99th Annual Report & Accounts 2018

KESORAM INDUSTRIES LTD.

CHAIRMAN'S MESSAGE

It may be early days yet to predict a booming global economic landscape. Nonetheless, the appearance of green shoots in the present environment is unmistakable. The US economy is on much stronger ground than it was even a year back. However, policy consistency is not a trait that the country specialises in. It needs to, for instance, positively respond to the less antagonistic overtures emanating from North Korea. A possible détente in Asia could well effectuate peace in the region. Such developments, should they eventually transpire, could irretrievably alter economic equations worldwide.

While the US continues to send out indications that it may not easily abandon protectionism, it recognises too that China is looking over its shoulder. China's vice like grip on world trade has the potential of propelling that country as the world's largest economy in the not too distant future. That would leave the US in second place!

India, in this scenario, is well positioned to take advantage of a young population circa 2020. In a world characterised by limited population growth, the country could possibly account for a major chunk of the global workforce, subject always to the caveat that standards of literacy and that of tertiary education in this country improve enough to make them employable globally. Certainly, on one side, the country seeks to turn the Malthusian population theory on its head. But on the other, the resultant enhancement of the populace's purchasing power presages a blessing for the domestic economy. With a middle-class, whose progression in terms of numbers and income can only accelerate, all pointers allude to India emerging as a major economic power house.

Even today, India is no less an economic power given rising incomes and a steady elevation of aspirations of its working population. The country did undergo a brief period of fiscal disruptions in the recent past but these are now behind. The Goods and Services Tax regime has begun delivering results after an initial spell of uncertainty. Inflation is also well within the band set for monetary policy. An upturn has already been reported in industrial production as compared to the previous year. By all accounts, this tempo should be maintained.

We, in Kesoram, fully recognise and appreciate that as the domestic economy expands we must at least be in sync with the curve. To this end, we are revamping our business processes and have initiated several confidence inspiring measures in our Businesses to usher in a new paradigm in the way we operate.

I must thank my colleagues on the Board for so unfailingly sharing their insights on Kesoram's path forward. I am grateful also to each one of our stakeholders. They have unhesitatingly guided us in the pursuit of our goals.

Basant Kumar Birla

B.K. BIRLA GROUP OF COMPANIES

KESORAM

BIRLA TYRES
Unbeatable!
IT'S TIME TO ROLL

BIRLA SHAKTI CEMENT
Trusted Technology - Solid Strength

KESORAM RAYON
Discover the tapestry of life

BOARD OF DIRECTORS

Basant Kumar Birla, *Chairman*
DIN 00055856

Manjushree Khaitan, *Executive Vice Chairperson*
DIN 00055898

Amitabha Ghosh
DIN 00055962

Lee Seow Chuan
DIN 02696217

Siddhartha Mohanty
DIN 08058830

Kashi Prasad Khandelwal
DIN 00748523

Jikyeong Kang
DIN 08045661

Sudip Banerjee
DIN 05245757

Tridib Kumar Das
Whole-time Director & CFO
DIN 01063824

Chander Kumar Jain
Whole-time Director
DIN 08125968

Gautam Ganguli
Company Secretary

Registered Office

8th Floor, Birla Building
9/1, R.N. Mukherjee Road
Kolkata – 700 001
Phone No : +91 33 22435453 / 22429454 / 22135121
Fax No : +91 33 22109455, CIN: L17119WB1919PLC003429
Website : www.kesocorp.com; E-mail: corporate@kesoram.net

Bankers

Axis Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
Kotak Mahindra Bank Ltd.
Lakshmi Vilas Bank Ltd.
Punjab National Bank Ltd.
State Bank of India – Lead Bank
The South Indian Bank Ltd.
YES Bank Ltd.

Auditors

Messrs. Deloitte Haskins & Sells

Share Transfer Agent

MCS Share Transfer Agent Limited,
(Unit: Kesoram Industries Ltd.)
12/1/5, Manoharpukur Road,
Kolkata – 700 026
Phone No : +91 33 40724051-54
Fax No : +91 33 40724050
E-Mail : mcssta@rediffmail.com

Members seeking any information on the Annual Report & Accounts are requested to send their queries to the Company at least ten days before the date of the Meeting. Members are requested to bring their copies of Annual Report to the Meeting.

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NOTICE

TO THE MEMBERS

NOTICE is hereby given that the **Ninety-ninth Annual General Meeting** of **KESORAM INDUSTRIES LIMITED** will be held at 11.00 A.M. on Friday, 13th day of July, 2018 at "Kala-Kunj" (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata – 700 017, to transact the following business:

General Business:

1. To consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Report of the Auditors thereon.
2. To appoint a Director in place of Basant Kumar Birla (DIN 00055856), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

3. "**RESOLVED THAT** Jikyeong Kang (DIN 08045661), appointed as an Additional Director on 10th January, 2018, be and is hereby appointed an Independent Director of the Company under Section 152(2) of the Companies Act, 2013 for an initial period of five years from the conclusion of Company's Ninety-ninth Annual General Meeting till the conclusion of Company's One Hundred and fourth Annual General Meeting."
4. "**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Mani & Co., Cost Accountants, