimbursement against credit note (sales)	–	–	–	29.78	1.55	9.24	–	–	1.55	39.02
Simpson & Company Limited	–	–	–	–	–	7.14	–	–	–-	7.14
George Oakes Limited	–	–	–	–	0.52	0.56	–	–	0.52	0.56
Speed-A-Way Private Limited	–	–	–	–	1.03	1.54	–	–	1.03	1.54
BBL Daido Private Limited	–	–	–	29.78	–	–	–	–	–	29.78
Rendering of services	–	–	3.75	14.19	–	–	–	–	3.75	14.19
BBL Daido Private Limited	–	–	3.75	14.19	–	–	–	–	3.75	14.19
Interest received	–	–	14.72	–	–	–	–	–	14.72	–
BBL Daido Private Limited	–	–	14.72	–	–	–	–	–	14.72	–
Dividend received	–	–	–	14.36	0.60	4.23	–	–	0.60	18.59
Amalgamation Repco Limited	–	–	–	–	–	3.63	–	–	–	3.63
BBL Daido Private Limited	–	–	–	14.36	–	–	–	–	–	14.36
Stanes Amalgamated Estates Limited	–	–	–	–	0.13	0.13	–	–	0.13	0.13
Others	–	–	–	–	0.47	0.47	–	–	0.47	0.47
Purchase of goods	–	–	115.48	9.12	12.33	20.07	–	–	127.81	29.19
Addison & Company Limited	–	–	–	–	2.98	7.04	–	–	2.98	7.04
Associated Printers (Madras) Private Limited	–	–	–	–	0.49	2.72	–	–	0.49	2.72
L M Van Moppes Diamond Tools India Private Limited	–	–	–	–	2.46	1.97	–	–	2.46	1.97
IP Rings Limited	–	–	–	–	5.16	8.26	–	–	5.16	8.26
BBL Daido Private Limited	–	–	115.48	9.12	–	–	–	–	115.48	9.12
Others	–	–	–	–	1.24	0.08	–	–	1.24	0.08

Notes to the Standalone financial statements for the year ended March 31, 2018

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

Description	Holding Company		Joint Venture		Fellow Subsididaries		Key Management Personnel		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Receiving of services (Including reimbursement of expense incurred by the related party on behalf of the Company)	71.40	56.28	0.09	3.70	103.66	146.30	–	–	175.15	206.28
Amalgamations Private Limited	71.40	56.28	–	–	–	–	–	–	71.40	56.28
Sri Rama Vilas Service Limited	–	–	–	–	6.85	66.36	–	–	6.85	66.36
Simpson & Company Limited	–	–	–	–	37.06	34.46	–	–	37.06	34.46
Simpson & General Finance Company Limited	–	–	–	–	18.12	20.22	–	–	18.12	20.22
BBL Daido Private Limited	–	–	0.09	3.70	–	–	–	–	0.09	3.70
The Madras Advertising Company Private Limited	–	–	–	–	16.87	5.26	–	–	16.87	5.26
India Pistons Limited	–	–	–	–	1.32	0.20	–	–	1.32	0.20
Shardlow India Limited	–	–	–	–	8.03	6.54	–	–	8.03	6.54
Others	–	–	–	–	15.41	13.26	–	–	15.41	13.26
Discount and Rebates	–	–	–	–	24.89	22.65	–	–	24.89	22.65
George Oakes Limited	–	–	–	–	7.71	7.74	–	–	7.71	7.74
Speed-A-Way Private Limited	–	–	–	–	17.18	14.91	–	–	17.18	14.91
Rent	–	–	–	–	28.85	30.03	–	–	28.85	30.03
Simpson & Company Limited	–	–	–	–	8.94	10.03	–	–	8.94	10.03
George Oakes Limited	–	–	–	–	6.88	7.63	–	–	6.88	7.63
Wheel & Precision Forgings India Limited	–	–	–	–	10.20	9.57	–	–	10.20	9.57
Amalgamations Repco Limited	–	–	–	–	2.83	2.80	–	–	2.83	2.80
Dividend Paid	72.68	72.68	–	–	142.14	142.13	0.02	0.03	214.84	214.84
Amalgamations Private Limited	72.68	72.68	–	–	–	–	–	–	72.68	72.68
Simpson & Company Limited	–	–	–	–	83.36	45.30	–	–	83.36	45.30
India Pistons Limited	–	–	–	–	57.38	95.43	–	–	57.38	95.43
Others	–	–	–	–	1.40	1.40	0.02	0.03	1.42	1.43
Key Management personnel compensation	–	–	–	–	–	–	134.63	122.93	134.63	122.93
Mr. A. Krishnamoorthy									-	
Short-term employee benefits	–	–	–	–	–	–	58.13	54.62	58.13	54.62
Other long-term benefits	–	–	–	–	–	–	6.30	6.30	6.30	6.30
Mr. S. Narayanan										
Short-term employee benefits	–	–	–	–	–	–	66.78	58.59	66.78	58.59
Other long-term benefits	–	–	–	–	–	–	3.42	3.42	3.42	3.42

