

BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.
CIN : L51101KA1957PLC001283

1. Corporate Information

Bemco Hydraulics Limited ("the Company") is a listed company incorporated in India having its registered office at Udyambag Industrial Estate, Belgaum, Karnataka-590 008. The Company is principally engaged in the business of manufacture of wide range of Portable re-railing equipment, Light weight re-railing equipment, Hydraulic Re-railing equipment, Re-railing Systems, Hydraulic press, Wheel fitting press and Straightening press. Apart from the principal place of business it has branches in Chennai, Delhi and Kolkata. The Company caters to both domestic and international markets. The Company's equity shares are listed on the Bombay Stock Exchange (BSE Ltd.) since 05th day of November, 2001. The financial statement for the financial year ended 31st March, 2018 were approved by the Board of Directors and authorised for issue on 22nd May, 2018.

2. Significant Accounting Policies

2.01 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer Note 4 for the details of first time adoption exemptions availed by the Company.

2.02 Basis of Preparation and Measurement

Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Rules, 2015 laying down roadmap to implement the Indian Accounting Standards (Ind AS) by companies in India other than certain companies as specified therein. As per this roadmap, the company is required to apply Ind AS starting from the financial year beginning 1st April, 2017. Accordingly, these financial statements have been prepared to comply with Ind AS, including the rules notified under the relevant provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31st March, 2017, the company prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which included Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements."

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

2.03 Current and Non-Current Classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when it is:

- (a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (b) held primarily for the purpose of trading;
- (c) expected to be realized within twelve months after the reporting period;
- (d) cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- (a) expected to be settled in normal operating cycle;
- (b) held primarily for the purpose of trading;
- (c) due to be settled within twelve months after the reporting period or,
- (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.;

All other liabilities are classified as non-current.

Deferred Tax Assets/ Liabilities are classified as non-current.

2.04 Property, Plant & Equipment (PPE)

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, other directly attributable costs including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than leasehold land which is stated at revalued amounts) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred

Depreciation on the property, plant and equipment (except for leasehold land) is provided on straight-line method ("SLM") over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013 which is in line with the management estimates of the useful lives of the asset. On property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements

2.05 Capital Work-in-Progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.06 Intangible Assets

On adoption of Ind AS, the Company retained the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss as gains or losses, as the case may be.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

| Asset (Other than internally generated) | Useful Life |
|---|-------------|
| Computer Software | 5 years |
| Technical Know-how | 10 years |

The management reviews the estimated useful life of intangible assets annually.

2.07 Inventories

Items of inventories are measured at lower of cost (on FIFO basis) and net realisable value after providing for obsolescence, if any, except in case of scrap which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.08 Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

2.09 Revenue Recognition

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

Sale of goods

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

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

Rendering of services

Revenue from maintenance contracts are recognized on pro-rata basis over the period of contract.

Revenue from other service contracts are recognized when services are rendered and related costs are incurred.

Interest Income

For all financial instruments measured at amortised cost, interest income is accrued on a time basis, by reference to principal outstanding and at effective interest rate (EIR) applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset on initial recognition.

Dividend Income

Dividend income from investments is accounted for when the company's right to receive the same is established.

Lease Income

Lease rentals are recognised on straight-line basis as per the terms of the agreements in the Statement of Profit and Loss.

2.10 Employee Benefits Expense**(a) 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 recognised as an expense during the period when the employees render the services.

(b) Post employment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Superannuation Fund and Provident & Pension Fund are administered by Life Insurance Corporation of India (LIC) and Regional Provident Fund Commissioner respectively.

Defined benefit plans:

The company has a defined benefit plan for Post-employment benefit in the form of Gratuity, which is administered through Life Insurance Corporation of India (LIC).

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Other long-term employee benefits

Liability for Compensated Absences is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

2.11 Borrowing Costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

2.12 Foreign Currency Transactions

The company's financial statements are presented in Indian Rupee (₹), which is also the company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary assets or liabilities are translated at exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit & loss.

2.13 Earnings Per Share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential equity shares.

2.14 Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.16 Research & Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development cost of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.17 Impairment of Non-Financial Assets: Property, Plant & Equipment & Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.18 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets At Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial Assets At Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial Liabilities

All financial liabilities are recognized at fair value at initial recognition and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. Financial Liabilities are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Investment in Subsidiary

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the each category of investments in subsidiaries at cost in accordance with IndAS 27- Separate Financial Statements.

Derecognition of Financial Instruments:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets (other than at fair value through Profit & Loss)

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

The preparation of the company's financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies & Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company do not expect them to have a materially adverse impact on our financial position or profitability.

Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Provision for Liquidated Damages

Provision for liquidated damages are recognised on contracts for which revenue has been recognised during the reporting period and the delivery dates are exceeded as per the terms of the contract on a reasonable basis. The negotiations with the customers on the percentage deduction/ non-deduction of liquidated damages impacts the profitability in the period in which such negotiations are finalised.

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Warranty Provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

4 First Time Ind AS Adoption Reconciliations & Explanations

As stated in Note 2, the Company's financial statements for the year ended 31 March, 2018 are the first annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April, 2016 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The accounting policies as stated above in Note 3 have been applied in preparing the financial statements for the year ended 31 March, 2018, the financial statements for the year ending 31 March, 2017 and the preparation of an opening Ind AS balance sheet as at 1 April, 2016. In preparing its Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2017, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP.

An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables.

4.01 Reconciliations of Equity

(Figures in ₹)

| Particulars | As At 31-03-17 | As At 01-04-2016 |
|---|---------------------|---------------------|
| Equity as per Previous GAAP | 43,29,25,798 | 4,52,06,831 |
| Reclassification of preference shares as financial liability | (3,20,00,00) | (3,20,00,000) |
| Recognition of unpaid dividends on preference shares (net of transaction costs amortized on effective interest method) | (1,38,88,239) | (1,03,62,541) |
| Revaluation Building as per Previous GAAP taken as deemed cos | 9,12,883 | - |
| Due to Increase in Value of Land due to Fair Value taken as deemed cost (Net of deferred taxes) | - | 34,72,53,816 |
| Amortization of Leasehold Land | (3,76,895) | - |
| Difference on account of recognition/ reversal of other costs (including amortization of transaction costs on financial liabilities as per effective interest method) | (5,89,963) | (7,98,390) |
| Difference on account of fair valuation of Equity Instruments (except investment in subsidiary) | 20,12,166 | 15,69,034 |
| Recognition of deferred taxes | (6,38,76,777) | (5,53,00,603) |
| Equity as per Ind AS | 32,51,18,973 | 29,55,68,147 |

4.02 Reconciliations of Total Comprehensive Income

(Figures in ₹)

| Particulars | For the year ended 31-03-17 |
|---|-----------------------------|
| Net Profit as per Previous GAAP | 4,13,78,034 |
| Recognition of unpaid dividends on preference shares (net of transaction costs amortized on effective interest method) | (35,25,698) |
| Actuarial (gain) / loss on employee defined benefit plans recognised in Other Comprehensive Income (net of taxes) | 8,16,940 |
| Difference on account of recognition/ reversal of other costs (including amortization of transaction costs on financial liabilities as per effective interest method) | (1,68,467) |
| Income Tax adjustments (including deferred taxes) | (86,63,132) |
| Net Profit after tax as per Ind AS | 2,98,37,677 |
| Other Comprehensive Income (net of taxes) | (3,73,808) |
| Total Comprehensive Income as per Ind AS | 2,94,63,869 |

4.03 Explanation to material adjustments to Statement of Cash Flows for the year ended 31st March, 2017

The transition from Previous GAAP to Ind AS has no material impact on the Statement of Cash Flows except treatment of preference dividends debited to the Statement of Profit & Loss which has been considered as non-cash item as these are not yet declared by the company.

4.04 Notes on exemptions adopted by the company under Ind AS 101 and notes on material effects on the financial position, financial performance and cash flows of the company.

- (i) the company has adopted exemption given in paragraph D7AA of Ind AS 101 relating to its property, plant & equipment as per which the company has elected to continue with the carrying value for all of its property, plant & equipment as recognised in the financial statements as at the date of transition, i.e. 1st April, 2016, measured as per Previous GAAP and used that as its deemed cost as at the date of transition to Ind AS. However in case of leasehold land, fair value on the date of transition has been considered as deemed cost as the Company was adopting revaluation model under the previous GAAP.

Accordingly, the balance outstanding in the revaluation reserve as on the date of transition the difference between the fair value and carrying value of leasehold land as on that date has been transferred to Capital Reserve Account under the head 'Other Equity'.

- (ii) The company has reclassified its preference share capital from Equity to Financial Liabilities and also charged the unpaid/ undeclared dividends on these preference shares up to the date of transition in the opening reserves as at the date of transition.

(iii) Deferred Tax:

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of Profit & Loss for the subsequent periods.



4.05 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS
A. Effect of Ind AS adoption on the standalone balance sheet as at 31st March 2017 and 1st April 2016

| Particulars | As at 31-03-2017 | | | As at 31-03-2016 | | |
|--|---------------------|--------------------------------|-----------------------------|---------------------|--------------------------------|-----------------------------|
| | Previous Gaap | Effect of Transition to Ind AS | As per Ind AS Balance Sheet | Previous Gaap | Effect of Transition to Ind AS | As per Ind AS Balance Sheet |
| ASSETS | | | | | | |
| (1) Non-current assets | | | | | | |
| (a) Property, Plant and Equipment | 42,12,35,092 | 5,35,989 | 42,17,71,081 | 6,97,52,416 | 34,72,53,816 | 41,70,06,232 |
| (b) Other Intangible assets | 52,79,782 | - | 52,79,782 | 1,23,41,966 | - | 1,23,41,966 |
| (c) Financial Assets | | | | | | |
| (i) Investments | 96,141 | 20,23,270 | 21,19,411 | 1,09,695 | 15,66,584 | 16,76,279 |
| (ii) Loans | 9,74,590 | - | 9,74,590 | 9,44,590 | - | 9,44,590 |
| (iii) Other Financial Assets | 1,32,47,731 | (4,80,065) | 1,27,67,666 | 88,01,202 | (5,66,258) | 82,34,944 |
| (e) Other non-current assets | 22,63,068 | - | 22,63,068 | 2,49,773 | - | 2,49,773 |
| (2) Current assets | | | | | | |
| (a) Inventories | 19,22,81,212 | - | 19,22,81,212 | 22,22,68,601 | - | 22,22,68,601 |
| (b) Financial Assets | | | | | | |
| (i) Trade receivables | 12,58,41,774 | (2,99,030) | 12,55,42,744 | 9,42,88,633 | (1,86,871) | 9,41,01,762 |
| (ii) Cash and Cash equivalents | 31,74,480 | - | 31,74,480 | 17,01,407 | - | 17,01,407 |
| (iii) Bank balances other than (iii) above | 1,20,45,042 | - | 1,20,45,042 | 1,12,55,821 | - | 1,12,55,821 |
| (iv) Other Financial Assets | 11,04,386 | 1,303 | 11,05,689 | 11,66,222 | (2,12,585) | 9,53,637 |
| (c) Current Tax Assets (Net) | 8,21,171 | - | 8,21,171 | 11,04,041 | - | 11,04,041 |
| (d) Other current assets | 1,84,87,172 | - | 1,84,87,172 | 68,44,246 | - | 68,44,246 |
| Total Assets | 79,68,51,642 | 17,81,467 | 79,86,33,108 | 43,08,28,613 | 34,78,54,687 | 77,86,83,299 |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | | | | | | |
| (a) Equity Share capital | 2,19,33,500 | - | 2,19,33,500 | 2,19,33,500 | - | 2,19,33,500 |
| (b) Other Equity | 37,89,92,298 | (7,58,06,825) | 30,31,85,473 | (87,26,669) | 28,23,61,316 | 27,36,34,647 |
| LIABILITIES | | | | | | |
| (1) Non-current liabilities | | | | | | |
| (a) Financial Liabilities | | | | | | |
| (i) Borrowings | 4,75,10,189 | (2,19,364) | 4,72,90,825 | 8,01,82,917 | (2,06,872) | 7,99,76,045 |
| (ii) Other financial liabilities | 1,56,040 | - | 1,56,040 | 25,000 | - | 25,000 |
| (b) Provisions | 5,51,065 | - | 5,51,065 | 6,21,611 | - | 6,21,611 |
| (c) Deferred tax liabilities (Net) | - | 6,38,76,777 | 6,38,76,777 | - | 5,53,00,602 | 5,53,00,602 |
| (d) Other non-current liabilities | 47,54,548 | - | 47,54,548 | 34,03,284 | - | 34,03,284 |
| (2) Current liabilities | | | | | | |
| (a) Financial Liabilities | | | | | | |
| (i) borrowings | 12,92,62,557 | (1,19,118) | 12,91,43,439 | 14,49,26,181 | (96,068) | 14,48,30,113 |
| (ii) Trade payables | 10,29,58,350 | (1,96,428) | 10,27,61,922 | 9,52,08,594 | (25,000) | 9,51,83,594 |
| (iii) Other financial liabilities | 3,01,29,664 | 1,40,49,997 | 4,41,79,661 | 2,76,85,274 | 1,04,95,706 | 3,81,80,980 |
| (b) Other current liabilities | 7,62,06,504 | 1,96,428 | 7,64,02,932 | 6,18,54,490 | - | 6,18,54,490 |
| (c) Provisions | 43,96,926 | - | 43,96,926 | 37,39,432 | - | 37,39,432 |
| (d) Current Tax Liabilities (Net) | - | - | - | - | - | - |
| Total Equity and Liabilities | 79,68,51,641 | 17,81,467 | 79,86,33,108 | 43,08,53,614 | 34,78,29,683 | 77,86,83,298 |

B. Reconciliation of total comprehensive income for the year ended 31st March, 2017

| Particulars | Indian GAAP | Adjustments | IND AS |
|--|---------------------|------------------|---------------------|
| I Revenue From Operation | 45,81,46,786 | - | 45,81,46,786 |
| II Other Income | 68,91,974 | - | 68,91,975 |
| III Total Income (I+II) | 46,50,38,760 | - | 46,50,38,761 |
| IV EXPENSES | | | |
| Cost of materials consumed | 19,93,37,346 | - | 19,93,37,346 |
| Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | 2,78,27,198 | - | 2,78,27,198 |
| Employee benefits expense | 6,95,79,916 | (10,41,541) | 6,85,38,375 |
| Finance costs | 2,68,98,696 | 35,18,749 | 3,04,17,445 |
| Depreciation and amortization expense | 1,22,15,938 | 3,76,894 | 1,25,92,832 |
| Other expenses | 11,60,49,674 | 23,124 | 11,60,72,798 |
| Total expenses (IV) | 45,19,08,769 | 28,77,225 | 45,47,85,994 |
| V Profit/(loss) before exceptional items and tax (I- IV) | 1,31,29,992 | (28,77,225) | 1,02,52,767 |
| VI Exceptional Items | 2,82,42,100 | - | 2,82,42,100 |
| VII Profit/(loss) before tax (V-VI) | 4,13,72,092 | (28,77,225) | 3,84,94,867 |
| VIII Tax expense: | | | |
| (1) Current tax | (5,942) | - | (5,942) |
| (2) Deferred tax | - | 86,63,132 | 86,63,132 |
| | (5,942) | 86,63,132 | 86,57,190 |

5.01 Property, Plant & Equipment

(all fig. in ₹)

| Particulars | Gross Block | | | Depreciation | | | Net Block | |
|--------------------------|---------------------|--------------------------|---------------------------|---------------------|------------------|-----------------|---------------------|---------------------|
| | As at 01/04/2016 | Addition During the Year | Deduction During the Year | As at 31/03/2017 | For the year | Upto 31/03/2017 | As at 31/03/2017 | As at 01/04/2016 |
| Leased Asset | | | | | | | | |
| Leasehold Land | 36,05,63,856 | - | - | 36,05,63,856 | 3,76,894 | 3,76,894 | 36,01,86,962 | 36,05,63,856 |
| Owned Assets | | | | | | | | |
| Buildings | 2,63,30,396 | - | - | 2,63,30,396 | 8,82,582 | 8,82,582 | 2,54,47,814 | 2,63,30,396 |
| Plant and Equipment | 1,52,33,724 | 85,27,795 | 12,92,928 | 2,24,68,591 | 13,12,349 | 12,97,038 | 2,11,71,553 | 1,52,33,724 |
| Furniture and Fixtures | 3,18,516 | 66,880 | 3,691 | 3,81,705 | 49,117 | 49,010 | 3,32,695 | 3,18,516 |
| Vehicles | 1,31,30,848 | 34,35,567 | 7,92,158 | 1,57,74,257 | 25,03,529 | 24,18,226 | 1,33,56,031 | 1,31,30,848 |
| Goods Transport Vehicles | 5,20,443 | - | - | 5,20,443 | 77,482 | 77,482 | 4,42,961 | 5,20,443 |
| Office Equipments | 2,68,138 | 14,145 | 15,260 | 2,67,023 | 1,37,787 | 1,29,236 | 1,29,236 | 2,68,138 |
| Electrical Installations | 3,50,623 | - | - | 3,50,623 | 50,414 | 50,414 | 3,00,209 | 3,50,623 |
| Computers | 2,81,795 | 2,58,956 | 4,533 | 5,36,218 | 1,40,491 | 1,40,491 | 3,95,727 | 2,81,795 |
| Borewell | 7,893 | - | - | 7,893 | - | - | 7,893 | 7,893 |
| TOTAL | 41,70,06,232 | 1,23,03,343 | 21,08,570 | 42,72,01,005 | 55,30,648 | 1,00,724 | 42,17,71,081 | 41,70,06,232 |

| Particulars | Gross Block | | | Depreciation | | | Net Block | |
|--------------------------|---------------------|--------------------------|---------------------------|---------------------|------------------|--------------------|---------------------|---------------------|
| | As at 01/04/2017 | Addition During the Year | Deduction During the Year | As at 31/03/2018 | For the year | Upto 31/03/2018 | As at 31/03/2018 | As at 31/03/2017 |
| Leased Asset | | | | | | | | |
| Leasehold Land | 36,05,63,856 | - | - | 36,05,63,856 | 3,76,894 | 7,53,788 | 35,98,10,068 | 36,01,86,962 |
| Owned Assets | | | | | | | | |
| Office Buildings | 2,63,30,396 | 63,70,062 | - | 3,27,00,458 | 13,72,661 | 22,55,243 | 3,04,45,215 | 2,54,47,814 |
| Factory Building | - | 73,52,795 | - | 73,52,795 | 1,913 | 1,913 | 73,50,882 | - |
| Plant and Equipment | 2,24,68,591 | 1,20,202 | - | 2,25,88,793 | 17,04,972 | 30,02,010 | 1,95,86,783 | 2,11,71,553 |
| Furniture and Fixtures | 3,81,705 | 60,000 | - | 4,41,705 | 49,332 | 98,342 | 3,43,363 | 3,32,695 |
| Vehicles | 1,57,74,257 | 33,01,810 | 3,64,201 | 1,87,11,866 | 24,70,892 | 47,58,288 | 1,39,53,578 | 1,33,56,031 |
| Goods Transport Vehicles | 5,20,443 | - | - | 5,20,443 | 77,486 | 1,54,968 | 3,65,475 | 4,42,961 |
| Office Equipments | 2,67,023 | 33,779 | - | 3,00,802 | 46,226 | 1,84,013 | 1,16,789 | 1,29,236 |
| Electrical Installations | 3,50,623 | 4,97,017 | - | 8,47,640 | 50,806 | 1,01,220 | 7,46,420 | 3,00,209 |
| Computers | 5,36,218 | 5,38,745 | - | 10,74,963 | 2,12,729 | 3,53,220 | 7,21,743 | 3,95,727 |
| Borewell | 7,893 | - | - | 7,893 | - | - | 7,893 | 7,893 |
| TOTAL | 42,72,01,005 | 1,82,74,410 | 3,64,201 | 44,51,11,214 | 63,63,911 | 1,16,63,005 | 43,34,48,209 | 42,17,71,081 |

Note: Property, plant and equipment of the company are charged against various loan facilities availed by the company from Banks. The complete details in this regard are given in Note No. 5.21 to the financial statements.

5.02 Other Intangible Assets

(all fig. in ₹)

| Particulars | Gross Block | | | Depreciation | | | Net Block | | | |
|--------------------|--------------------|--------------------------|---------------------------|--------------------|-----------------|------------------|------------|------------------|------------------|--------------------|
| | As at 01/04/2016 | Addition During the Year | Deduction During the Year | As at 31/03/2017 | Upto 01/04/2016 | For the year | Deductions | Upto 31/03/2017 | As at 31/03/2017 | As at 01/04/2016 |
| Computer Software | 2,99,573 | - | - | 2,99,573 | - | 1,29,261 | - | 1,29,261 | 1,70,312 | 2,99,573 |
| Technical Know-how | 1,20,42,393 | - | - | 1,20,42,393 | - | 69,32,923 | - | 69,32,923 | 51,09,470 | 1,20,42,393 |
| TOTAL | 1,23,41,966 | - | - | 1,23,41,966 | - | 70,62,184 | - | 70,62,184 | 52,79,782 | 1,23,41,966 |

| Particulars | Gross Block | | | Depreciation | | | Net Block | | | |
|--------------------|--------------------|--------------------------|---------------------------|--------------------|------------------|-----------------|------------|------------------|------------------|------------------|
| | As at 01/04/2017 | Addition During the Year | Deduction During the Year | As at 31/03/2018 | Upto 31/03/2017 | For the year | Deductions | Upto 31/03/2018 | As at 31/03/2018 | As at 31/03/2017 |
| Computer Software | 2,99,573 | 25,22,780 | - | 28,22,353 | 1,29,261 | 1,26,080 | - | 2,55,341 | 25,67,012 | 1,70,312 |
| Technical Know-how | 1,20,42,393 | - | - | 1,20,42,393 | 69,32,923 | 4,75,632 | - | 74,08,555 | 46,33,838 | 51,09,470 |
| TOTAL | 1,23,41,966 | 25,22,780 | - | 1,48,64,746 | 70,62,184 | 6,01,712 | - | 76,63,896 | 72,00,850 | 52,79,782 |


5.03 Investments

| Particulars | Face value per share (₹) | 31/03/2018 | | 31/03/2017 | | 01/04/2016 | |
|--|--------------------------|-------------|------------------|-------------|------------------|-------------|------------------|
| | | Qty. (Nos.) | Amount (₹) | Qty. (Nos.) | Amount (₹) | Qty. (Nos.) | Amount (₹) |
| Non Current | | | | | | | |
| (i) Investments in Equity Instruments carried at fair value through other comprehensive income (FVTOCI) | | | | | | | |
| A. Quoted (Fully paid up, unless otherwise stated) | | | | | | | |
| Alfred Herbert (India) Limited | 10 | 5 | 4,425 | 5 | 2,731 | 5 | 1,810 |
| Best and Crompton Engineering Limited | 10 | 105 | - | 105 | - | 105 | 360 |
| BF Investment Ltd (Bonus) | 5 | 26 | 7,285 | 26 | 4,294 | 26 | 3,138 |
| BF Utilites Ltd | 5 | 26 | 9,923 | 26 | 11,478 | 26 | 14,699 |
| Bharat Forge Company Limited | 2 | 130 | 91,020 | 130 | 1,35,317 | 130 | 1,13,464 |
| Bharat Forge Company Limited (Bonus) | 2 | 130 | 91,020 | - | - | - | - |
| Dynematic Technologies Limited | 10 | 40 | 68,414 | 40 | 1,08,600 | 40 | 69,200 |
| E.C.E. Industries Limited | 10 | 30 | 8,622 | 30 | 6,944 | 30 | 4,916 |
| Eaton Fluid Power Ltd (Formerly, Vickers Systems International Limited) | 10 | 24 | - | 24 | - | 24 | 240 |
| Eicher Motors Ltd | 10 | 1 | 28,337 | 1 | 25,554 | 1 | 19,140 |
| Elecon Engineering Co. Limited (Including Bonus) | 2 | 360 | 27,702 | 360 | 19,026 | 360 | 19,620 |
| GKW Limited (Formerly, Guest Keen Williams Limited) | 10 | 1 | 560 | 1 | 433 | 1 | 583 |
| Jyoti Limited | 10 | 50 | 3,283 | 50 | 2,545 | 50 | 3,500 |
| Kulkarni Power Tools Limited | 5 | 200 | 11,690 | 200 | 5,050 | 200 | 5,500 |
| Larsen and Tubro Limited | 2 | 256 | 3,35,846 | 256 | 4,03,866 | 256 | 3,11,327 |
| Larsen and Tubro Limited (Bonus) | 2 | 320 | 4,19,808 | 128 | 2,01,933 | 128 | 1,55,663 |
| LML Limited | 10 | 27 | 160 | 27 | 343 | 27 | 194 |
| Mahindra and Mahindra Limited | 5 | 52 | 38,490 | 52 | 66,804 | 52 | 62,902 |
| Mahindra and Mahindra Limited (Bonus) | 5 | 52 | 38,490 | - | - | - | - |
| Manugraph Industries Limited | 2 | 240 | 10,992 | 240 | 13,284 | 240 | 11,136 |
| Nesco Ltd (New Standard Engineering Company Limited) | 2 | 200 | 1,10,380 | 40 | 94,072 | 40 | 60,000 |
| Scooters India Limited | 10 | 50 | 3,023 | 50 | 2,000 | 50 | 1,288 |
| Tata Motors Ltd | 2 | 115 | 37,657 | 115 | 53,584 | 115 | 44,425 |
| Tata Motors Ltd | 2 | 15 | 4,912 | 15 | 6,989 | 15 | 5,795 |
| Texmaco Rail Engineering Limited | 1 | 100 | - | 100 | 9,250 | 100 | 10,490 |
| U. T. Limited | 10 | 100 | - | 100 | - | 100 | 657 |
| Ultratech Cement (Bonus) | 10 | 51 | 2,01,340 | 51 | 2,03,487 | 51 | 1,64,577 |
| Voltas Limited | 1 | 150 | 93,090 | 150 | 61,823 | 150 | 41,543 |
| | | | 16,46,469 | | 14,39,407 | | 11,26,167 |
| B. Unquoted (Fully paid up, unless otherwise stated) | | | | | | | |
| Belgaum Coal and Coke Consumer Co-op Ass. Ltd. | 100 | 4 | 38,224 | 4 | 38,224 | 4 | 36,834 |
| Belgaum Manufacturers Co-op Industrial Estate Ltd. | 100 | 40 | 4,03,804 | 40 | 4,03,804 | 40 | 2,78,078 |
| WG Forge and Allied Industrial Limited | 10 | 50 | - | 50 | - | 50 | - |
| Saraswat Co-operative Bank Limited | 10 | 783 | 1,72,976 | 783 | 1,72,976 | 783 | 1,70,200 |
| Eicher Tractors Limited | 10 | 4 | - | 4 | - | 4 | - |
| | | | 6,15,004 | | 6,15,004 | | 4,85,112 |
| C. Subsidiary (At Cost) | | | | | | | |
| Unquoted | | | | | | | |
| Bemco Fluidtechnik Private Limited | 10 | 6,500 | - | - | - | 6,500 | 65,000 |
| (ii) Investments in Limited Liability Partnership (At Cost) | | | | | | | |
| Subsidiary | | | | | | | |
| Bemco Fluidtechnik LLP (Formerly, Bemco Fluidtechnik Private Limited upto 26-02-17) | | - | 65,000 | | 65,000 | | - |
| | | | 65,000 | | 65,000 | | 65,000 |
| TOTAL | | | 23,26,473 | | 21,19,411 | | 16,76,279 |
| Aggregate book value of quoted investments | | | 16,46,469 | | 14,39,407 | | 11,26,167 |
| Aggregate market value of quoted investments | | | 16,46,469 | | 14,39,407 | | 11,26,167 |
| Aggregate amount of unquoted investments | | | 6,80,004 | | 6,80,004 | | 5,50,112 |

5.04 Loans

| Particulars | Figures as at | | |
|-----------------------------------|------------------|-----------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Unsecured, Considered Good | | | |
| Security Deposits | 12,11,700 | 9,74,590 | 9,44,590 |
| | 12,11,700 | 9,74,590 | 9,44,590 |

Note: No loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

5.05 Other Financial Assets

| Particulars | Figures as at | | |
|--|------------------|--------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Fixed Deposits | | | |
| - Bank Deposits with remaining maturity of more than 12 months | 43,98,096 | 1,17,86,887 | 71,17,884 |
| Advances to Workers/ Employees | 8,06,407 | 9,80,779 | 11,17,060 |
| | 52,04,503 | 1,27,67,666 | 82,34,944 |

Note: (i) Above mentioned bank deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

5.06 Other Non-Current Assets

| Particulars | Figures as at | | |
|---|-----------------|------------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Capital Advances | 2,90,000 | 19,00,000 | - |
| Advances Other than Capital Advances | | | |
| - Advance Tax / TDS (Net of Provision) | - | 3,63,068 | 2,49,773 |
| | 2,90,000 | 22,63,068 | 2,49,773 |

5.07 Inventories

| Particulars | Figures as at | | |
|--|---------------------|---------------------|---------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| (At lower of cost and net realisable value) | | | |
| Raw Materials | 1,51,48,454 | 2,05,27,444 | 1,77,36,991 |
| Intermediate and Components | 1,57,69,290 | 1,90,35,752 | 2,51,73,446 |
| Stores and Spares | 24,58,218 | 47,12,415 | 35,25,365 |
| Work-in-Progress | 15,26,94,000 | 14,31,81,000 | 16,77,77,000 |
| Work-in-Progress - Export | - | - | 41,53,000 |
| Finished Goods | 24,39,145 | 48,10,021 | 38,95,891 |
| (At estimated realisable value) | | | |
| Scrap | 4,320 | 14,580 | 6,908 |
| | 18,85,13,427 | 19,22,81,212 | 22,22,68,601 |

Note: (i) The mode of valuation of inventories has been stated in Note 2.07.

(ii) The amount of inventories recognised as an expenses during the year was ₹ 20,06,79,721/- (Previous Year ₹ 27,23,20,534/-)

(iii) The Loans from Banks are secured by pari passu charge on inventories (including raw material, finished goods and work in progress) and book debts. Refer Note 5.21

5.08 Trade Receivables

| Particulars | Figures as at | | |
|--|---------------------|---------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Unsecured, Considered Good | | | |
| Trade Receivables | 10,45,29,385 | 12,55,42,744 | 9,41,01,762 |
| Other Debts | | | |
| Unsecured, Considered Doubtful | | | |
| Trade Receivables | 24,21,213 | 22,71,401 | 36,99,678 |
| Less: Allowance for Doubtful Debts & Liq.Damages | (24,21,213) | (22,71,401) | (36,99,678) |
| | 10,45,29,385 | 12,55,42,744 | 9,41,01,762 |

Note: (i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Movement in the expected credit loss allowance

| Particulars | Figures as at | |
|---|------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Unsecured, Considered Good | | |
| Balance as at the beginning of the year | 22,71,401 | 36,99,678 |
| Add: Provision made during the year | 14,06,673 | 1,12,159 |
| Less: Amount written back / collected during the year | 12,56,861 | 15,40,436 |
| | 24,21,213 | 22,71,401 |

(iii) Borrowing are secured by pari passu charge on inventories and trade receivables. Refer Note 5.21 Of the financial statements.

5.09 Cash and Cash Equivalents

| Particulars | Figures as at | | |
|---|------------------|------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Balances with Banks in current accounts | 16,06,491 | 27,46,380 | 2,32,371 |
| Cash on hand | 1,68,146 | 4,28,100 | 14,69,036 |
| | 17,74,637 | 31,74,480 | 17,01,407 |

5.10 Bank Balances (Other than Cash & Cash Equivalents)

| Particulars | Figures as at | | |
|---|--------------------|--------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Bank deposits with original maturity of more than/ equal to 12 months | 2,06,63,784 | 1,20,45,042 | 1,12,55,821 |
| | 2,06,63,784 | 1,20,45,042 | 1,12,55,821 |

Note: (I) Above mentioned bank deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

5.11 Other Financial Assets

| Particulars | Figures as at | | |
|---------------------------------|------------------|------------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Advances | | | |
| Advances to Workers/ Employees | 10,39,602 | 10,64,731 | 9,53,637 |
| Interest Receivable from HESCOM | - | 40,958 | - |
| | 10,39,602 | 11,05,689 | 9,53,637 |

5.12 Current Tax Assets (Net)

| Particulars | Figures as at | | |
|--------------------------------------|-----------------|-----------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Advance Tax / TDS (net of provision) | 8,94,027 | 7,25,337 | 10,08,207 |
| Income Tax Refund Receivable | 95,834 | 95,834 | 95,834 |
| | 9,89,861 | 8,21,171 | 11,04,041 |

5.13 Other Current Assets

| Particulars | Figures as at | | |
|---|--------------------|--------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Advances other than capital advances | | | |
| - Advances for purchase of goods and services | 29,50,582 | 1,31,22,469 | 30,08,505 |
| - Travel advances to employees | 10,69,117 | 9,14,402 | 2,87,015 |
| - Other Advances (Doubtful) | 4,00,000 | 4,00,000 | 4,00,000 |
| Less: Provision for Doubtful Advances | (4,00,000) | (4,00,000) | (4,00,000) |
| Claims Receivable | 3,98,017 | 1,05,343 | 3,32,728 |
| Prepaid Expenses | 34,09,007 | 31,17,692 | 24,21,962 |
| Balance with Revenue authorities | 85,64,702 | 12,27,266 | 7,94,036 |
| | 1,63,91,425 | 1,84,87,172 | 68,44,246 |



5.14 Equity Share Capital

| Particulars | 31/03/2018 | | 31/03/2017 | | 01/04/2016 | |
|--|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| | Qty. (Nos.) | Amount (₹) | Qty. (Nos.) | Amount (₹) | Qty. (Nos.) | Amount (₹) |
| (a) Authorized Share Capital | | | | | | |
| Equity Shares of ₹ 10/- each | 40,00,000 | 4,00,00,000 | 40,00,000 | 4,00,00,000 | 40,00,000 | 4,00,00,000 |
| Preference Share Capital of ₹ 100/- each | 4,00,000 | 4,00,00,000 | 4,00,000 | 4,00,00,000 | 4,00,000 | 4,00,00,000 |
| | 44,00,000 | 8,00,00,000 | 44,00,000 | 8,00,00,000 | 44,00,000 | 8,00,00,000 |
| (b) Issued Share Capital | | | | | | |
| Equity Shares of ₹ 10/- each | 22,22,750 | 2,22,27,500 | 22,22,750 | 2,22,27,500 | 22,22,750 | 2,22,27,500 |
| | 22,22,750 | 2,22,27,500 | 22,22,750 | 2,22,27,500 | 22,22,750 | 2,22,27,500 |
| (c) Issued, Subscribed and Fully Paid up Capital | | | | | | |
| Equity Shares of ₹ 10/- each | 21,86,700 | 2,18,67,000 | 21,86,700 | 2,18,67,000 | 21,86,700 | 2,18,67,000 |
| Shares Forfeited | - | 66,500 | - | 66,500 | - | 66,500 |
| | 21,86,700 | 2,19,33,500 | 21,86,700 | 2,19,33,500 | 21,86,700 | 2,19,33,500 |
| (d) Reconciliation of Equity Shares of ₹ 10/- each outstanding at the beginning and at the end of each financial year. | | | | | | |
| Balance as at the beginning of the financial year | 21,86,700 | 2,19,33,500 | 21,86,700 | 2,19,33,500 | 21,86,700 | 2,19,33,500 |
| Add/ (Less): Movement during the year | - | - | - | - | - | - |
| Balance as at the end of the financial year | 21,86,700 | 2,19,33,500 | 21,86,700 | 2,19,33,500 | 21,86,700 | 2,19,33,500 |
| (e) Rights, Preferences and Restrictions attached to Equity Shares of ₹ 10/- each. | | | | | | |
| The Company has Equity Shares having par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Holders of Equity Shares are entitled to dividend, in proportion to the paid up amount, proposed by Board of Directors subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding. | | | | | | |
| (f) Shareholders holding more than 5% of Equity | | | | | | |
| Mohta Capital Private Limited | 6,65,606 | 30.44% | 6,65,606 | 30.44% | 6,65,606 | 30.44% |
| Sri Ramchandra Enterprises Private Limited | 3,34,697 | 15.31% | 3,34,697 | 15.31% | 3,34,697 | 15.31% |
| U D Fininvest Private Limited | 2,18,400 | 9.99% | 2,18,400 | 9.99% | 2,18,400 | 9.99% |
| Urmila Devi Mohta | 2,08,668 | 9.54% | 2,08,668 | 9.54% | 2,08,668 | 9.54% |
| Sungrace Finvest Private Limited | 1,49,657 | 6.84% | 1,69,755 | 7.76% | 1,84,000 | 8.41% |

(g) No calls remain unpaid by the Board of Directors and officers of the Company.

5.15 Other Equity

| Particulars | Figures as at | | |
|--|----------------------|----------------------|----------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Capital Reserve | | | |
| Balance at the beginning of the year | 27,87,89,757 | 27,89,92,737 | - |
| Add: Reversal of Deferred Tax Liability | 86,957 | 86,957 | - |
| Less: Transfer to Retained Earnings | (2,89,937) | (2,89,937) | - |
| Balance at the end of the year | 27,85,86,777 | 27,87,89,757 | 27,89,92,737 |
| Capital Redemption Reserve | | | |
| Balance at the beginning of the year | 14,73,200 | 14,73,200 | - |
| Add/ (Less): Movement during the year | - | - | - |
| Balance at the end of the year | 14,73,200 | 14,73,200 | 14,73,200 |
| General Reserve | | | |
| Balance at the beginning of the year | 70,24,153 | 70,24,153 | - |
| Add/ (Less): Movement during the year | - | - | - |
| Balance at the end of the year | 70,24,153 | 70,24,153 | 70,24,153 |
| Securities Premium Reserve | | | |
| Balance at the beginning of the year | 4,48,31,700 | 4,48,31,700 | - |
| Add/ (Less): Movement during the year | - | - | - |
| Balance at the end of the year | 4,48,31,700 | 4,48,31,700 | 4,48,31,700 |
| Retained Earnings | | | |
| Opening Balance | (2,89,68,018) | (5,90,95,632) | - |
| Add: Surplus/(Deficit) for the year | 1,05,17,291 | 2,98,37,677 | - |
| Add: Transfer From Capital Reserve | 2,89,937 | 2,89,937 | - |
| Balance at the end of the year | (1,81,60,790) | (2,89,68,018) | (5,90,95,632) |
| Other Comprehensive Income | | | |
| Opening Balance | 34,681 | 4,08,489 | - |
| Addition - Surplus/(Deficit) for the year (Excluding Deferred Taxes relating to Revaluation of Land) | 13,90,943 | (3,73,808) | - |
| Balance at the end of the year | 14,25,624 | 34,681 | 4,08,489 |
| Total (a to f) | 31,51,80,664 | 30,31,85,473 | 27,36,34,647 |

Nature and purpose of reserves:

- Capital Redemption Reserve:**
Capital Redemption Reserve was created on account of redemption for 11% Redeemable Preference Shares at the time of issue of such shares out of the profits made during past years.
- Security premium account:**
Security premium account is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares.
- Capital Reserve:**
On the date of transition to Ind AS the balance outstanding in the Revaluation Reserve against Property, Plant & Equipments as per Previous GAAP has been transfer to the Capital Reserve.

5.16 Borrowings (Non-Current)

| Particulars | Figures as at | | |
|--|--------------------|--------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Secured | | | |
| Term Loans from Banks | | | |
| (i) Working Capital Term Loan | - | - | 12,30,986 |
| (ii) Specific Purpose Term Loan | | | |
| - Plant & Machinery Loans | 13,25,737 | 22,68,397 | - |
| - Motor Car Loans | 31,34,209 | 26,60,189 | 37,47,917 |
| Unsecured | | | |
| Deferred Payment Liabilities | 81,89,000 | 1,05,54,000 | 4,31,94,600 |
| 11% 3,20,000 Cumulative Redeemable Preference Shares of ₹ 100/- each | 3,18,12,986 | 3,18,08,239 | 3,18,02,542 |
| | 4,44,61,932 | 4,72,90,825 | 7,99,76,045 |

General Description, details of security and other conditions attaching to:

As at 31-03-2018

| Particulars | Amount Outstanding | Terms of Repayment | Rate of Interest |
|---|--------------------|--|------------------|
| 1. Plant & Machinery Loans Bank of Maharashtra | 22,68,396 | The sanctioned amount of loan under the consortium of bankers is ₹ 85,00,000/- out of which the Company has drawn ₹ 35,76,000/- for purchase of the current machinery. The loan is repayable in 45 monthly installments of ₹ 80,000/- each and the last installment shall be of ₹ 56,000/-. As on 31-03-2018, 28 installments are due for repayment. | 14.40% p.a. |
| 2. Motor Car Loans State Bank of India | 47,13,845 | Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly installments. As on 31-03-2018, 447 installments are due for repayment. | 10% -12% p.a |

As at 31-03-2017

| Particulars | Amount Outstanding | Terms of Repayment | Rate of Interest |
|---|--------------------|--|------------------|
| 1. Plant & Machinery Loans Bank of Maharashtra | 32,05,689 | The sanctioned amount of loan under the consortium of bankers is ₹ 85,00,000/- out of which the Company has drawn ₹ 35,76,000/- for purchase of the current machinery. The loan is repayable in 45 monthly installments of ₹ 80,000/- each and the last installment shall be of ₹ 56,000/-. As on 31-03-2017, 40 installments are due for repayment. | 14.47% p.a. |
| 2. Motor Car Loans State Bank of India | 49,93,823 | Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments. As on 31-03-2017, 499 installments are due for repayment. | 10% -12% p.a |
| 3. Working Capital Loan Bank of Maharashtra | 12,33,105 | The loan is repayable in 53 monthly installments of ₹ 1,86,000/- each and last installment of ₹ 1,42,000/- (or less to the balance outstanding). As on 31-03-2017, 7 installments are due for repayment. | 14.47% p.a. |

As at 01-04-2016

| Particulars | Amount Outstanding | Terms of Repayment | Rate of Interest |
|--|--------------------|---|------------------|
| 1. Motor Car Loans State Bank of India | 62,00,132 | Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments. As on 01-04-2016, 530 installments are due for repayment. | 10% -12% p.a |
| 2. Working Capital Loan Bank of Maharashtra | 34,14,294 | The loan is repayable in 53 monthly installments of ₹ 1,86,000/- each and last installment of ₹ 1,42,000/- (or less to the balance outstanding). As on 01-04-2016, 19 installments are due for repayment. | 14.47% p.a. |
| State Bank of India | 20,84,398 | The loan was repayable in 40 monthly installments, out of which first 20 installments ₹ 2,00,000/- each and the balance 20 installments of ₹ 3,00,000/- (or less to the balance outstanding). As on 01-04-2016, 7 installments are due for repayment. | 14.6% p.a. |

Redeemable Preference Shares

Rights, Preferences and Restrictions attached to Preference Shares of ₹ 100/- each

The dividend on preference shares proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. Each holder of Preference Share is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the said shares. In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital but shall not be entitled to any surplus arising thereto. The rights of preference shares are further governed by Section 47 of the Companies Act, 2013.

Terms of redemption of Preference Shares of ₹ 100/- each

| Particulars | As at 31/03/2018 | | As at 31/03/2017 | | As at 01/04/2016 | |
|--|------------------|-------------|------------------|-------------|------------------|-------------|
| | Quantity (Nos.) | Amount (₹) | Quantity (Nos.) | Amount (₹) | Quantity (Nos.) | Amount (₹) |
| i) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2031. | 3,00,000 | 3,00,00,000 | 3,00,000 | 3,00,00,000 | 3,00,000 | 3,00,00,000 |
| ii) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2020. | 20,000 | 20,00,000 | 20,000 | 20,00,000 | 20,000 | 20,00,000 |

Shareholders holding more than 5% of Preference Share Capital

| Particulars | As at 31/03/2018 | | As at 31/03/2017 | | As at 01/04/2016 | |
|--|------------------|------------|------------------|------------|------------------|------------|
| | Quantity (Nos.) | Amount (₹) | Quantity (Nos.) | Amount (₹) | Quantity (Nos.) | Amount (₹) |
| Mohta Capital Private Limited | 1,90,000 | 59.38% | 1,90,000 | 59.38% | 1,90,000 | 59.38% |
| U.D. Finvest Private Limited | 65,000 | 20.31% | 65,000 | 20.31% | 65,000 | 20.31% |
| Sree Ramachandra Capital Consultancy Private Limited | 65,000 | 20.31% | 65,000 | 20.31% | 65,000 | 20.31% |

Details of continuing defaults in respect of Deferred Payment Liabilities

Terms of Repayment

The total outstanding with respect to Deferred Payment Liabilities are 4,00,000/- Euros. The outstanding is repayable by payment of 50,000 Euros before 31st March of every year starting from the year 2014.

