NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. - 30

SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these standalone financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation

(a) Compliance with Indian Accounting Standards

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act").

For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

These financial statements for the year ended 31st March, 2017 are the Company's first financials prepared in accordance with the Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in Note no. 31.

(b) Historical cost convention

The standalone financial statements have been prepared under the historical cost convention, as modified by the followings:

1) Land included in PPE are measured at fair value
2) Defined benefit plans – plan assets that are measured at fair value

(c) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(d) Rounding of amounts

The financial statements are presented in INR, which is also the Company's functional currency and all amounts are rounded to the nearest Lakhs, unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

2.1 Foreign currency translation

Initial recognition - Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion - Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences - Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. The gain or loss arising on translation of non-monetary items measured at cost is treated in line with the recognition of the gain or loss on the change in the value of the item (i.e., translation differences on items whose gain or loss is recognised in OCI or statement of profit & loss are also recognised in OCI or statement of profit & loss, respectively).

2.2 Fair Value Measurement

The Company discloses fair values of financial instruments measured at amortised cost in the financial statements.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- In the principal market for the asset or liability Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Valuation process and assumption used to measure the fair value of Assets and Liabilities is disclosed.

2.3 Property, plant and equipment

Freehold land and leasehold land are carried at fair value based on periodic valuation by the external independent valuers. Increase in the carrying amounts arising on revaluation of freehold and leasehold land are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholder's equity. To the extent that the reverses show a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decrease that reverses previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation reserve to the retained earnings.

All other items of property, plant and equipment acquired or constructed are initially recognized at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment of loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost (net of revenues during constructions) are disclosed under Capital Work-in-Progress.

Spare parts are recognised as property, plant and equipment (PPE) when they meet the definition of PPE, otherwise, such items are classified as inventory.

Useful life:

The Company believe that useful life of assets are same as those prescribed in Schedule II of the Act and same have been considered.

Depreciation/ Amortisation:

The Company depreciates its property, plant and equipment (including assets constructed on land not owned by the Company) over the useful life in the manner prescribed in Schedule II to the Act and the management believe that useful life of assets are same as those prescribed in Schedule II of the Act. Buildings & Roads inside plant are treated as Factory Buildings and depreciation is charged accordingly.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Lease hold land is amortized on a straight line basis over the lease period.

The total expenditure on mine exploration and development is amortized in the ratio of ore extracted to the total exploitable reserves.

Mobile phones are charged to revenue considering their useful life to be less than one year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.4 Intangible assets

Intangible assets acquired are stated at cost less accumulated amortization and accumulated impairment losses.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "intangible assets under development".

Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Computer software is amortised over an estimated useful life of 5 years.

2.5 Borrowing costs

Borrowing costs include costs that are ancillary and required as per the terms of agreement. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.6 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss.

2.7 Inventories

Raw Material, Fuel (except for coal lying at Port), Packing materials, Stores & Spares are valued at lower of moving weighted average cost (net of Cenvat) and net realisable value. Coal lying at Port is valued at lower of cost on specific consignment basis plus custom duty and net realisable value. Loose Tools are charged over a period of three years. However, materials held for use in the production of inventories are not written down below cost if the finished products in which they are used and expected to be sold at or above cost.

Finished Goods and Work – in – process are valued at lower of weighted average cost and net realisable value. Cost for this purpose includes direct cost & attributable overheads and Cost of finished goods also includes excise duty.

2.8 Non-current assets held-for-sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.9 Trade Receivable

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are recognized initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for impairment. The carrying value less impairment provision of trade receivables, are assumed to be approximate to their fair values.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and deposits held at call with banks. For the purpose of the cash flows statements, cash and cash equivalents consist of cash and short-term deposits with maturity less than 3 months net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.11 Investments and other financial assets

(a) Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(b) Subsequent measurement

For purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. 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.

Equity investments - The Company subsequently measures all equity investments 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 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.

Investment in subsidiaries - Investments in subsidiaries are carried at cost less impairments (if any).

(c) Derecognition

A financial asset is derecognised only when:

i. the rights to receive cash flows from the asset have expired, or

ii. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

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.

(d) Impairment of Financial Assets

Trade receivables and lease receivables from customers: The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which requires the use of the lifetime expected loss provision for all trade receivables and lease receivables.

(e) Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.12 Financial liabilities

(a) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(b) Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(c) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value, is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Non-Cumulative Preference shares were payment of dividend is discretionary and which are mandatorily redeemable on a specific date, are classified as compounded Instruments. The fair value of the liabilities portion is determined by discounting amount repayable at maturity using market rate of interest. Difference between proceed receive and fair value of liability on initial recognition is included in shareholder equity, net off income tax effect and not subsequently remeasured. Subsequently liability component of preference share is measured at amortised cost.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Trade and other payable: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

(d) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.13 Income tax

Income tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) credit is recognized as deferred tax asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is return down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

2.14 Employee Benefits

(a) Short-term / long term obligations

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

(b) Defined contribution plan

Contributions to defined contribution schemes such as provident fund and superannuation are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable, during the year in which the employee renders the related service.

(c) Defined benefit plan

The defined benefit plans of the Company in the form of retirement benefits include gratuity and leave encashment. Leave encashment is payable to eligible employees who have earned leaves, during the employment and / or on separation as per the Company policy.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bond and that have terms to maturity approximating to the terms of the related gratuity and leave encashment liability.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

(d) Other Employees' benefits

Employee loyalty program is being accounted on paid basis.

2.15 Provisions and contingent liabilities

Provisions - Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

Contingent liabilities - Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

2.16 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below -

(a) Revenue from sale of goods is recognised when significant risks and rewards of ownership is transferred to the buyer. Export sales are accounted for on the basis of dates of Bill of Lading. Sales are disclosed net of sales tax / VAT, trade discounts and returns, as applicable.

(b) In case of sale of Carbon Credits, (Certified Emission Reductions), revenue is recognized on submission of application with UNFCCC after execution of agreement with the buyer.

(c) Export benefits are accounted for on the basis of application filed with the appropriate authority.

(d) Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognised on accrual basis.

Other Revenue is recognized as follow:

Finance Income - Finance income is recognized as it accrues using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payment or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Finance income is included in other income in the profit & Loss Account.

Dividend - Dividends are recognized 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.

2.17 Accounting of Claims

(a) Claims receivable are accounted for at the time when reasonable certainty of receipt is established. Claims payable are accounted for at the time of acceptance.

(b) Claims raised by Government Authorities regarding taxes and duties, are accounted for based on the merits of each claim. If same is disputed by the Company, these are shown as 'Contingent Liabilities'.

2.18 Leases

As a lessee (Operating lease) :

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases.

As a lessor (Finance lease) :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company's assessment of whether an arrangement contains a lease is made at the inception of the arrangement, with reassessment occurring in the event of limited changes in circumstances as specified by Appendix C to Ind AS 17 'Determining whether an Arrangement contains a Lease'.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

In case of finance leases, where assets are leased out under a finance lease, the present value of the lease receipts is recognised as a finance lease receivable.

For a finance lease, each lease receipt is allocated between the receivable and finance income so as to achieve a constant rate on the finance balance outstanding. The interest element of the lease receipt is recognised in statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the receivable for each period.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Whole-time Director and the Chief Financial Officer that makes strategic decisions.

2.20 Earnings per share

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

2.21 Cash flow statement

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of assets

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

(b) Defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

(c) Income taxes

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate. Deferred tax on temporary differences reversing after the tax holiday period is measured at the enacted or substantively enacted tax rates that are expected to apply after the tax holiday period.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(d) Provision

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities

b) whether an asset should be classified as held-for-sale or an operation meets the definition of a discontinued operation

c) whether multiple assets should be grouped to form a single cash-generating unit (where this would affect whether an impairment is recognised).

NOTE NO. - 31

FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. These financial statements for the year ended 31st March, 2017 are the first financials which the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, 'First-time Adoption of Indian Accounting Standards'. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2017, together with the comparative information as at and for the year ended 31st March, 2016. The Company's opening Ind AS Balance Sheet has been prepared as at 1st April, 2015, the date of transition to Ind AS.

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. EXEMPTIONS AND EXCEPTIONS AVAILED

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

A.1 Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous previous GAAP to Ind AS.

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets" .

Further, Ind AS 101 permits a first-time adopter to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

The Company has elected to measure the items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

A.1.2 Investments in subsidiaries

The Company has opted para D14 and D15 and accordingly considered the previous GAAP carrying amount of Investments as deemed cost as at the transition date.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

A.2 Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for fair value of freehold and leasehold land in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Compny has applied the above assessment based on facts and circumstances exist at the transition date.

B: RECONCILIATIONS BETWEEN PREVIOUS GAAP AND IND AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

The presentation requirements under previous GAAP differs from Ind AS and hence the previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived based on the audited financial statements of the Company for the year ended 31st March, 2015 and 31st March, 2016.

I. Reconciliation of equity as at date of transition (1st April, 2015)

(₹ in Lakhs)

PARTICULARS	Notes to first-time adoption	Regrouped previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	6	104,287.29	73,689.94	177,977.23
Capital work-in-progress	10	17,480.93	972.43	18,453.36
Intangible assets		151.18	-	151.18
Financial Assets				
Investments		105,930.05	-	105,930.05
Loans		10,151.00	-	10,151.00
Other Financial Assets		540.97	-	540.97
Tax Assets (Net)	4	5,594.46	(3,877.99)	1,716.47
Other Non-current Assets		10,663.26	-	10,663.26
		254,799.14	70,784.38	325,583.52
Current assets				
Inventories	10	18,201.93	(972.43)	17,229.50
Financial Assets				
Trade receivables	3	14,782.95	(739.15)	14,043.80
Cash and cash equivalents		5,399.46	-	5,399.46
Bank balances other than Cash and cash equivalents		5,473.42	-	5,473.42
Loans		114,857.24	-	114,857.24
Other Financial Assets		16,454.69	-	16,454.69
Other current assets		6,683.73	-	6,683.73
Assets classified as held for sale		25.00	-	25.00
		181,878.42	(1,711.58)	180,166.84
TOTAL ASSETS		**436,677.56**	**69,072.80**	**505,750.36**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

PARTICULARS	Notes to first-time adoption	Regrouped previous GAAP*	Adjustments	Ind AS
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		18,860.38	-	18,860.38
Preference Share Capital	2	6,002.00	(6,002.00)	-
Other Equity	7	27,565.09	60,752.75	88,317.84
		52,427.47	54,750.75	107,178.22
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings**	1, 2	273,734.09	(952.82)	272,781.27
Other Financial Liabilities		3,225.45	-	3,225.45
Provisions		309.92	-	309.92
Deferred tax liabilities	4	6,006.75	15,274.87	21,281.62
		283,276.21	14,322.05	297,598.26
Current liabilities				
Financial Liabilities				
Borrowings		7,404.04	-	7,404.04
Trade payables		40,834.63	-	40,834.63
Other Financial Liabilities		17,911.17	-	17,911.17
Other current liabilities		34,607.68	-	34,607.68
Provisions		216.36	-	216.36
		100,973.88	-	100,973.88
TOTAL EQUITY AND LIABILITIES		**436,677.56**	**69,072.80**	**505,750.36**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

** Including Preference Shares at face value.

II. (A) Reconciliation of equity as at 31st March, 2016

(₹ in Lakhs)

PARTICULARS	Notes to first-time adoption	Regrouped previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	6	101,036.25	73,219.55	174,255.80
Capital work-in-progress	10	13,817.46	849.62	14,667.08
Intangible assets		79.36	-	79.36
Financial Assets				
Investments		105,930.05	-	105,930.05
Loans		10,151.00	-	10,151.00
Other Financial Assets		647.84	-	647.84
Tax Assets (Net)	4	5,726.80	(3,877.99)	1,848.81
Other Non-current Assets		10,590.29	-	10,590.29
		247,979.05	70,191.18	318,170.23

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

PARTICULARS	Notes to first-time adoption	Regrouped previous GAAP*	Adjustments	Ind AS
Current assets				
Inventories	10	7,583.22	(849.62)	6,733.60
Financial Assets				
Trade receivables	3	42,035.64	(2,101.78)	39,933.86
Cash and cash equivalents		1,914.56	-	1,914.56
Bank balances other than Cash and cash equivalents		2,746.66	-	2,746.66
Loans		114,857.24	-	114,857.24
Other Financial Assets		12,298.80	-	12,298.80
Other current assets		7,165.41	-	7,165.41
		188,601.53	(2,951.40)	185,650.13
TOTAL ASSETS		**436,580.58**	**67,239.78**	**503,820.36**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		18,860.38	-	18,860.38
Preference Share Capital	2	6,002.00	(6,002.00)	-
Other Equity	7	(1,331.88)	65,888.85	64,556.97
		23,530.50	59,886.85	83,417.35
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings**	1, 2	297,053.70	(619.17)	296,434.53
Other Financial Liabilities		3,802.86	-	3,802.86
Provisions		430.13	-	430.13
Deferred tax liabilities	4	-	7,972.10	7,972.10
		301,286.69	7,352.93	308,639.62
Current liabilities				
Financial Liabilities				
Borrowings		4,503.06	-	4,503.06
Trade payables		52,816.27	-	52,816.27
Other Financial Liabilities		20,804.77	-	20,804.77
Other current liabilities		33,394.52	-	33,394.52
Provisions		244.77	-	244.77
		111,763.39	-	111,763.39
TOTAL EQUITY AND LIABILITIES		**436,580.58**	**67,239.78**	**503,820.36**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

** Including Preference Shares at face value.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

II. (B) Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Lakhs)

PARTICULARS	Notes to first-time adoption	Regrouped previous GAAP*	Adjustments	Ind AS
Revenue from operations		176,451.97	-	176,451.97
Other Income		628.99	-	628.99
Total Revenue		**177,080.96**	**-**	**177,080.96**
Expenses :				
Cost of Materials Consumed		21,640.29	-	21,640.29
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		5,784.16	-	5,784.16
Excise Duty		23,915.54	-	23,915.54
Employee Benefit Expense	5	5,259.47	(34.72)	5,224.75
Finance Costs	1, 2	35,523.17	333.65	35,856.82
Depreciation and Amortization Expense	6	6,806.89	868.19	7,675.08
Other Expenses	3, 5	113,055.16	964.84	114,019.99
Total Expenses		**211,984.68**	**2,131.96**	**214,116.63**
Profit/ (Loss) before tax		**(34,903.72)**	**(2,131.96)**	**(37,035.67)**
Tax expense:				
Deferred tax	4	(6,006.75)	(7,290.76)	(13,297.51)
Profit/(Loss) after tax		**(28,896.97)**	**5,158.80**	**(23,738.16)**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements of post-employment benefit obligations	5	-	(34.72)	(34.72)
Income tax relating to these items		-	12.01	12.01
Other comprehensive income for the year, net of tax		-	**(22.71)**	**(22.71)**
Total comprehensive income for the year		**(28,896.97)**	**5,136.09**	**(23,760.87)**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

III. (A) Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015

(₹ in Lakhs)

PARTICULARS	Notes to first-time adoption	31st March, 2016	1st April, 2015
Total equity as per Indian GAAP		**23,530.50**	**52,427.47**
Ind AS Adjustments: Gain/(Loss)			
Fair valuation of Land	6	73,689.94	73,689.94
Non-cummulative Preference Share - Liability Component	2	(621.30)	(621.30)
Interest Expense on Non-cummulative Preference share	2	(74.76)	-
Amortisation of transaction cost (loan processing fees) on borrowings	1	1,315.23	1,574.12
Amortisation of Leasehold Land	6	(834.68)	-
Depereciation on general stores capitalised as per Ind AS	6	(33.51)	-
Reversal of general stores consumption capitalised as per Ind AS	6	397.80	-
Provision for Expected Credit Loss(ECL)	3	(2,101.78)	(739.15)
Deferred tax on above	4	(11,850.09)	(19,152.86)
Total Ind AS adjustments		**59,886.85**	**54,750.75**
Total equity as per Ind AS		**83,417.35**	**107,178.22**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

III. (B) Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Lakhs)

PARTICULARS	Notes to first-time adoption	31st March, 2016
Total Comprehensive Income/(loss) as per Indian GAAP		**(28,896.97)**
Ind AS Adjustments: Gain/(Loss)		
Interest Expense on Non-cummulative Preference share	2	(74.76)
Amortisation of transaction cost (loan processing fees) on borrowings	1	(258.89)
Depereciation on general stores capitalised as per Ind AS	6	(33.51)
Amortisation of Leasehold Land	6	(834.68)
Reversal of general stores consumption capitalised as per Ind AS	6	397.80
Provision for Expected Credit Loss (ECL)	3	(1,362.64)
Deferred tax on above	4	7,302.77
Total Ind AS adjustments		**5,136.10**
Total Comprehensive Income/(loss) as per Ind AS		**(23,760.87)**

Notes to first-time adoption:

Note 1: Borrowings at amortised cost

As required under the IND AS 109 transactions costs (Processing Fees) incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as finance cost, computed using the effective interest rate method and its corresponding effect being in Long term borrowings.