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

Description	Holding Company		Joint Venture		Fellow Subsididaries		Associate		Key Management Personnel		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Balance at Year end												
Investments	–	–	794.76	794.76	224.28	222.84	75.00	75.00	–	–	1,094.04	1,092.60
Amalgamations Repco Limited	–	–	–	–	156.98	156.98	–	–	–	–	156.98	156.98
BBL Daido Private Limited	–	–	794.76	794.76	–	–	–	–	–	–	794.76	794.76
Stanes Amalgamated Estates Limited	–	–	–	–	8.29	3.19	–	–	–	–	8.29	3.19
IPL Green Power Limited (Refer Note 32)	–	–	–	–	–	–	75.00	75.00	–	–	75.00	75.00
The United Nilgiri Tea Estates Limited	–	–	–	–	59.01	62.67	–	–	–	–	59.01	62.67
Trade Receivables	-	-	344.04	511.97	251.26	191.60	–	–	–	–	595.30	703.57
Simpson & Company Limited	–	–	–	–	83.50	34.07	–	–	–	–	83.50	34.07
George Oakes Limited	–	–	–	–	65.35	69.39	–	–	–	–	65.35	69.39
Speed-A-Way Private Limited	–	–	–	–	101.91	88.14	–	–	–	–	101.91	88.14
BBL Daido Private Limited	–	–	344.04	511.97	–	–	–	–	–	–	344.04	511.97
TAFE Motors and Tractors Limited	–	–	–	–	0.50	–	–	–	–	–	0.50	–
Short-term loans and advances	–	–	–	2.36	–	–	–	–	–	–	–	2.36
BBL Daido Private Limited	–	–	–	2.36	–	–	–	–	–	–	–	2.36
Amco Saft India Limited	–	–	–	–	–	–	–	–	–	–	–	–
Amounts Payable	13.87	20.67	56.47	12.82	45.59	44.27	–	–	9.90	22.28	125.83	100.04
Amalgamations Private Limited	13.87	20.67	–	–	–	–	–	–	–	–	13.87	20.67
BBL Daido Private Limited	–	–	56.47	12.82	–	–	–	–	–	–	56.47	12.82
Simpson & Company Limited	–	–	–	–	10.61	9.33	–	–	–	–	10.61	9.33
Simpson & General Finance Company Limited	–	–	–	–	8.48	9.12	–	–	–	–	8.48	9.12
Sri Rama Vilas Service Limited	–	–	–	–	0.04	7.20	–	–	–	–	0.04	7.20
IP Pins & Liners Limited	–	–	–	–	–	0.62	–	–	–	–	–	0.62
The Madras Advertising Company Limited	–	–	–	–	0.25	1.13	–	–	–	–	0.25	1.13
IP Rings Limited	–	–	–	–	3.29	4.09	–	–	–	–	3.29	4.09
George Oakes Limited	–	–	–	–	4.55	6.10	–	–	–	–	4.55	6.10
Associated Printers (Madras) Private Limited	–	–	–	–	4.57	–	–	–	–	–	4.57	–
Mr. A.Krishnamoorthy, Managing Director	–	–	–	–	–	–	–	–	–	8.68	–	8.68
Mr.S.Narayanan, Whole-time Director	–	–	–	–	–	–	–	–	9.90	13.60	9.90	13.60
Others	–	–	–	–	13.80	6.68	–	–	–	–	13.80	6.68

Notes:

i. There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

ii. Related party relationship is as identified by the Company on the basis of information available with the Company and relied upon by the Auditors.

iii. No amount is/has been written off or written back during the year in respect of debts due from or to related party.

iv. The above transactions are compiled from the date these parties became related and do not include reimbursement of expenses which are accounted in the natural head of accounts.