The Company has a continuing default of ₹ 2,04,72,500/- in respect of deferred payment liabilities as at the balance sheet date which is included in the amount 'Current portion of deferred liability for Intangible Assets' disclosed under 5.23.

5.17 Other Financial Liabilities

| Particulars | Figures as at | | |
|-------------------|-----------------|-----------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Security Deposits | 1,56,040 | 1,56,040 | 25,000 |
| | 1,56,040 | 1,56,040 | 25,000 |

5.18 Provisions (Non-Current)

| Particulars | Figures as at | | |
|---|------------------|-----------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Provision for Employee Benefits - Provision for Leave Encashment | 10,53,797 | 5,51,065 | 6,21,611 |
| | 10,53,797 | 5,51,065 | 6,21,611 |

5.19 Deferred Tax Liabilities (Net)

| Particulars | Balance Sheet Figures as at | | | Statement of Profit & Loss For the year ended | |
|--|--------------------------------|----------------------|----------------------|--|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Deferred tax relates to the following: | | | | | |
| Accelerated depreciation for tax purpose | (26,35,225) | (13,34,893) | (18,03,916) | (13,00,332) | 4,69,023 |
| Amortization of land | (8,29,14,528) | (8,30,01,485) | (8,30,88,442) | 86,957 | 86,957 |
| Measurement of Financial Assets at amortised cost | 1,60,345 | 1,31,911 | 2,40,663 | 28,434 | (1,08,752) |
| Measurement of Financial Liabilities at amortised cost | (31,975) | (48,692) | (52,461) | 16,717 | 3,769 |
| Unused tax losses/ depreciation | 1,32,13,720 | 1,85,42,967 | 2,45,04,198 | (53,29,247) | (59,61,231) |
| MAT Credit Entitlement | 56,26,500 | - | - | 56,26,500 | - |
| Provision for doubtful debts and advances | 7,49,495 | 6,77,315 | 11,43,201 | 72,180 | (4,65,886) |
| Provision for product warranties | 1,71,228 | 1,34,706 | 1,31,141 | 36,522 | 3,565 |
| Provision for Leave Encashment | 20,48,824 | 12,28,589 | 12,16,421 | 8,20,235 | 12,168 |
| Foreign currency fluctuations | 10,63,527 | (2,07,195) | 24,08,593 | 12,70,722 | (26,15,788) |
| Deferred tax expense/(income) | - | - | - | 13,28,688 | (85,76,175) |
| Net deferred tax assets/(liabilities) | (6,25,48,089) | (6,38,76,777) | (5,53,00,602) | - | - |

Reflected in the Balance Sheet as follows:

| Particulars | Figures as at | | |
|---|-----------------|-----------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Deferred tax assets (continuing operations) | 2,03,98,414 | 1,93,80,595 | 2,96,44,217 |
| Deferred tax liabilities: | | | |
| Continuing operations | (8,29,46,503) | (8,32,57,372) | (8,49,44,819) |
| Deferred tax liabilities, net | (6,25,48,089) | (6,38,76,777) | (5,53,00,602) |

Reconciliation of deferred tax liabilities (Net):

| Particulars | Figures as at | |
|--|-----------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Opening balance as at | (6,38,76,777) | (5,53,00,602) |
| Tax income/(expense) during the period recognised in profit or loss | 12,41,731 | (86,63,132) |
| Tax income/(expense) during the period recognised in Capital Reserve | 86,957 | 86,957 |
| Closing balance as at | (6,25,48,089) | (6,38,76,777) |

5.20 Other Non-Current Liabilities

| Particulars | Figures as at | | |
|----------------------------------|------------------|------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Security Deposits from Employees | 26,40,305 | 47,54,548 | 34,03,284 |
| | 26,40,305 | 47,54,548 | 34,03,284 |

5.21 Borrowings (Current)

| Particulars | Figures as at | | |
|--|---------------------|---------------------|---------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Secured | | | |
| Loans Repayable on Demand: | | | |
| - From Banks | | | |
| (i) Cash Credit/ Packing Credit | 5,41,35,633 | 6,33,73,226 | 8,36,75,013 |
| (ii) Stand By Line Credit | 50,00,000 | 50,00,000 | - |
| - From Others | | | |
| (i) Raw Material Assistance Scheme from NSIC | 94,70,935 | 94,42,248 | 94,28,415 |
| Unsecured | | | |
| Loans Repayable on Demand: | | | |
| - From Related Parties | 4,67,92,965 | 4,39,27,965 | 4,19,26,685 |
| - From Other Parties | 50,00,000 | 74,00,000 | 98,00,000 |
| | 12,03,99,533 | 12,91,43,439 | 14,48,30,113 |

General Description, details of security and other conditions attaching to:

Cash credit availed from Bank of Maharashtra is secured by hypothecation of inventory and receivables upto 120 days as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of bank plus 4.60% at monthly rests.

Cash credit availed from State Bank of India is secured by hypothecation of inventory and receivables upto 150 days as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of bank plus 2.75% at monthly rests. Stand by Line of Credit availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of bank plus 6.00% at monthly rests.

Raw Material Assistance Scheme availed from NSIC is secured by bank guarantee amounting to ₹ 10,000,000/-. Interest is payable @ 12.50% per annum on amount outstanding. Additional interest at the rate of 0.45% percent per annum is payable if payment is not made within stipulated time limit.

Stand by Line of Credit is availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on Stand by line of Credit is payable at floating rate being base rate of bank plus 3.75% at monthly rests.

5.22 Trade Payables

| Particulars | Figures as at | | |
|--|---------------------|---------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| For Goods purchased and Services received in the normal course of business | | | |
| - Due to Micro Enterprises & Small Enterprises | - | - | - |
| - Due to Other than Micro Enterprises & Small Enterprises | 8,70,90,470 | 7,18,94,848 | 7,35,57,404 |
| - Acceptances | 2,20,27,440 | 3,08,67,074 | 2,16,26,190 |
| | 10,91,17,910 | 10,27,61,922 | 9,51,83,594 |

Note: The average credit period on purchases of goods and services are within 120 days. The trade payables are non interest bearing.

Disclosure of the amounts due to the The Micro and Small Enterprises (On the basis of the information & records available with the Management).

| Particulars | 2017-18 | 2016-17 |
|--|------------|------------|
| | ₹ | ₹ |
| (i) he principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier. *Principal amount *Interest there on | NIL NIL | NIL NIL |
| (ii) The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year. | NIL | NIL |
| (iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | NIL | NIL |
| (iv) The amount of interest accrued and remaining unpaid at the end each accounting year. | NIL | NIL |
| (v) The amount of further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises | NIL | NIL |

* The Company has written to Creditors/ suppliers asking them to confirm their status under the Micro, Small and Medium Enterprises Development Act, 2006, but has not received any intimation from them. This has been relied upon by the Auditors.

5.23 Other Financial Liabilities

| Particulars | Figures as at | | |
|---|--------------------|--------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Current Maturities of Long-term Debt: | | | |
| - Working Capital Term Loan from Banks | - | 12,33,105 | 42,67,706 |
| - Plant & Machinery Loan from Banks | 9,42,659 | 9,37,292 | - |
| - Motor Car Loans from Banks | 15,79,636 | 23,33,634 | 24,52,215 |
| - Current Portion of Deferred Payment Liabilities | 2,45,67,000 | 1,75,90,000 | 1,51,56,000 |
| Interest Accrued: | | | |
| - Interest accrued but not due on borrowings | - | 725 | 33,514 |
| - Interest accrued and due on borrowings | 3,85,886 | 3,68,153 | 6,25,364 |
| Unpaid Dividends on 11% Cumulative Redeemable Preference Shares | 1,67,20,000 | 1,40,80,000 | 1,05,60,000 |
| Gratuity Payable to LIC | 29,55,117 | 48,30,401 | 50,86,181 |
| Liability against Capital Assets | - | 26,28,598 | - |
| Guarantee Commission Payable to Related Parties | 3,55,506 | 1,77,753 | - |
| | 4,75,05,804 | 4,41,79,661 | 3,81,80,980 |

5.24 Other Current Liabilities (Current)

| Particulars | Figures as at | | |
|--|--------------------|--------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Revenue Received in Advance: | | | |
| - Advance from Customers | 3,07,82,300 | 6,09,99,704 | 5,16,74,160 |
| Current portion of Security Deposit from Employees | 26,95,125 | - | 3,61,671 |
| Liabilities for Expenses | 62,93,755 | 56,20,228 | 51,22,580 |
| Liabilities for Statutory Dues | 78,04,711 | 97,83,000 | 46,96,080 |
| | 4,75,75,891 | 7,64,02,932 | 6,18,54,491 |

5.25 Provisions

| Particulars | Figures as at | | |
|---|------------------|------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Provision for Employee Benefits: | | | |
| -Provision for Leave Encashment | 63,82,276 | 39,08,020 | 33,15,026 |
| Provision for Product Warranty | 6,21,461 | 4,88,906 | 4,24,406 |
| | 70,03,737 | 43,96,926 | 37,39,432 |

Note: Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

(1) Movement in Provisions

| Nature of Provisions | Leave Encashment | | Product Warranty | |
|--|------------------|------------------|------------------|-----------------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Carrying amount at the beginning of the year* | 44,59,085 | 39,36,637 | 4,88,906 | 4,24,406 |
| Additional provision made during the year | 45,63,664 | 21,14,124 | 1,32,555 | 64,500 |
| Amounts used during the year | (15,86,676) | (15,91,676) | - | - |
| Unused amounts reversed during the year | - | - | - | - |
| Carrying amount at the end of the year* | 74,36,073 | 44,59,085 | 6,21,461 | 4,88,906 |

* The above figures mentioned in opening and closing carrying amount includes long term portion of provisions.

(2) Nature of Provisions

- (a) Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provisions made represents the amount of the expected cost of meeting such obligation on account of rectification/ replacement. The timing of outflows is expected to be within a period of 2 years.
- (b) Provision for Leave Encashment includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

5.26 Current Tax Liabilities

| Particulars | Figures as at | | |
|--|------------------|-----------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ | 01/04/2016 ₹ |
| Provision for Income Tax (Net of Advance Tax/ TDS) | 52,04,763 | - | - |
| | 52,04,763 | - | - |

Notes:
Income Tax recognised in Profit and Loss

| Particulars | For the year ended | |
|--|--------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Current Tax | | |
| Current income tax charge | 53,23,467 | - |
| Adjustments in respect of current income tax of previous years | - | (5,942) |
| Total (A) | 53,23,467 | (5,942) |
| Deferred tax: | | |
| Relating to origination and reversal of deductible & taxable temporary differences | (12,41,731) | 86,63,132 |
| Total (B) | (12,41,731) | 86,63,132 |
| Income Tax expense recognised in the Statement of Profit or Loss (A+B) | 40,81,736 | 86,57,190 |

Income Tax recognised in Other Comprehensive Income

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Current Tax | | |
| Current income tax charge on remeasurement of defined benefit obligations | (3,03,033) | - |
| | (3,03,033) | - |
| Income Tax expense recognised in Other Comprehensive Income | (3,03,033) | - |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | For the year ended | |
|--|--------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Profit before tax | 1,45,99,027 | 3,84,94,867 |
| Applicable Tax Rate | 27.55% | 30.90% |
| Computed Tax Expense | 40,22,032 | 1,18,94,914 |
| Tax Effects: | | |
| Items not chargeable to tax/ exempt | (3,19,845) | (97,70,858) |
| Expenses disallowed | 36,61,726 | 2,00,453 |
| Net tax on depreciable assets | 2,38,765 | 3,39,090 |
| Effect of brought forward losses and unabsorbed depreciation | (19,76,178) | (26,63,599) |
| Adjustments recognised in the current year in relation to the current tax of prior years | - | (5,942) |
| Others | (3,03,033) | - |
| Current Tax Provision (A) | 53,23,467 | (5,942) |
| Incremental Deferred Tax Liability | (12,41,731) | 86,63,132 |
| Deferred Tax Provision (B) | (12,41,731) | 86,63,132 |
| Tax Expenses recognised in the Statement of Profit and Loss (A + B) | 40,81,736 | 86,57,190 |

5.26 Contingent Liabilities and Commitments

(to the extent not provided for)

(a) Claims against the company not acknowledged as debt:

| Particulars | 2017-18 ₹ | 2016-17 ₹ |
|---|--------------|--------------|
| (i) Entry Tax Demand disputed in Appeal* (net of amount paid) | 1,05,343 | 1,04,816 |
| * The Company has been advised that the demand is likely to be either deleted or substantially reduced and shall not have any material adverse effect on its financial position. | | |
| (ii) An ex-employee of the company had preferred an appeal before Hon'ble IIIRD Adl. Senior Civil Judge, Belgaum claiming compensation amounting to ₹ 43,16,200/-. During the year, the said appeal has been dismissed by the Hon'ble IIIRD Adl. Senior Civil Judge, Belgaum on 18.11.2016 and thus, there is no liability on account of this claim on the company. | | |
| (iii) Two workmen of the company, who were dismissed from the services on account of proved charges of misconduct approached the Conciliation Authority and raised an Industrial dispute. The Additional Labour Court, Hubli passed an Order in the favour of the workmen and asked the company to reinstate the employee and pay the entire wages and other benefits but the Company has preferred an Writ Petition before the High Court of Karnataka, Circuit Bench, Dharwad. Pending settlement, the Court directed the company to furnish a bank guarantee of the total amount involved in the dispute, i.e. ₹ 4,71,197/- which has been so furnished. The Company based on legal advice is of the view that the demand is not sustainable and thus, no provision is considered necessary. | | |
| (iv) A workmen was dismissed from the services of the Company based on the proved charges of misconduct. Subsequently he had filed a case before the Additional Labour Court Hubli. The Additional Labour Court in its order directed by the management to reinstate the workmen with 50% of the back wages. The Management challenged the said Award by filing a writ petition No. 62296/ 2011 (L-TER) before High Court Of Karnataka, Circuit Bench, Dharwad. The High Court of Karnataka granted stay for 50% of back wages and directed the Management to reinstate the workmen in service. However, the workmen resigned from and relieved from the services of the Company w.e.f 31-03-2016. The cases is still pending before the Hon'ble High Court of Karnataka. | | |

5.27 Revenue From Operations

| Particulars | Figures for the year ended | |
|--------------------------|----------------------------|---------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Sale of Products | 39,92,00,291 | 44,63,45,978 |
| Sale of Services | 24,66,070 | 25,76,282 |
| Other Operating Revenues | 75,65,007 | 92,24,526 |
| | 40,92,31,368 | 45,81,46,786 |

5.28 Other Income

| Particulars | Figures for the year ended | |
|--|----------------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| a) Interest Income: | | |
| i. Interest on bank deposits carried at amortised cost | 16,90,783 | 15,72,364 |
| ii. Interest on Security Deposits and Others carried at amortised cost | 50,144 | 1,10,015 |
| b) Dividend Income on equity investments at FVTOCI | 16,260 | 12,821 |
| c) Net gain on Sale of Property, Plant & Equipment | - | 41,915 |
| d) Rental Income | 8,74,160 | 6,59,160 |
| e) Liability no longer required written back | - | 8,89,881 |
| f) Net gain or loss on foreign currency transaction and translation | - | 21,05,038 |
| g) Provision for Doubtful Debts and Advances written back | 11,44,702 | 13,53,565 |
| h) Prior Period Adjustments | - | 6,000 |
| i) Fluctuation in Foreign Currency (Net) | 31,807 | - |
| j) Excise Duty on Closing Stock written back | 5,84,745 | - |
| k) Miscellaneous Receipts | 61,648 | 1,41,216 |
| | 44,54,249 | 68,91,975 |

5.29 Cost of Materials Consumed

| Particulars | Figures for the year ended | |
|-------------------------------------|----------------------------|---------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Raw Materials | | |
| Opening Stock | 2,05,27,444 | 1,77,36,991 |
| Add: Purchases | 8,65,42,259 | 10,44,03,721 |
| Less: Closing Stock | (1,51,48,454) | (2,05,27,444) |
| | (A) 9,19,21,249 | 10,16,13,268 |
| Intermediates and Components | | |
| Opening Stock | 1,90,35,752 | 2,51,73,446 |
| Add: Purchases | 9,49,99,680 | 8,16,82,406 |
| Less: Closing Stock | (1,57,69,290) | (1,90,35,752) |
| | (B) 9,82,66,142 | 8,78,20,100 |

| | | |
|---|-----------------------|---------------------|
| Packing Materials | | |
| Opening Stock | - | - |
| Add: Purchases | 11,96,318 | 13,36,746 |
| Less: Closing Stock | - | - |
| | (C) | 11,96,318 |
| Stores and Spares | | |
| Opening Stock | 47,12,415 | 35,25,365 |
| Add: Purchases | 1,03,45,034 | 1,11,04,665 |
| Less: Closing Stock | (24,58,218) | (47,12,415) |
| | (D) | 1,25,99,231 |
| | TOTAL (A to D) | 20,39,82,940 |
| Less: Materials consumed on account of warranties | 6,00,708 | 13,50,383 |
| | TOTAL | 20,33,82,232 |

5.30 Changes In Inventories Of Finished Goods And Work-In-Progress

| Particulars | Figures for the year ended | |
|--|----------------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Opening Stock | | |
| Work-in-Progress | 14,31,81,000 | 16,77,77,000 |
| Work-in Progress-Export | - | 41,53,000 |
| Finished Goods | 48,10,021 | 38,95,891 |
| Scrap | 14,580 | 6,908 |
| Total of Opening Stock | (A) 14,80,05,601 | 17,58,32,799 |
| Closing Stock | | |
| Work-in-Progress | 15,26,94,000 | 14,31,81,000 |
| Work-in Progress-Export | - | - |
| Finished Goods | 24,39,145 | 48,10,021 |
| Scrap | 4,320 | 14,580 |
| Total of Closing Stock | (B) 15,51,37,465 | 14,80,05,601 |
| Net changes in inventories of finished goods and work-in-progress [Total (A-B)] | (71,31,864) | 2,78,27,198 |

5.31 Employee Benefits Expense

| Particulars | Figures for the year ended | |
|--|----------------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Salaries, Wages, Bonus, etc. | 7,25,99,614 | 5,88,00,569 |
| Contribution to Provident fund & other funds | 81,63,671 | 66,49,114 |
| Staff Welfare Expenses | 36,48,053 | 30,88,692 |
| | 8,44,11,338 | 6,85,38,375 |

5.32 Finance Costs

| Particulars | Figures for the year ended | |
|--|----------------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Interest on loan calculated using effective interest rate method | 1,89,68,835 | 2,08,17,316 |
| Interest on Others | 1,58,130 | 6,56,043 |
| Dividend on Redeemable Preference Shares | 26,44,747 | 35,25,698 |
| Other Borrowing Costs | 77,03,840 | 54,18,388 |
| | 2,94,75,552 | 3,04,17,445 |

5.33 Depreciation And Amortization Expense

| Particulars | Figures for the year ended | |
|---|----------------------------|--------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Depreciation of Property, Plant & Equipment | 63,63,911 | 55,30,648 |
| Amortization of Intangible Assets | 6,01,712 | 70,62,184 |
| | 69,65,623 | 1,25,92,832 |

5.34 Other Expenses

| Particulars | Figures for the year ended | |
|---|----------------------------|---------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Power & Fuel | 36,40,266 | 33,47,391 |
| Manufacturing Expenses | 2,60,81,837 | 2,33,43,453 |
| Freight & Transportation | 80,56,627 | 1,11,76,583 |
| Product Warranty Expenses | 7,95,833 | 14,14,883 |
| Repairs | | |
| i Buildings | 7,32,845 | 8,65,675 |
| ii Machinery | 11,33,010 | 23,48,627 |
| iii Computers | 3,31,805 | 3,20,228 |
| iv Others | 3,55,678 | 3,71,791 |
| Insurance | 5,86,591 | 5,82,672 |
| Rent | 4,90,168 | 4,82,403 |
| Rates & Taxes | 2,45,848 | 9,48,403 |
| Printing and Stationery | 10,98,786 | 11,65,982 |
| Postage, Telephone & Telegram | 7,58,067 | 8,61,411 |
| Travelling & Conveyance Expenses | 1,34,79,472 | 1,02,82,972 |
| Bad Debts / Advances Written Off | 36,64,798 | 56,45,839 |
| Expected Credit Loss on Financial Assets | 14,06,673 | 1,12,159 |
| Miscellaneous Expenses | 57,62,080 | 39,98,627 |
| Payment to Auditors for: | | |
| i Audit Fees | 3,00,000 | 3,00,000 |
| ii Limited Review Certification charges | 1,20,000 | 60,000 |
| iii For Company Law Matters | - | - |
| iv For Other Services | 1,41,000 | 1,12,300 |
| v Reimbursement of Expenses (including ST) | 90,860 | 76,420 |
| Directors' Sitting Fees | 34,000 | 23,000 |
| Commission & Brokerages | - | 2,60,870 |
| Net Loss on Sale of Property, Plant & Equipment | 1,00,558 | 7,316 |
| Loss in Foreign Currency Fluctuation (net) | 46,12,000 | - |
| Liquidated Damages | 28,98,255 | 26,76,654 |
| Prior Period Adjustments | 52,554 | - |
| Excise duty on Opening & Closing Stock (net) | - | 1,30,967 |
| Excise Duty on Sales | 50,14,098 | 4,51,55,990 |
| Excess & Short Provisions | - | 182 |
| | 8,19,83,709 | 11,60,72,798 |

5.35 Details of items of exceptional nature

The Company had entered into a Technology License Agreement dated 10th April, 2006 with a French Company under which the Company procured Technical Know-How to be used in manufacturing of certain hydraulic presses. The said Technical Know-How was recorded as Intangible Asset at an amount of ₹ 3,92,28,288/- and corresponding credit was given to the 'Deferred Payment Liabilities A/c'. During the previous financial year, the term of the Agreement has expired and thus, the company, after accounting for exchange differences, has credited the unpaid amount against the technology, i.e. ₹ 2,82,42,100/- under the 'Exceptional Items' in the Statement of Profit & Loss.