Under the previous GAAP, these transaction costs were charged to the profit and loss as and when incurred. Consequently, borrowings as at 31st March, 2016 have been reduced by ₹ 1,315.23 Lakhs (1st April, 2015- ₹ 1,574.12 Lakhs) with a corresponding adjustment to retained earnings resulting in increase in total equity. The profit under the previous GAAP for the year ended 31st March, 2016 has been reduced by ₹ 258.88 Lakhs with respect to additional cost.

Note 2: Non Cummulative Preference Shares

As per Indian GAAP, the Non Cumulative Redeemable Preference Shares were classified as equity. Under IND AS, Non-Cumulative Preference shares where payment of dividend is discretionary and which are mandatorily redeemable on a specific date, are classified as compounded Instruments. The fair value of the liabilities portion is determined by discounting amount repayable at maturity using market rate of interest. Difference between proceed receive and fair value of liability on initial recognition is included in shareholder equity, net off income tax effect and not subsequently remeasured. Subsequently liability component of preference share is measured at amortised cost. The Preference Shares are bifurcated into liability and equity component to the extent of Non cumulative divdend.

Consequent to the above:

a) total equity has been decreased by ₹ 621.30 Lakhs as of 31st March, 2016(1st April, 2015- ₹ 621.30 Lakhs)

b) increase in borrowings by ₹ 696.06 Lakhs as on 31st March, 2016 (1st April, 2015- ₹ 621.30 Lakhs)

c) increase in finance cost by ₹ 74.76 Lakhs with corresponding decrease in net profit for the year ended 31st March, 2016.

Note 3: Provision for Expected Credit Losses

Under previous GAAP, the provision for impairment of trade receivables consist only in respect of specific amount of incurred loss. Under Ind AS, impairment allowance has been determined based on expected credit loss (ECL) model. Due to this model, the Company impaired its trade receivables by ₹ 2,101.78 Lakhs as on 31st March, 2016 (1st April 2015- ₹ 739.15 Lakhs) and the charge to Profit and Loss pertaining to provision for doubtful debts amounts to ₹ 1,362.64 Lakhs as on 31st March, 2016.

Note 4: Deferred tax

Under previous GAAP, deferred taxes are recognised for the tax effects of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are required to be recognised using the balance sheet approach for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. Further, deferred tax asset shall be recognised for the carryforward of unused tax losses and credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and credits can be utilised as against virtual certainty for future taxable profit as reuired by previous GAAP.

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in relation to these underlying transaction either in retained earnings or a separate component of equity.

Under previous GAAP, MAT credit entitlement was disclosed under loans and advances. In Ind AS, the same is adjusted against deferred tax liability. Accordingly, tax assets have been decreased by ₹ 3,877.99 Lakhs with the corresponding decrease in deferred tax liability as of 31st March, 2016 and 1st April, 2015.

Note 5: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 increased by ₹ 34.72 Lakhs. There is no impact on the total equity as at 31st March, 2016.

Note 6: Property, Plant and Equipment

(i) Fair Valuation of Land

On transition date, the Company has fair valued freehold and leasehold land and the amount is credit to retained earnings. Consequent to this:

a) Freehold land is increased by ₹ 5,752.37 Lakhs as on 31st March, 2016 (1st April, 2015- ₹ 5,752.37 Lakhs).

b) Leasehold land is increased by ₹ 67,937.57 Lakhs as on 31st March, 2016 (1st April, 2015- ₹ 67,937.57 Lakhs). Amortization for the year ended 31st March, 2016 is increased by ₹ 834.68 Lakhs.

c) Due to the above, total equity has been increased by ₹ 73,689.94 Lakhs as at 31st March, 2016 (1st April, 2015- ₹ 73,689.94 Lakhs).

(ii) Stores and spare parts which met the recognition criteria of Property, plant and equipment and put to use during the year are capitalised as against shown as consumption/expenses under previous GAAP. Consequent to this PPE has been increased by ₹ 397.8 Lakhs as at 31st March, 2016 , depriciation on stores and spares capitalised for year end 31st March, 2016 is ₹ 33.51 Lakhs decreasing the net profit by same amount for the year then ended.

Note 7: Retained earnings

Retained earnings as at 1st April 2015 has been adjusted consequent to the above Ind AS transition adjustments. Refer Note III. (A) for reconciliation of profit and loss as previously reported under IGAAP and IND AS.

Note 8: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 9: Cash Flow

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP

Note 10: Capital Work in Progress and Inventories

As per Previous GAAP, General Spares were part of inventory. As on date of transition, the spares parts which met the defination and recognition criteria of PPE are transferred to CWIP and capitalised on the basis of put to use in subequent years. Accordingly, ₹ 849.62 Lakhs of General spares was transferred to CWIP as on 31st March, 2016 (1st April, 2015- ₹ 972.43 Lakhs).

NOTE NO. - 32

The estimated amounts of contracts and commitments remaining to be executed on capital account and not provided for are as under : **(₹ in Lakhs)**

Particulars	**31st March, 2017**	31st March, 2016	1st April, 2015
The estimated amounts of contracts and commitments remaining to be executed on capital account and not provided for (net of advances)	**794.83**	886.76	26,119.53

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. - 33

CONTINGENT LIABILITIES NOT PROVIDED FOR : **(₹ in Lakhs)**

Sr. No.	Particulars	31st March, 2017	31st March, 2016	1st April, 2015
A.	Claims against the Companies not acknowledged as debts in respect of various Tax matters :			
	Customs	**3,146.46**	3,146.46	3,146.46
	Excise	**3,139.98**	2,753.76	1,149.77
	Enrty Tax	**429.31**	571.32	571.32
	Income Tax	**2,066.96**	2,057.58	3,490.24
	Land Tax	**1,987.50**	1,987.50	1,987.50
	Value Added Tax (Various States)	**2,394.32**	1,991.65	720.35
	Rajasthan Sales Tax Incentive Scheme (refer note no. 34)	**37,433.39**	35,099.24	33,441.62
		50,597.92	47,607.51	44,507.26
B.	Claims against the Companies not acknowledged as debts in respect of other matters	**9.89**	580.53	7.89
C.	Letter of Credit opened by banks on behalf of the Company	**140.60**	138.00	233.64
D.	Guarantees given by Banks	**440.72**	461.14	362.29
E.	Corporate Guarantees given to Banks in respect of loans to subsidiaries, step down subsidiaries, holding Company and its other subsidiaries / step down subsidiaries	**236,189.83**	241,407.86	229,446.40
Total		**287,378.96**	290,195.04	274,557.48

NOTE NO. - 34

The Company has opted for Sales Tax Incentive Scheme, 1989. Earlier 25% incentive was allowed by State Level Screening Committee, but pursuant to order of Rajasthan Tax Board and Hon'ble High Court of Rajasthan, 75% incentive from Sales Tax for sales effected in Rajasthan for 9 years subject to a limit of Eligible Fixed Capital Investment (EFCI) is being availed of. The Company has availed Sales Tax Incentive of ₹ 20266.98 Lakhs upto 31st March, 2006. The Sales Tax Department filed a revision petition before the Hon'ble Supreme Court, Jodhpur against the order passed by Hon'ble Rajasthan High Court, but the case was decided against the company by the Apex Court. After decision of Hon'ble Supreme Court, the assessing authority raised demand notices amounting ₹ 41,421.55 Lakhs (₹ 16,731.80 Lakhs towards tax & ₹ 24,689.75 Lakhs towards interest). The Company has deposited complete amount of principle tax amount of ₹ 16,731.80 Lakhs and Interest amout has been challenged in Hon'ble High Court and the matter is sub-judice. The Assessing Authorithy has also raised the interest demand of ₹ 2,487.10 Lakhs towards delay in payment of principle tax. The company has not made any provision for interest amounting to ₹ 27,176.84 lakhs (₹ 24,689.75 Lakhs+ ₹ 2,487.10 Lakhs).