(c) Terms and conditions

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

		As at March 31, 2018	As at March 31, 2017
37.	Contingent liabilities		
	Claim against the company not acknowledged as debt:		
	Income tax matters	363.32	409.00
	Sales tax matters	8.89	8.89
	Electricity matters	464.26	464.26
	Claims by workmen pending before labour court	6.65	6.65
	– Future cash flows in respect of above is determinable only on receipts of judgement / decision pending with relevant authorities.		
	– The Company has filed responses / appeals against above matters which is pending disposal.		
38.	Capital and other commitments		
	(a) Capital commitments		
	Estimated value of contracts in capital account remaining to be executed	183.66	115.06
	Investment partly paid - equity shares of Rs. 100 each in Adyar Property Holding Company Limited (INR 65 paid up)	0.02	0.02
	Investment partly paid - equity shares of INR 615 each in TATA steel Limited (INR 154 paid up)	0.63	–
	(b) Other commitments	–	–

39. Events after the reporting period

The Board of Directors have recommended dividend of INR 9 per fully paid up equity share of INR 10 each, aggregating INR 344.25 lakhs and INR 71.02 Lakhs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

40. Earnings per share

For the purpose of computing the earnings per share, the net profit after tax has been used as the numerator and the weighted average number of shares outstanding has been considered as the denominator.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit attributable to shareholders	1,015.40	499.89
Profit attributable to equity shareholders	1,015.40	499.89
Weighted average number of equity shares of INR 10 each, for Basic EPS	38,25,000	38,25,000
Earning per share - Basic	26.55	13.07
Net profit for the year	1,015.40	499.89
Net Profit for the year attributable to the equity shareholders	1,015.40	499.89
Weighted average number of equity shares of INR 10 each, for Diluted EPS	38,25,000	38,25,000
Earnings per share - Diluted	26.55	13.07

41.	Research and development expenditure incurred during the year		
	Expenditure on R&D (DSIR approved R&D Centres)		
	Capital Expenditure	42.13	7.88
	Revenue Expenditure		
	Consultancy charges	25.50	20.40
	Stay expenses	2.43	2.79
	Research and development expenses included under various heads of Statement of Profit and Loss	77.02	86.01

42. Segment Reporting

As per Ind AS 108 – “Operating Segment”, segment information has been provided under the notes to Consolidated Financial Statements.

43.1 Operating lease

As Lessor:

The company has entered into operating lease arrangements for certain surplus facilities. The lease is cancellable and are usually renewable by mutual consent on mutually agreeable terms. Lease income recognised in the Statement of Profit and Loss.	0.07	0.07

As Lessee:

The company has entered into operating lease arrangements for premises like (factories, sales depots and godowns etc.,). These leasing arrangements are cancellable and are usually renewable by mutual consent on mutually agreeable terms. Lease payments recognised in the Statement of Profit & Loss.	38.71	37.77

43.2 The Standalone Financial Statements of the company for the year ended March 31, 2017, were audited by the Price Waterhouse Chartered Accountants LLP, the Predecessor Auditor.

44. The Company has following investment in joint venture and associate :

Name of the company	Type	Principal Place of business	Proportion of the ownership interest	
			March 31, 2018	March 31, 2017
BBL Daido Private Limited	Joint Venture	India	20.00%	20.00%
IPL Green power Limited	Associate	India	24.19%	24.19%

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

For and on behalf of Board of Directors

A. Krishnamoorthy
Managing Director
DIN: 00001778

S. Narayanan
Whole-time Director
DIN: 03564659

P.M. Venkatasubramanian
Director
DIN: 00124505

N. Venkataramani
Director
DIN: 00001639

K. Vidhya Shankar
Company Secretary

N. Venkataraman
Chief Financial Officer

Place : Chennai
Date : May 30, 2018