5.36 Other Comprehensive Income

| Particulars | Figures for the year ended | |
|---|----------------------------|-------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| (i) Items that will not be reclassified to profit or loss: | | |
| - Equity Instruments through Other Comprehensive Income | 2,07,062 | 4,43,132 |
| - Remeasurement of the Employee Defined Benefit Plans | 14,86,914 | (8,16,940) |
| | 16,93,976 | (3,73,808) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | |
| - Income Taxes relating to Remeasurement of Employee Defined Benefit Plans | (3,03,033) | - |
| | (3,03,033) | - |
| | 13,90,943 | (3,73,808) |

5.37 Earnings Per Share:

| Particulars | Figures for the year ended | |
|---|----------------------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Net Profit / (Loss) attributable to Equity Shareholders (₹) | 1,05,17,291 | 2,98,37,677 |
| Weighted average number of Equity Shares in issue (Nos.) | 21,86,700 | 21,86,700 |
| Basic Earning per Equity Share of ₹ 10/- each | | |
| - Basic | 4.81 | 13.65 |
| - Diluted | 4.81 | 13.65 |
| Face value per Equity Share (₹) | 10 | 10 |

The Company does not have any outstanding potential delusive Equity Shares. Consequently the Basic and the Diluted Earnings Per Share of the Company remain the same.

5.38 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS

EMPLOYEE BENEFITS

a) Post Retirement Benefits : Defined Contribution Plans

(Figures in ₹)

| Particulars | 31/03/2018 | 31/03/2017 |
|--|------------|------------|
| 1 Contribution to Employees' Provident Fund | 23,13,742 | 21,35,365 |
| 2 Contribution to Employees' Family Pension Fund | 23,66,634 | 21,36,997 |
| 3 Contribution to Employees' Superannuation Fund | 10,00,501 | 7,74,638 |

b) Defined Benefit Plans

(i) Changes in the Present Value of Obligation

(Figures in ₹)

| Particulars | Gratuity Funded | |
|---|-----------------|-------------|
| | 31/03/2018 | 31/03/2017 |
| a. Present Value of Obligation as at opening date | 2,22,46,707 | 1,95,00,973 |
| b. Interest Expense | 16,24,560 | 15,24,295 |
| c. Past Service Cost | 8,37,882 | - |
| d. Current Service Cost | 13,98,118 | 13,40,858 |
| e. Curtailment Cost/(Credit) | - | - |
| f. Settlement Cost/(Credit) | - | - |
| g. Actual Benefit Payments | (5,86,399) | (8,94,567) |
| h. Actuarial (Gain)/Loss recognised in Other Comprehensive Income | - | - |
| - changes in demographic assumptions | - | - |
| - changes in financial assumptions | (13,52,205) | 7,52,524 |
| - experience adjustments | (1,95,271) | 22,624 |
| l Present Value of Obligation as at closing date | 2,39,73,392 | 2,22,46,707 |

(ii) Changes in the Fair Value of Plan Assets

(Figures in ₹)

| Particulars | Gratuity Funded | |
|---|-----------------|-------------|
| | 31/03/2018 | 31/03/2017 |
| a. Present Value of Plan Assets as at opening date | 1,74,16,306 | 1,44,14,793 |
| b. Expected Return on Plan Assets (Interest Income) | 13,77,797 | 12,30,685 |
| c. Mortality charges and taxes | (1,20,410) | (1,24,924) |
| d. Actuarial Gain/(Loss) | - | - |
| - changes in financial assumptions | (1,11,713) | (76,918) |
| - experience adjustments | 51,151 | 35,126 |
| e. Employers' Contributions | 29,91,543 | 28,32,111 |
| g. Benefits Paid | (5,86,399) | (8,94,567) |
| h. Fair Value of Plan Assets as at closing date | 2,10,18,275 | 1,74,16,306 |
| l Actual return on plan assets | 13,17,235 | 11,88,893 |

(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

(Figures in ₹)

| Particulars | Gratuity Funded | |
|--|-----------------|-------------|
| | 31/03/2018 | 31/03/2017 |
| a. Present Value of Obligation as at the end of the period | 2,39,73,392 | 2,22,46,707 |
| b. Fair Value of Plan Assets as at the end of the period | 2,10,18,275 | 1,74,16,306 |
| c. Funded (Asset)/ Liability recognized in the Balance Sheet | (29,55,117) | (48,30,401) |
| d. Present Value of unfunded Obligation | - | - |
| e. Unrecognized Past Service Cost | - | - |
| f. Unrecognized Actuarial (Gains)/Losses. | - | - |
| g. Unfunded Net Liability recognized in the Balance Sheet | - | - |

(iv) Expenses recognized in the Statement of Profit & Loss Account

(Figures in ₹)

| Particulars | Gratuity Funded | |
|--|-----------------|-------------|
| | 31/03/2018 | 31/03/2017 |
| a. Current Service Cost | 13,98,118 | 13,40,858 |
| b. Past Service Cost | 8,37,882 | - |
| c. Interest Cost | 16,24,560 | 15,24,295 |
| d. Expected Return on Plan Assets | (13,77,797) | (12,30,685) |
| e. Curtailment Cost/(Credit) | - | - |
| f. Settlement Cost/(Credit) | - | - |
| h. Employees' Contribution | - | - |
| l Total Expenses recognized in the Profit & Loss Account | 24,82,763 | 16,34,468 |

(v) Expenses recognized in Other Comprehensive Income for the year (Figures in ₹)

| Particulars | Gratuity Funded | |
|--|-----------------|------------|
| | 31/03/2018 | 31/03/2017 |
| a. Actuarial changes arising from changes in demographic assumptions | - | - |
| b. Actuarial changes arising from changes in financial assumptions | (12,40,492) | 8,29,442 |
| c. Actuarial changes arising from changes in experience adjustments | (2,46,422) | (12,502) |
| d. Return on plan assets excluding interest income | - | - |
| e. Recognised in Other Comprehensive Income | (14,86,914) | 8,16,940 |

(vi) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date (Figures in ₹)

| Particulars | Gratuity Funded | |
|--------------------------------------|-----------------|------------|
| | 31/03/2018 | 31/03/2017 |
| a. Government of India Securities | - | - |
| b. Corporate Bonds | - | - |
| c. Special Deposits Scheme | - | - |
| d. Equity Shares of Listed Companies | - | - |
| e. Property | - | - |
| f. Insurer Managed Funds | 100% | 100% |
| g. Others | - | - |

(vii) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

(viii) The Actual Return on Plan Assets is as follows (Rs.) (Figures in ₹)

| Following are the Principal Actuarial Assumptions used as at the balance sheet date: | 31/03/2018 | 31/03/2017 |
|--|-------------|-------------|
| a. Interest Rate | 7.80% | 7.40% |
| b. Discount Rate | 7.80% | 7.40% |
| c. Expected Rate of Return on Plan Assets | 7.40% | 8.00% |
| d. Salary Escalation Rate | 6.00% | 6.00% |
| e. Expected Average Remaining Working Lives of Employees | 12.64 years | 11.47 years |

ix) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

x) Retirement age 60 years or 70 years if extension is given.

xi) Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.69 years.

xii) Expected future benefit payments

The following benefits payments, for each of the next five years and the aggregate five years there after, are expected to be paid:

| Year ended March 31 | Expected Benefit Payment rounded to nearest thousand (in ₹.) |
|---------------------|---|
| 2019 | 37,57,000 |
| 2020 | 33,84,000 |
| 2021 | 13,38,000 |
| 2022 | 26,03,000 |
| 2023 | 35,42,000 |
| 2024-2028 | 1,69,04,000 |

xiii) The above cash flows have been arrived at based on the demographic and financial assumptions as mentioned earlier.

xiv) Expected contributions for the next year

The company has contributed Rs.29,91,543 to its gratuity fund in 2018. The Company intends to contribute Rs. 38,00,000 towards its gratuity fund in 2019.

xv) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the out come of the Defined benefit obligation (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

(a) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

| Discount rate Mar-18 | Mar-17 | Defined Benefit obligation (in ₹) | |
|-------------------------|--------|-----------------------------------|-------------|
| | | 31/03/2018 | 31/03/2017 |
| 6.80% | 6.40% | 2,56,89,894 | 2,36,34,972 |
| 8.80% | 8.40% | 2,24,65,994 | 2,10,22,379 |

(b) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

| Salary Increment rate Mar-18 | Mar-17 | Defined Benefit obligation (in ₹) | |
|---------------------------------|--------|-----------------------------------|-------------|
| | | 31/03/2018 | 31/03/2017 |
| 5.00% | 5.00% | 2,26,84,570 | 2,12,39,172 |
| 7.00% | 7.00% | 2,54,10,485 | 2,33,68,770 |

(c) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

| Withdrawal rate Mar-18 | Mar-17 | Defined Benefit obligation (in ₹) | |
|---------------------------|--------|-----------------------------------|-------------|
| | | 31/03/2018 | 31/03/2017 |
| 4.00% | 4.00% | 2,37,00,099 | 2,20,90,399 |
| 6.00% | 6.00% | 2,42,20,541 | 2,23,88,644 |

xvi) Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed here under, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability risks

(i) Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

(ii) Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

(iii) Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has an sovereign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund where in all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

3) Longevity risk

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

5.39 Lease Arrangements

Operating Lease Arrangements

The Company has entered into Lease Arrangements with certain parties including its subsidiary whereby the company has granted to the parties the right to use a part of its factory premises, cumulatively represented by land and building disclosed under Property, Plant and Equipments in lieu of monthly lease rentals. Disclosures pursuant to Ind AS - 17 'Leases' are given below.

Payment recognised as Income

| Particulars | Figures for the year ended | |
|------------------------|----------------------------|-----------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Minimum Lease Payments | 8,74,160 | 6,59,160 |
| Total | 8,74,160 | 6,59,160 |

Non-cancellable operating lease agreement

Payment recognised as Income

| Particulars | Figures for the year ended | |
|---|----------------------------|------------------|
| | 31/03/2018 ₹ | 31/03/2017 ₹ |
| Not later than one year | 6,74,160 | 6,74,160 |
| Later than one year and not later than five years | 31,50,800 | 24,76,640 |
| Later than five years | 5,69,160 | 16,77,480 |
| | 43,94,120 | 48,28,280 |

The Agreements does not have any terms on contingent rents and therefore, there are no amounts recognised in the Statement of Profit & Loss in respect of contingent rents.



5.40 As per Ind AS 24, the disclosures of transactions with the related parties are given below:
List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

(a) **Subsidiary**
Bemco Fluidtechnik LLP (Incorporated on 13-02-2015. Formerly Bemco Fluidtechnik Private Limited upto 26-02-17)

(b) **Key Management Personnel**
Shri Madan Mohan Mohta - Chairman
Shri Anirudh Mohta - Managing Director
Shri R.M. Shah
Shri N.K. Daga
Shri Dilip Chandak
Shri R.B. Patil
Miss Amruta Tarale

(c) **Relatives of Key management personnel:**
Smt. Urmila Devi Mohta

(d) **Enterprises where key management personnel have significant influence:**
U. D. Fininvest Pvt Ltd
Mohia Capital Pvt Ltd
Bemco Precitech Pvt Ltd
U.D.Polyproducts Pvt Ltd
Sree Ramachandra Enterprises Private Limited

The following related party transactions were carried out during the year.

| Nature of Transactions | Subsidiary | | Key Management Personnel | | Relatives of Key Management Personnel | | Enterprises where Key Management Personnel have significant influence | |
|---|--------------------|-----------|--------------------------|-----------|---------------------------------------|-----------|---|-------------|
| | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 |
| | (All Figures in ₹) | | | | | | | |
| I. Property, Plant & Equipment Sale of Plant & Machinery - Bemco Fluidtechnik LLP | - | 12,78,028 | - | - | - | - | 1,88,88,960 | 1,88,86,142 |
| II. Financial Assets Trade Receivables - Bemco Fluidtechnik LLP | 6,35,653 | 2,64,074 | - | - | - | - | 64,62,013 | 64,61,049 |
| III. Preference Share Capital 11% Cumulative Redeemable Preference Shares of ₹ 100/- each - Mohia Capital Private Limited - U.D. Fininvest Private Limited - Sri Ramachandra Enterprises Private Limited | - | - | - | - | - | - | 64,62,013 | 64,61,049 |
| IV. Financial Liabilities Short Term Borrowings Accepted During the Year - Sri Ramachandra Enterprises Private Limited - Mohia Capital Private Limited | - | - | - | - | - | - | 1,00,000 | 2,95,45,000 |
| Repaid During the Year (Including Interest) - U.D. Fininvest Private Limited - Sri Ramachandra Enterprises Private Limited - Mohia Capital Private Limited | - | - | - | - | - | - | 27,244 | 82,000 |
| Balance as at Year End (Including interest) - U.D. Fininvest Private Limited - Sri Ramachandra Enterprises Private Limited - Mohia Capital Private Limited - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd | - | - | - | - | - | - | 3,32,00,000 | 2,73,60,000 |
| Trade Payables - Bemco Fluidtechnik LLP | 9,90,397 | 6,59,447 | - | - | - | - | 2,54,401 | 2,54,401 |
| | | | | | | | 1,00,917 | - |
| | | | | | | | 4,63,14,201 | 4,34,72,459 |
| | | | | | | | 1,45,780 | 1,45,780 |
| | | | | | | | 2,15,197 | 2,15,197 |



(All Figures in ₹)

| Nature of Transactions | Subsidiary | | Key Management Personnel | | Relatives of Key Management Personnel | | Enterprises where Key Management Personnel have significant influence | |
|---|------------|-----------|--------------------------|-----------|---------------------------------------|-----------|---|-----------|
| | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 |
| V. Other Financial Liabilities | | | | | | | | |
| Guarantee Commission Payable as at Year End | | | | | | | | |
| - Mohita Capital Private Limited | | | | | | | 2,06,259 | 1,03,129 |
| - U.D. Finvest Private Limited | | | | | | | 41,027 | 20,514 |
| - Sri Rama Chandra Enterprise Private Limited | | | | | | | 1,08,220 | 54,110 |
| VI. Revenue From Operations | | | | | | | | |
| Sale of Goods | | | | | | | | |
| - Bemco Fluidtechnik LLP | 2,30,464 | 2,10,410 | | | | | | |
| VII. Other Income | | | | | | | | |
| Lease Rental | | | | | | | | |
| - Bemco Fluidtechnik LLP | 1,20,000 | 1,20,000 | | | | | | |
| VIII. Expenses | | | | | | | | |
| Purchase of Raw Materials | | | | | | | | |
| - Bemco Fluidtechnik LLP | 44,50,130 | 30,76,587 | | | | | | |
| Finance Cost | | | | | | | | |
| - U.D. Finvest Private Limited | | | | | | | | 38,103 |
| - Sri Ramachandra Enterprises Private Limited | | | | | | | | 9,816 |
| - Mohita Capital Private Limited | | | | | | | 23,07,164 | 27,69,980 |
| - Bemco Precitech Private Limited | | | | | | | 17,350 | 17,347 |
| - U.D. Polyproducts Private Limited | | | | | | | 25,605 | 26,150 |
| Employee Benefit Expense | | | | | | | | |
| - Shri Anirudh Mohita | | | | | 57,57,482 | | | |
| - Shri RB Patil | | | | | 9,22,109 | | | |
| - Smt Anrutha Tarale | | | | | 4,58,580 | | | |
| Other Expenses | | | | | | | | |
| Sitting Fees | | | | | | | | |
| - Shri Madan Mohan Mohita | | | | | 7,000 | | | |
| - Smt Urmila Devi Mohita | | | | | 6,000 | | | |
| - Shri R.M. Shah | | | | | 7,000 | | | |
| - Shri N.K. Daga | | | | | 7,000 | | | |
| - Shri Dilip Chandak | | | | | 5,000 | | | |
| Guarantee Commission | | | | | | | | |
| - U.D. Finvest Private Limited | | | | | | | | 22,793 |
| - Sri Ramachandra Enterprises Private Limited | | | | | | | | 60,122 |
| - Mohita Capital Private Limited | | | | | | | | 1,14,588 |

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.
Compensation of key management personnel of the Group
The remuneration of director and other member of key management personnel during the year as follows;

| Particulars | 2017-2018 ₹ | 2016-17 ₹ |
|--|------------------|------------------|
| Short-term employee benefits | 70,32,001 | 33,01,865 |
| Post-employment benefits | 9,01,770 | 4,48,028 |
| Other Long Term Benefits | - | - |
| Termination benefits | - | - |
| Share Based Payments | - | - |
| Total compensation paid to key management personnel | 79,33,771 | 37,49,893 |

5.41 Foreign Currency Risk

The following table shows foreign currency exposures in Euro on financial instruments at the end of the reporting period.

| Particulars | Foreign Currency Exposure | | |
|--|---------------------------|--------------------------|--------------------------|
| | As at 31-03-2018 Euro | As at 31-03-2017 Euro | As at 01-04-2016 Euro |
| Trade and Other Payables - Deferred Payment Liabilities | 4,00,000 | 4,00,000 | 7,70,000 |
| Trade & Other Receivables - Trade Receivables | 5,181 | - | - |

Foreign Currency Sensitivity Analysis

The Company is mainly exposed to the currency : EURO

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact of profit or loss and Equity

| Particulars | Euro Impact | | |
|---------------------------------|-------------|-------------|-------------|
| | 31-03-2018 | 31-03-2017 | 01-04-2016 |
| Increase in Exchange Rate by 5% | (16,57,190) | (14,08,000) | (29,18,300) |
| Decrease in Exchange Rate by 5% | 16,57,190 | 14,08,000 | 29,18,300 |

Equity Risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 5.03 "Investments". The Company's equity investments majorly comprises of strategic investments rather than trading purpose.

Interest Risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in Note 5.16, 5.21 and 5.23

Credit Risk

Credit Risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit Risk arises from Company's activities in investments and other receivables from customers. The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company has set a policy of receiving 80 percent of the sale proceeds as an advance after the orders get finalized and remaining 20 percent at the time of dispatch and commissioning.

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in Note No. 5.16

Liquidity Risk Table

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

| Particulars | Less Than 1 year | 1 -5 years | Total | Carrying Amount |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| As at 31-03-2018 | ₹ | ₹ | ₹ | ₹ |
| i) Borrowings | 12,03,99,533 | 44,59,946 | 12,48,59,479 | 12,48,59,479 |
| ii) Other Financial Liabilities | 25,22,295 | 1,56,040 | 26,78,335 | 26,78,335 |
| | 12,29,21,828 | 13,21,53,800 | 12,75,37,814 | 12,75,37,814 |
| As at 31-03-2017 | | | | |
| i) Borrowings | 12,91,43,439 | 49,28,586 | 13,40,72,025 | 13,40,72,025 |
| ii) Other Financial Liabilities | 45,04,031 | 1,56,040 | 46,60,071 | 46,60,071 |
| | 13,36,47,470 | 50,84,626 | 13,87,32,096 | 13,87,32,096 |
| As at 01-04-2016 | | | | |
| i) Borrowings | 14,48,30,113 | 49,78,903 | 14,98,09,016 | 14,98,09,016 |
| ii) Other Financial Liabilities | 67,19,921 | 25,000 | 67,44,921 | 67,44,921 |
| | 15,15,50,034 | 50,03,903 | 15,65,53,937 | 15,65,53,937 |

Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in note 5.16, 5.21 and 5.23 off set by cash and bank balances) and total equity of the Group. The Group is not subject to any externally imposed capital requirements.

Gearing Ratio

| Particulars | As at 31-03-2018 | As at 31-03-2017 | As at 01-04-2016 |
|--------------------------|---------------------|---------------------|---------------------|
| Debt | 20,90,56,646 | 21,29,77,173 | 25,79,00,957 |
| Cash and Bank Balances | (2,24,38,421) | (1,52,19,522) | (1,29,57,228) |
| Net Debt | 18,66,18,225 | 19,77,57,651 | 24,49,43,729 |
| Total Equity | 33,71,14,164 | 32,51,18,973 | 29,55,68,147 |
| Net Debt to Total Equity | 55.36% | 60.83% | 82.87% |

Debt is defined as long-term borrowings, short-term borrowings and current maturity of long-term borrowings, as described in notes 5.16, 5.21 and 5.23.



5.42 Fair value measurements hierarchy

| Particulars | As at 31-03-2018 | | As at 31-3-2017 | | As at 01-04-2016 | |
|------------------------------|------------------|------------------------|-----------------|-----------------|------------------------|-----------|
| | Carrying Amount | Level of Input used in | | Carrying Amount | Level of Input used in | |
| | | Level 1 | Level 3 | | Level 1 | Level 3 |
| Financial Assets | | | | | | |
| At Amortised Cost | | | | | | |
| Trade Receivables | 10,45,29,385 | - | 12,55,42,744 | - | 9,41,01,762 | - |
| Cash and Bank Balance | 2,24,38,421 | - | 1,52,19,522 | - | 1,29,57,228 | - |
| Loans | 12,11,700 | - | 9,74,590 | - | 9,44,590 | - |
| Other Financial Assets | 62,44,105 | - | 1,38,73,355 | - | 91,88,581 | - |
| At FVTOCI | | | | | | |
| Investments | 23,26,473 | 16,46,469 | 21,19,411 | 14,39,407 | 16,76,279 | 11,26,167 |
| Financial Liabilities | | | | | | |
| At Amortised Cost | | | | | | |
| Borrowings | 16,48,61,465 | - | 17,64,34,264 | - | 22,48,06,158 | - |
| Trade Payables | 10,91,17,910 | - | 10,27,61,922 | - | 9,51,83,594 | - |
| Other Financial Liabilities | 4,76,61,844 | - | 4,43,35,701 | - | 3,82,05,980 | - |

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

Level 1: Quoted Prices in active markets for identical assets;

Level 3: Inputs other than observable market data, are used for deriving fair value.

5.43 Revenue from Major Customers

Revenue from one customer of the company's Rerailing equipment business is INR 10,28,82,661 (including excise duty and GST) which is more than 10% of the company's total revenue.

5.46 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacturing and sale of hydraulic press machine and related equipments' which primarily includes Hydraulic Presses, Equipments and Portable re-railing equipments and the activities incidental thereto within India, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made locally and hence, no separate geographical segment is identified.

As Per our Report of Even Date attached

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Newatia
Partner
Membership No.:062636

Place : Camp Belgaum
Date: 22-05-2018

For and on behalf of the Board of Directors

R B Patil
CFO
PAN: AANPP9374M

Amruta Tarale
Company Secretary
ACS - 42288

M M Mohta
Chairman
DIN: 0068884

Anirudh Mohta
Managing Director
DIN:00065302