In another matter, the Company was eligible for EFCI of ₹ 48,849.53 Lakhs based on applicable guidelines under the Incentive Scheme, but the amount sanctioned by SLSC was ₹ 28,047.61 Lakhs against which writ petition was pending with the Hon'ble Rajasthan High Court / Hon'ble Supreme Court. The Company has continued to avail the deferment benefit, pending the decision of State Government / Hon'ble High Court / Hon'ble Supreme Court. The case was subsequently decided against the Company by the Apex Court. After disposal of matter by Hon'ble Supreme Court, Commercial Taxes Deptt. has issued demand notice of ₹ 17,302 Lakhs and the same was completely deposited by the Company. In the said matter, the Commercial Taxes Deptt. has also raised demand of interest amounting ₹ 3,077.93 Lakhs, which has been challenged by the company in Hon'ble high Court. However, the Company has deposited the demand of interest under protest of ₹ 3,077.93 Lakhs, but the matter is sub-judice. The Commercial Taxes Deptt. has also raised demand of interest amounting to ₹ 6,868.46 Lakhs, for which applications for waiver of interest have been filed by the Company and the same are pending with the Commissioner, Commercial Taxes Deptt., Jaipur. The company has not made any provision for interest amounting to ₹ 9,946.39 lakhs (₹ 6,868.46 Lakhs+ ₹ 3,077.93 Lakhs).

In addition to above, during the year 2007-08, the Company has filed an application with Sales Tax department for extension of period of EFCI scheme, which was not accepted. The Company has filed a case with Hon'ble Jaipur High Court to instruct the Sales Tax department to extend the EFCI scheme period. However, the Company had availed deferment of 75% of the VAT / CST liability amounting to ₹ 3,967.09 Lakhs for the period 27th May, 2007 to 30th April, 2008. The matter is pending for decision. The company has not made any provision for interest amounting to ₹ 310.15 Lakhs with refernce to ₹ 3,967.09 Lakhs Tax Demand.

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. - 35

LOANS **(₹ in Lakhs)**

Sr. No.	Particulars	Security & Repayments/ overdues	31st March, 2017		31st March, 2016		1st April, 2015	
			Term Loan	Working Capital	Term Loan	Working Capital	Term Loan	Working Capital
A.	Consortium of Banks & FI	Note no. 1 & 4	92,172.97	2,741.28	151,701.45	3,056.97	260,087.93	4,904.04
B.	EARC* Trust (Bucket 1)	Note no. 1 & 5	213,040.36	-	125,333.57	-	-	-
C.	EARC* Trust (Bucket 2)	Note no. 2 & 5	1,343.10	-	-	-	-	-
D.	EARC* Trust (Bucket 3)	Note no. 3 & 5	32,514.78	-	28,933.13	-	-	-
E.	United Bank of India (Com. Paper)	Note no. 2 & 5	-	-	1,099.00	-	2,500.00	-
F.	Syndicate Bank	Note no. 3 & 5	-	-	-	-	22,706.37	-
Total			**339,071.22**	**2,741.28**	307,067.14	3,056.97	285,294.30	4,904.04

* Edelweiss Asset Reconstruction Company (EARC).

Notes -

1 Term Loans/ working capital facilities are Secured/to be secured respectively by a) First / second pari passu charge on the Fixed Assets, both present & future and second / first paripassu charge on the current assets of the Company, (b) Personal Guarantee of a promoter Director, (c) Pledge of 42.55%, being 80,258,854 Equity Shares of Binani Cement Limited (BCL) held by BIL on first pari passu basis along with the Working Capital Lenders and (d) Corporate Guarantee of BIL.

2 Unsecured term loan from United Bank of India (Commercial paper) - Upon assignment of loan to EARC, the same is restructured and become part of EARC restructured scheme.

3 ₹ 1,046.32 Lakhs is secured by a) Exclusive first charge on Plant and Machinery, Equipments of 4th cement grinding unit situated at Binanigram, Pindwara, Sirohi, Rajasthan and b) First pari passu charge on the portion of land pertaining to the 4th cement grinding unit situated at Binanigram, Pindwara, Sirohi, Rajasthan.

₹ 10,398.70 Lakhs is secured by a) First pari passu charge on Fixed Assets of the Company both present and future and b) Personal Guarantee of a Promoter Director.

₹ 8,365.52 Lakhs is secured by Second pari passu charge on the Company's fixed assets both present and future.

₹ 10,649.72 Lakhs is secured by a) First pari passu charge on fixed assets of the Company both present & future and b) Corporate Guarantee of Binani Industries Limited.

4 Consourtium of Bank Loans - Loans of ₹ 84,973.71 Lakhs are repayable in 32 structured quarterly installments beginning from June 30th 2016, ₹ 7,548.68 Lakhs are payable in 12 structured quarterly installments from June 30th 2016.

There is delay in repayment of ₹ 6,436.75 Lakhs from 1 day to 9 months and delay in payment of interest of ₹ 17,501.72 Lakhs from 1 day to 35 months.

5 The term loans / CC and accrued interest thereon from fourteen banks were acquired by Edelweiss Assets Reconstruction Company (EARC) amounting to ₹ 225,158 lakhs. These debts have been reworked on the basis of restructuring scheme sanctioned vide EARC letter dated 2nd May, 2017. Accordingly, necessary provisions towards interest and conversion into FITL has been made in the books.

6 Term Loans as on 31st March, 2017 are including of Ind AS impact of ₹ 15,251.50 Lakhs and Term Loans as on 31st March, 2016 & 1st April, 2015 are excluding of Ind AS impact of ₹ 1,315.23 Lakhs and ₹ 1,574.12 Lakhs respectively.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. - 36

ASSETS PLEDGED AS SECURITY

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Current (First charge/ Second charge/ Exclusive Charge)			
Financial Assets			
Inventories	**6,227.25**	6,733.60	17,229.50
Trade receivables	**57,813.23**	39,933.86	14,043.80
Cash and cash equivalents	**258.08**	1,914.56	5,399.46
Bank balances other than Cash and cash equivalents	**3,160.64**	2,733.44	5,457.06
Loans	**114,857.24**	114,857.24	114,857.24
Other financial assets	**10,506.61**	12,298.80	16,454.69
Non Financial Assets			
Other current assets	**6,767.49**	7,165.41	6,683.73
Assets classified as held for sale	**-**	-	25.00
Total current assets pledged as security	**199,590.54**	185,636.91	180,150.48
Non-Current (First charge/ Second charge/ Exclusive Charge)			
Property, plant and equipment	**167,679.91**	174,255.80	177,977.23
Capital work-in-progress	**10,204.85**	14,667.08	18,453.36
Other intangible assets	**15.01**	79.36	151.18
Financial assets			
Investments	**105,930.05**	105,930.05	105,930.05
Loans	**10,151.00**	10,151.00	10,151.00
Other financial assets	**1,528.32**	647.84	540.97
Non Financial Assets			
Other non-current assets	**10,430.19**	10,590.29	10,663.26
Total non-current assets pledged as security	**305,939.33**	316,321.42	323,867.05
Total assets pledged as security	**505,529.87**	501,958.33	504,017.53

NOTE NO. - 37:

FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

1. Fair value of cash and short-term deposits, security deposit, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

There is no signiticant variations in rate of interest applicable on Non-current borrowings and current borrowing rate. Hence, fair value of these borrowing approximates to their carrying amounts.

There are no assets and liabilities carried that are measured at fair value.

Binani Cement Limited

Binani
BRAJ BINANI GROUP

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Financial instruments by category : (₹ in Lakhs)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
	Amortised Cost		
Financial assets (Non-Current)			
Investments	**105,930.05**	105,930.05	105,930.05
Loans	**10,151.00**	10,151.00	10,151.00
Other financial assets	**1,528.32**	647.84	540.97
Financial assets (Current)			
Trade receivables	**57,813.23**	39,933.86	14,043.80
Cash and cash equivalents	**258.08**	1,914.56	5,399.46
Bank balances other than Cash and cash equivalents	**3,168.33**	2,746.66	5,473.42
Loans	**114,857.24**	114,857.24	114,857.24
Other Financial Assets	**10,506.61**	12,298.80	16,454.69
Total financial assets	**304,212.86**	288,480.01	272,850.63
Financial liabilities (Non-Current)			
Borrowings	**327,186.99**	296,434.53	272,781.27
Other financial liabilities	**3,578.12**	3,802.86	3,225.45
Financial liabilities (Current)			
Borrowings	**3,441.28**	4,503.06	7,404.04
Trade payables	**57,353.29**	52,816.27	40,834.63
Other Financial Liabilities	**31,758.90**	20,804.77	17,911.17
Total financial liabilities	**423,318.58**	378,361.49	342,156.56

NOTE NO. - 38

MANAGERIAL REMUNERATION (₹ in Lakhs)

PARTICULARS	31st March, 2017	31st March, 2016
Salary	**22.27**	36.86
Contribution to Provident Fund	**1.24**	-
Perquisites	**1.23**	7.47
TOTAL	**24.74**	44.32

NOTE NO. - 39

REMUNERATION TO AUDITORS (₹ in Lakhs)

PARTICULARS	31st March, 2017	31st March, 2016
Statutory Auditors		
As Auditor	**20.00**	18.00
For tax audit	**4.00**	6.00
For other services	**4.00**	6.01
For certifications / others	**-**	7.10
For reimbursement of expenses	**0.84**	2.28
TOTAL	**28.84**	39.39
Cost Auditors		
As Auditor	**1.00**	1.00
For certifications / others	**-**	0.13
For Reimbursement of expenses	**-**	0.20
TOTAL	**1.00**	1.33

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. - 40

The Company is still in the process of identifying MSME parties as per the ('The Micro Small & Medium Enterprises Development Act 2006') and accordingly no provision of interest has been made during the year, (previous year nil) in the books of accounts. The applicable interest is being paid as and when claimed by any of the enterprise covered under MSME Act, 2006.

NOTE NO. - 41

INCOME TAXES

I. Tax expense recognised in the Statement of Profit and Loss

(₹ in Lakhs)

	PARTICULARS	31st March, 2017	31st March, 2016
A.	**Current tax**		
	Current Tax on taxable income for the year	-	-
	Total current tax expense	-	-
B.	**Deferred tax**		
	Decrease/ (increase) in deferred tax assets	(7,962.30)	(13,297.51)
	Total deferred tax expense/(benefit)	(7,962.30)	(13,297.51)
C.	**Total tax expense/(benefit) - (A+B)**	(7,962.30)	(13,297.51)

II. A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(₹ in Lakhs)

	PARTICULARS	31st March, 2017	31st March, 2016
	Enacted income tax rate in India applicable to the Company	34.608%	34.608%
A.	Profit/ (Loss) before tax	(42,721.96)	(37,035.67)
B.	**Current tax expenses on Profit/ (Loss) before tax expenses at the enacted income tax rate in India**	(14,785.22)	(12,817.30)
C.	**Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income :**		
	Depreciation	698.26	269.52
	Corporate social responsibility expenditure	5.25	6.44
	Adjustments for current tax of prior periods	(290.70)	(8,228.15)
	Interest on delayed TDS	26.14	20.15
	Dividend received	0.84	-
	Tax losses for which no deferred income tax was recognised	-	6,649.22
	Other items (Ind AS Impact)	6,405.65	737.83
	Others	(22.54)	64.78
		6,822.92	(480.21)
	Total tax expense/(benefit) - (B+C)	(7,962.30)	(13,297.51)
D.	**Efffective Tax Rate- (C/A)**	18.637%	35.905%

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

III. Current tax Liabilities/ (Assets)

(₹ in Lakhs)

PARTICULARS	31st March, 2017	31st March, 2016
Opening Balance		
Provision of Tax	**3,421.90**	17,749.72
Advance Tax	**(5,270.71)**	(19,466.19)
Opening Advance Tax (Net)	**(1,848.81)**	(1,716.47)
Add: Current tax payable for the year	**-**	-
Less: Taxes Paid	**(97.06)**	(132.33)
Add/(Less): Adjustments on completion of assessments		
Provision of Tax	**(3,286.53)**	(14,327.82)
Advance Tax	**3,286.53**	14,327.82
Closing Balance		
Provision of Tax	**135.36**	3,421.90
Advance Tax	**(2,081.23)**	(5,270.71)
Closing Advance Tax (Net)	**(1,945.86)**	(1,848.81)

IV. The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

(₹ in Lakhs)

	PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
a)	Deferred Tax Liability			
	Difference in WDV of assets as per books & Income Tax	**19,506.01**	36,877.73	37,256.02
	Preference share - liability component	**-**	1,836.28	1,862.15
	Unamortised Loan processing cost	**-**	455.17	544.77
	Provision for Debtors	**-**	(727.38)	(255.80)
	Total (a)	**19,506.01**	38,441.80	39,407.14
b)	Deferred Tax Asset			
	Disallowance under Income Tax Act, 1961	**(19,235.98)**	(19,107.53)	(13,029.47)
	Unabsorbed Depreciation and Business Loss	**(16,670.43)**	(7,484.19)	(1,218.06)
	MAT Credit Entitlement	**-**	(3,877.99)	(3,877.99)
	Total (b)	**(35,906.40)**	(30,469.70)	(18,125.52)
	Deferred Tax Liability/ (Assets) - (a+b)	**(16,400.39)**	7,972.10	21,281.63
	Less: Provided upto last year - Liability / (Assets)	**7,972.10**	21,281.63	-
	Deferred Tax for the year - Liability / (Assets)	**(24,372.50)**	(13,309.52)	21,281.63
	Recognised in P&L for the year - Liability / (Assets) *	**(7,972.10)**	(13,309.52)	-

* Deferred Tax Asset on account of unabsorbed depreciation and business loss has been recognised in the statement of profit & loss to the extent it can be realised against reversal of deferred tax liability as on 31st March 2016 i.e. ₹ 7,972.10 Lakhs.

NOTE NO. - 42

The Company's committee of Whole-time Director and Chief Financial Officer examine the Company's performance. Presently, the Company is engaged in only one segment viz 'Manufacturing of Cement & Clinker' and as such, there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

NOTE NO. - 43

FINANCIAL RISK MANAGEMENT

Risk management framework - The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls,

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

and to monitor such risks and compliance with same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

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

- Credit risk,
- Liquidity risk and
- Market risk

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade receivables -

The Company's exposure to credit risk is determined by the individual characteristics and specifications of each customer. The profile of the customer, including the market risk of the industry has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

(i) Expected credit loss for the trade receivables under simplified approach

As at 31st March, 2017:

Aging	Unit	0-90 days past due	91 - 180 days past due	181 - 365 days past due	More than 365 days past due	Total
Gross carrying amount	₹ in Lakhs	1,404.99	5,408.87	31,770.47	22,271.71	60,856.03
Expected loss rate	%	5%	5%	5%	5%	5%
Expected credit losses (Loss allowance provision)	₹ in Lakhs	70.25	270.44	1,588.52	1,113.59	3,042.80
Carrying amount of trade receivables (net of impairment)	"	**1,334.74**	**5,138.43**	**30,181.94**	**21,158.12**	**57,813.23**

As at 31st March, 2016:

Aging	Unit	0-90 days past due	91 - 180 days past due	181 - 365 days past due	More than 365 days past due	Total
Gross carrying amount	₹ in Lakhs	9,892.75	9,616.49	14,615.51	7,910.90	42,035.64
Expected loss rate	%	5%	5%	5%	5%	5%
Expected credit losses (Loss allowance provision)	₹ in Lakhs	494.64	480.82	730.78	395.55	2,101.78
Carrying amount of trade receivables (net of impairment)	"	**9,398.11**	**9,135.66**	**13,884.74**	**7,515.36**	**39,933.86**

As at 1st April 2015:

Aging	Unit	0-90 days past due	91 - 180 days past due	181 - 365 days past due	More than 365 days past due	Total
Gross carrying amount	₹ in Lakhs	8,464.58	3,106.96	3,188.68	22.72	14,782.94
Expected loss rate	%	5%	5%	5%	5%	5%
Expected credit losses (Loss allowance provision)	₹ in Lakhs	423.23	155.35	159.43	1.14	739.15
Carrying amount of trade receivables (net of impairment)	"	**8,041.35**	**2,951.62**	**3,029.25**	**21.58**	**14,043.80**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(ii) Movement in provisions of doubtful debts – Trade receivables : **(₹ in Lakhs)**

Reconciliation of loss allowance	**31st March, 2017**	31st March, 2016
Opening Provision	**2,101.78**	739.15
Add; Additional provision made	**941.02**	1,362.64
Less: Provision write off	**-**	-
Less: Provision reversed	**-**	-
Closing Provision	**3,042.80**	2,101.78

(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 businesses, Company's 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. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements -

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

(₹ in Lakhs)

PARTICULARS	**31st March, 2017**	31st March, 2016	1st April, 2015
Floating rate			
Expiring within one year (bank overdraft and other facilities)	**2.99**	325.32	848.44
Expiring beyond one year (bank loans)	**-**	763.55	3,000.55
Total	**2.99**	1,088.88	3,848.99

(ii) Maturities of financial liabilities -

The tables below analyse the Company's financial liabilities into relevant maturity Companyings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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.

As at 31st March, 2017: **(₹ in Lakhs)**

Contractual maturities of financial liabilities	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**1 to 4 Years**	**4 to 7 Years**	**Beyond 7 Years**	**Total**
Non-derivatives							
Borrowings*	11,477.05	1,590.46	3,037.58	147,672.44	178,734.98	779.58	343,292.08
Trade payables	51,333.94	6,019.35	-	-	-	-	57,353.29
Others	19,095.09	-	-	-	-	3,578.12	22,673.21
Total non-derivative liabilities	**81,906.08**	**7,609.81**	**3,037.58**	**147,672.44**	**178,734.98**	**4,357.70**	**423,318.58**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

As at 31st March, 2016: (₹ in Lakhs)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 to 4 Years	4 to 7 Years	Beyond 7 Years	Total
Non-derivatives							
Borrowings*	6,973.71	2,470.65	4,941.29	109,477.56	102,408.75	84,548.21	310,820.17
Trade payables	47,477.40	5,338.87	-	-	-	-	52,816.27
Others	10,922.19	-	-	-	-	3,802.86	14,725.05
Total non-derivative liabilities	**65,373.29**	**7,809.52**	**4,941.29**	**109,477.56**	**102,408.75**	**88,351.07**	**378,361.49**

As at 1st April, 2015: (₹ in Lakhs)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 to 4 Years	4 to 7 Years	Beyond 7 Years	Total
Non-derivatives							
Borrowings*	9,869.62	2,037.50	6,131.25	63,827.69	105,604.49	103,349.08	290,819.64
Trade payables	39,295.93	1,538.70	-	-	-	-	40,834.63
Others	7,276.84	-	-	-	-	3,225.45	10,502.29
Total non-derivative liabilities	**56,442.39**	**3,576.20**	**6,131.25**	**63,827.69**	**105,604.49**	**106,574.53**	**342,156.56**

* Includes current maturities of Long term borrowings.

(C) Market risk

(i) Foreign currency risk

The group does not have material revenue from overseas operations. However, the entity makes imports of coal, machinery and spares. Foreign currency risk, as defined in Ind AS 107, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

While the company has direct exposure to foreign exchange rate changes on the price of non-Indian Rupee-denominated securities and borrowings, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of companies in which the Group invests. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Group's net assets attributable to holders of equity shares of future movements in foreign exchange rates.

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below:

a. Foreign currency risk exposure: (₹ in Lakhs)

PARTICULARS	Currency	31st March, 2017	31st March, 2016	1st April, 2015
Trade Payables				
Coal	USD	**6,140.06**	8,858.94	4,215.18
Machinery	USD	**8.51**	8.70	8.22
Spares	DKK	**-**	0.98	69.06
Spares	USD	**0.10**	0.11	0.10
Spares	EURO	**-**	3.82	108.93
Advance from Customer (Binani Cement Factory LLC, Dubai)	USD	**3,265.00**	3,338.50	-
Net exposure to foreign currency risk		**9,413.67**	12,211.04	4,401.49

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

b. Sensitivity:

A change of 5% in Foreign currency would have following Impact on profit before tax -

(₹ in Lakhs)

PARTICULARS	Impact on profit befre tax	
	31st March, 2017	31st March, 2016
Foreign Currency Sensitivity		
INR/ Foreign Currency - Increase by 5%	**(470.68)**	(610.55)
INR/ Foreign Currency - Decrease by 5%	**470.68**	610.55

(ii) Cash flow and fair value interest rate risk

Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2017 and 31 March 2016, the Company's borrowings at fixed rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

a. Interest rate risk exposure:

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakhs)

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
Variable rate borrowings	**62,233.54**	64,392.57	84,460.37
Fixed rate borrowings	**279,578.95**	245,731.55	205,737.97
Total	**341,812.49**	310,124.12	290,198.34

b. Sensitivity:

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Lakhs)

PARTICULARS	Impact on profit before tax *	
	31st March, 2017	31st March, 2016
Interest rates – increase by 100 basis points	**(800.92)**	(748.50)
Interest rates – decrease by 100 basis points	**793.70**	739.05

* Holding all other variables constant.

NOTE NO. - 44

CAPITAL MANAGEMENT

Risk management - The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet). Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The gearing ratios as at the period ends were as follows:

PARTICULARS	Unit	31st March, 2017	31st March, 2016	1st April, 2015
Net Debt (i)	₹ in Lakhs	**361,587.29**	321,419.58	297,552.82
Total Equity (ii)	"	**48,639.16**	83,417.35	107,178.22
Over all financing (iii) = (i) + (ii)	"	**410,226.45**	404,836.93	404,731.04
Debt/ Equity Ratio (iv) = (i) / (ii)	Times	**7.43**	3.85	2.78
Gearing Ratio (v) = (i) / (iv)	"	**0.88**	0.79	0.74

NOTE NO. - 45

Related Party disclosure as per Ind AS 24 “Related Party Disclosures” :

The Company has entered into transactions in ordinary course of business with related parties as per details below :

(As certified by the Management) :

(₹ in Lakhs)

Particulars	Holding Company	Subsidiary/ stepdown subsidiary / Associates	Fellow Subsidiary	Key Management Personnel (KMP)/ Relatives of KMP/ Enterprises where Key Management Personnel has got significant influence	Total
A. TRANSACTIONS					
Sale of Cement					
G D Binani Charitable Foundation	-	-	-	-	-
	-	-	-	(16.16)	(16.16)
Advance Received Against Sale Order of Clinker					
Binani Cement Factory Dubai LLC	-	-	-	-	-
	-	(3,191.25)	-	-	(3,191.25)
Short term Advance Received					
Binani Industries Limited	**700.00**	-	-	-	**700.00**
	-	-	-	-	-
Service Charges for office facilities/ vehicle etc.					
Triton Trading Co. Pvt. Limited	-	-	-	**160.05**	**160.05**
	-	-	-	(145.65)	(145.65)
Service Charges for office facilities/ vehicle etc.					
Binani Industries Limited	**33.43**	-	-	-	**33.43**
	(31.56)	-	-	-	(31.56)
Service Charges for Advertisement/ Sales Promotion, etc.					
Asian & Media Magix (Div. of Binani Industries Ltd.)	**747.10**	-	-	-	**747.10**
	(2,593.82)	-	-	-	(2,593.82)
Service Charges for Advertisement/ Sales Promotion, etc.					
Asian Industry (Div. of Binani Metals Ltd.)#	-	-	-	-	-
	(24.50)	-	-	-	(24.50)
Execution of transportation / other services contract					
Dhaneshawar Solution - A Division of Binani Industries Ltd.	**12,265.28**	-	-	-	**12,265.28**
	(21,531.00)	-	-	-	(21,531.00)

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	Holding Company	Subsidiary/ stepdown subsidiary / Associates	Fellow Subsidiary	Key Management Personnel (KMP)/ Relatives of KMP/ Enterprises where Key Management Personnel has got significant influence	Total
Interest Expenses					
Binani Industries Limited	**83.53**	**-**	**-**	**-**	**83.53**
	(75.87)	-	-	-	(75.87)
Triton Trading Co. Pvt. Limited	**-**	**-**	**-**	**10.16**	**10.16**
	-	-	-	-	-
Service Charges for Manpower Supply					
Nirbhay Management Services Private Limited	**-**	**-**	**759.58**	**-**	**759.58**
	-	-	(768.85)	-	(768.85)
Inter Corporate Deposit received					
Binani Industries Limited	**-**	-	-	**-**	**-**
	(1,150.00)	-	-	-	(1,150.00)
Directors Sitting Fees					
Mr. Braj Binani	-	-	-	**1.00**	**1.00**
	-	-	-	(1.35)	(1.35)
Loans and advances Given/ (recovered)					
Shandong Binani Rong'An Cement Co. Ltd., China (SBRCC)	-	**4.74**	-	-	**4.74**
	-	(1.85)		-	(1.85)
Binani Cement Factory Dubai LLC	-	**0.23**	-	-	**0.23**
	-	(0.15)	-	-	(0.15)
B. BALANCE AS AT 31ST MARCH 2017					
<u>ASSETS</u>					
Investments / Advance for Investments					
Krishna Holdings Pte. Ltd.	-	**18,415.25**	-	-	**18,415.25**
		(18,415.25)			(18,415.25)
Mukundan Holdings Ltd.	-	**45,015.69**	-	-	**45,015.69**
	-	(45,015.69)	-	-	(45,015.69)
Murari Holdings Ltd.	-	**35,688.38**	-	-	**35,688.38**
	-	(35,688.38)	-	-	(35,688.38)
Bhumi Resources (Singapore) Pte. Ltd.	-	**6,797.53**	-	-	**6,797.53**
	-	(6,797.53)	-	-	(6,797.53)
Swiss Merchandise Pvt. Ltd.	-	**5.00**	-	-	**5.00**
	-	(5.00)	-	-	(5.00)
Merit Plaza Ltd.	-	**5.00**	-	-	**5.00**
	-	(5.00)	-	-	(5.00)
Binani Energy Pvt. Ltd.	-	**3.18**	-	-	**3.18**
	-	(3.18)	-	-	(3.18)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	Holding Company	Subsidiary/ stepdown subsidiary / Associates	Fellow Subsidiary	Key Management Personnel (KMP)/ Relatives of KMP/ Enterprises where Key Management Personnel has got significant influence	Total
Loans and Advances					
Swiss Merchandise Infrastructure Ltd.	-	**5,821.00**	-	-	**5,821.00**
	-	(5,821.00)	-	-	(5,821.00)
Merit Plaza Ltd.	-	**4,330.00**	-	-	**4,330.00**
	-	(4,330.00)	-	-	(4,330.00)
Triton Trading Co. Pvt. Ltd.	-	-	-	**56.40**	**56.40**
	-	-	-	(15.68)	(15.68)
Binani Industries Ltd.	**0.65**				**0.65**
	(0.12)				(0.12)
Other Current Assets					
Interest Receivable					
Binani Industries Ltd.	**10,285.17**	-	-	-	**10,285.17**
	(12,114.97)	-	-	-	(12,114.97)
Other Receivables					
Shandong Binani Rong'An Cement Co. Ltd., China (SBRCC)	-	**3.34**	-	-	**3.34**
	-	-	-	-	-
Inter Corporate Deposit given					
Binani Industries Ltd.	**114,857.24**	-	-	-	**114,857.24**
	(114,857.24)	-	-	-	(114,857.24)
LIABILITIES					
Trade Payables					
Asian Industry (Div. of Binani Metals Ltd.)#	-	-	-	-	-
	(29.74)	-	-	-	(29.74)
Asian & Media Magix (Div. of Binani Industries Ltd.)	**960.46**	-	-	-	**960.46**
	(2,277.71)	-	-	-	(2,277.71)
Dhaneshawar Solution - A Division of Binani Industries Ltd.	**2,065.06**	-	-	-	**2,065.06**
	(1,865.71)	-	-	-	(1,865.71)
Nirbhay Management Services Private Limited	-	-	**974.09**	-	**974.09**
	-	-	(444.70)	-	(444.70)
Binani Industries Limited	**37.19**	-	-	-	**37.19**
	(28.55)	-	-	-	(28.55)

Binani Cement Limited

Binani
BRAJ BINANI GROUP

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	Holding Company	Subsidiary/ stepdown subsidiary / Associates	Fellow Subsidiary	Key Management Personnel (KMP)/ Relatives of KMP/ Enterprises where Key Management Personnel has got significant influence	Total
Non-cumulative preference share borrowings (Long term)					
Binani Industries Limited	**779.58**	**-**	-	-	**779.58**
	(696.06)	-	-	-	(696.06)
Other Payables					
Binani Industries Limited	**700.00**	**-**	-	-	**700.00**
	-	-	-	-	-
Shandong Binani Rong'An Cement Co. Ltd., China (SBRCC)	-	**-**	-	-	**-**
	-	(1.41)	-	-	(1.41)
Binani Cement Factory Dubai LLC	-	**3,265.00**	-	-	**3,265.00**
	-	(3,338.73)	-	-	(3,338.73)
G D Binani Charitable Foundation	-	**-**	-	**0.22**	**0.22**
	-	-	-	(0.22)	(0.22)

(Figures in bracket pertain to previous year)

Binani Metals Limited has been merged with Binani Industries Limited w.e.f. 01.04.2015 vide H'onble Kolkata High Court order dated 21.01.2016.

Note:

1 The remuneration paid to key management personnel Mr. Darshan Lal - ₹ 24.74 Lakhs (Previous Year ₹ nil), Mr. Jotirmoy Ghose - ₹ nil (Previous Year ₹ 44.32 Lakhs), Mr. Devendra Mehta - ₹ 71.23 Lakhs (Previous Year ₹ nil), Mr. V. Srikrishnan ₹ nil (Previous Year ₹ 15.64 Lakhs), Mr. Amit Kumar Gupta - ₹ nil (Previous Year ₹ 39.90 Lakhs).

2 Guarantees given/to be given to Banks by Holding Company on behalf of the Company have been separately disclosed in note no. 35.

3 Guarantee given by the Company to Banks for loans given to related parties are disclosed in note no. 33 E.

4 Names of related parties and description of relationship:

a) Holding Company : Binani Industries Limited

b) Subsidiaries / step down subsidiaries where control exists : Krishna Holdings Pte Limited, Mukundan Holdings Limited, Murari Holdings Limited, Swiss Merchandise Infrastructure Ltd., Merit Plaza Ltd., Bhumi Resources (Singapore) Pte Limited, Binani Ready Mix Concrete Limited, BC Tradelink Limited, Binani Cement Tanzania Ltd., Binani Cement (Uganda) Ltd.*, PT Anggana Energy Resources, Shandong Binani Rong'an Cement Company Limited (SBRCC), Binani Cement Factory LLC (BCF), Binani Energy Pvt. Ltd., Binani Cement Fujairah LLC.

c) Fellow Subsidiary : Edayar Zinc Limited (EZL) – Formerly Binani Zinc Ltd. (BZL), Goa Glass Fibre Limited (GGFL), BIL Infratech Ltd., 3B Binani Glassfibre S.a.r.l. (3B Binani), Royalvision Projects Pvt. Ltd. (RPPL), Royalvision Infratech Private Limited**, Royalvision Concrete Private Limited**, RBG Minerals Industries Limited, Global Composites Holdings Inc. (formerly CPI Binani Inc.), Binani Global Cement Holdings Private Limited***, Project Bird Holding II S.a.r.l (PBH II), 3B Fiberglass SPRL, 3B-Fibreglass A/S and Tunfib S.a.r.l., Nirbhay Management Services Private Limited, Narsingh Management Services Private Limited.

d) Key Management Personnel : Mr. Braj Binani, Mr. Jotirmoy Ghose (upto 25.01.2017), Mr. Darshan Lal (w.e.f. 27.01.2017), Mr. Devendra Mehta (w.e.f 02.05.2016), Mrs. Vaishali Vyas (w.e.f. 29.07.2016), Mr. S. Sridhar, Dr. (Mrs.) Sangeeta Pandit and Mrs. Sudha Navandar.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

e) Transactions where key Management Personnel have got significant influence : Mr. Braj Binani with Triton Trading Co. Pvt. Ltd.

f) Joint Venture : Binani Aspire LLC (Joint Venture between Binani Cement Factory LLC, UAE and Galfar Aspire Readymix LLC, Oman).

* These Companies are under liquidation. ** strike off. *** under strike off route.

5 The company has given Inter-Corporate Deposits (Including interest receivable) to its Holding Company amounting to ₹ 1,25,142.41 Lakhs, as per Management the said loan will be repaid by the Holding Company through sales proceeds received by divesting Investment in Equity Shares of Binani Cement Limited. Further the company in its board meeting have decided not to charge interest on the above Inter-Corporate Deposits (ICDs) given to Binani Industries Limited effective April 01, 2015. The company has received appropriate opinion to ensure its compliance with the statutory regulations.

NOTE NO. - 46

EARNING PER SHARE IS CALCULATED AS FOLLOWS:

PARTICULARS		**31st March, 2017**	31st March, 2016
A.	Profit/ (Loss) attributable to the equity holders of the company (₹ Lakhs)	**(34,759.66)**	(23,738.16)
B.	Equity shares outstanding as at the year end (in Nos.)	**188,601,274**	188,601,274
C.	Weighted average number of Equity Shares used as denominator for calculating Basic and Diluted Earning Per Share (in Nos.)	**188,601,274**	188,601,274
D.	Nominal Value per Equity Share (in ₹)	**10/-**	10/-
E.	Earning Per Share (Basic and Diluted) (in ₹)	**(18.43)**	(12.59)

NOTE NO. - 47

EMPLOYEE BENEFITS :

a) Defined Contribution Plans :

During the year the Company has recognised ₹ 259.34 Lakhs (Previous Year ₹ 268.82 Lakhs) in the Profit and Loss Account on account of defined contribution plans i.e. Employers Contribution to Provident Funds and ESIC.

b) Defined benefit plans : as per actuarial valuation on 31st March, 2017

(i) Gratuity : The Company provides for gratuity to employees in India as per the payment of Gratuity Act, 1972. Employees who are in continous service for a period of 5 years are elegible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

The amounts recognised in the balance sheet and the movements in the defined obligation and plan assets for the years are as follows:

I. Amount Recognised in the Balance Sheet

(₹ in Lakhs)

PARTICULARS	**31st March, 2017**	31st March, 2016	1st April, 2015
Present value of Defined Benefit Obligation	**892.60**	814.65	750.02
Fair value of plan assets	**362.07**	431.43	487.28
Defined benefit obligation net of plan assets	**530.53**	383.22	262.74

* Defined Benefit plan are funded.

Binani Cement Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

II. Movement in Plan Assets and Obligations

(₹ in Lakhs)

PARTICULARS	31st March, 2017			31st March, 2016		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Balance as on 1st April	814.65	431.43	383.22	750.02	487.28	262.74
Current Service cost	87.28	-	87.28	84.74	-	84.74
Interest expense/(income)	67.37	(35.68)	31.69	60.00	(38.98)	21.02
Total amount recognised in the Statement of Profit & Loss	154.66	(35.68)	118.98	144.74	(38.98)	105.76
Remeasurements						
Return on plan assets, exclu. amount included in interest exp./(income)	-	(27.46)	27.46	-	3.41	(3.41)
(Gain)/ loss from change in demographic assumptions	-	-	-	-	-	-
(Gain)/ loss from change in financial assumptions	90.32	-	90.32	(19.53)	-	(19.53)
Experience (gains)/ losses	(89.45)	-	(89.45)	57.66	-	57.66
Total amount recognised in other comprehensive income	0.88	(27.46)	28.34	38.13	3.41	34.72
Employer contributions	-	-	-	-	20.00	(20.00)
Benefit payments	(77.58)	(77.58)	-	(118.24)	(118.24)	-
Balance as on 31st March	892.60	362.07	530.53	814.65	431.43	383.22

III. Major category of plan assets are as follows :

(₹ in Lakhs)

PARTICULARS	31st March, 2017		31st March, 2016		1st April, 2015	
	%	Amount	%	Amount	%	Amount
Unquoted						
Insurance Fund	100%	362.07	100%	431.43	100%	487.28
Total	100%	362.07	100%	431.43	100%	487.28

IV. Significant estimates: Actuarial assumptions are as follows :

PARTICULARS	31st March, 2017	31st March, 2016
Discount Rate	7.20%	8.27%
Rate of increase in compensation levels	7.00%	7.00%
Rate of Return on Plan Assets	7.20%	8.27%

V. Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement : LIC New Group Gratuity Cash Accumulation Plan (NGGCA).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

VI. Sensitivity analysis

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

(₹ in Lakhs)

PARTICULARS	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	31st March, 2017	31st March, 2016	**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016
Discount rate	**+1 %/-1 %**	+1 %/-1 %	**(84.86)**	(71.75)	**99.33**	80.73
Rate of increase in compensation levels	**+1 %/-1 %**	+1 %/-1 %	**98.53**	80.95	**(85.74)**	73.14

PARTICULARS	31st March, 2017	31st March, 2016
Expected average remaining working lives of employees in years	**16**	16

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

VII. The Defined Benefit obligation shall mature after the end of reporting period is as follows :

Expected contributions to post-employment benefit plans for next 12 months are ₹ 189.24 Lakhs.

The expected maturity analysis of undiscounted plans is as follows :

(₹ in Lakhs)

PARTICULARS	31st March, 2017	31st March, 2016
Less than a year	**40.61**	40.61
Between 1-2 Years	**76.97**	76.97
Between 2-5 Years	**121.13**	121.13
Over 5 years	**322.09**	322.09
Total	**560.80**	560.80

(ii) Leave Encashment Disclosure

Provision towards liability for Leave Encashment made on the basis of actuarial valuation as per Indian Accounting Standard 19. Actuarial value of liability is ₹ 333.39 Lakhs (Previous Year ₹ 291.70 Lakhs) based upon following assumptions :

PARTICULARS	31st March, 2017	31st March, 2016
Discount Rate	**7.20%**	8.00%
Rate of increase in compensation levels	**7%**	7%

c) The Company has not considered any provision towards employee loyalty program as the same is accounted on payment basis. During the year ₹ 26.92 Lakhs (Previous Year ₹ 7.46 Lakhs) has been paid towards loyalty program.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. - 48

OPERATING LEASE

a) Future Lease Rental payments **(₹ in Lakhs)**

PARTICULARS	31st March, 2017	31st March, 2016	1st April, 2015
i) Not later than one year	-	6.46	21.72
ii) Later than one year and not later than five years	-	-	0.85
iii) Lather than five years	-	-	-

b) Operating lease payment recognised in Profit & Loss Account amounting to ₹ 535.93 Lakhs (Previous Year ₹ 539.67 Lakhs).

c) General description of the leasing arrangement:

i) Leased Assets: Car, Godowns and Office.

ii) Future lease rentals are determined on the basis of agreed terms.

iii) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

NOTE NO. - 49

Disclosure in respect of Specified Bank Notes held and transacted : **(₹ in Lakhs)**

PARTICULARS	Specified Bank Notes (SBNs)*	Other denomination notes & Coins	Total
Closing cash in hand as on 08.11.2016	3.71	0.95	**4.66**
(+) Permitted receipts/ Withdrawal	-	10.57	**10.57**
(-) Permitted payments	-	8.95	**8.95**
(-) Amount deposited in Banks	3.71	-	**3.71**
Closing cash in hand as on 30.12.2016	-	2.58	**2.58**

* Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

NOTE NO. - 50

Trade Receivables of ₹ 471.28 Lakhs (Previous Year ₹ 881.35 Lakhs) have been netted off against advance received towards those sales and the excess of advance over such receivables amounting to ₹ 73.51 Lakhs (Previous Year ₹ 48.62 Lakhs) has been shown under other current liability. Such advances are settled after full amount is received from the debtors.

NOTE NO. - 51

The Competition Commission of India (CCI) vide its order dated June 20, 2012 had imposed a penalty of ₹ 16,732 Lakhs on the Company alleging contravention of certain provisions of the Competition Act, 2002. The Company had filed an Appeal before the Competition Appellate Tribunal (COMPAT) against the aforesaid Order of CCI. The COMPAT,vide its order dated 11/12/2015, has set aside the order passed by the CCI and directed the CCI to hear the matter afresh. The CCI has again passed the same order on September 13, 2016 as passed earlier and now the matter is under consideration of COMPAT.

NOTE NO. - 52

During the current year, the Company has made provision in the books towards compliance / fulfilment of Renewable Power Obligation (RPO) as per the guidelines of Rajasthan Electricity Regulatory Commission (RERC) and orders passed by Electricity Regulatory Commissions.

NOTE NO. - 53

The company has not achieved the target as required by the Perform Achieve & Trade ("PAT") cycle 1 (FY 2012-2015) as per the assessment carried by external auditor monitoring and verification. The company has not made any provision which may arise, as the company is of the contention no demand has been raised as of the balance sheet date.

NOTE NO. - 54

Trade deposits includes deposits mainly from Dealers and Market Organizers, have classified as a long term liability, keeping in the view the arrangement with them considering long term business associations.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. - 55

The Company had spent an amount of ₹ 13.04 Lakhs in the financial year 2014-15, towards CSR expenditure as against required to be spent amounting to ₹ 49.39 Lakhs. Out of the remaining unspent amount of ₹ 36.35 Lakhs continues to be carried forward in the previous year, out of which ₹ 18.60 Lakhs have been spent towards community welfare activities. Further, the remaining unspent amount of ₹ 17.75 Lakhs continues to be carried forward in the current year, out of which ₹ 15.18 Lakhs have been spent towards community welfare activities. Due to continuous losses in the previous three financial years, the Company is not required to spent any additional amount on CSR activities during the current year and previous year.

NOTE NO. - 56

EVENTS OCCURING AFTER BALANCE SHEET DATE

Borrowings - The term loans / CC and accrued interest thereon from fourteen banks were acquired by Edelweiss Assets Reconstruction Company (EARC) amounting to ₹ 225,158 lakhs. These debts have been reworked on the basis of restructuring scheme sanctioned vide EARC letter dated 2nd May 2017. Accordingly, necessary provisions towards interest and conversion into FITL has been made in the books.

No events or transactions have occurred except above since the date of Balance Sheet or are pending that would have material effect on the financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the books of accounts.

NOTE NO. - 57

Previous year figures have been regrouped / rearranged wherever necessary to conform with the figures of the current year.

As per our attached report of even date

For MZSK & Associates
Chartered Accountants
Firm Registration No. 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place : Mumbai
Date : 29th May, 2017

For and on behalf of the Board of Directors

Braj Binani
Chairman
DIN: 00009165

Darshan Lal
ED (O) & WTD
DIN: 06811040

Hemant Paliwal
A.V.P. (F&A)

Umesh Lathi
Chief Financial Officer

Vaishali Vyas
Company Secretary

Place : Mumbai
Date : 29th May, 2017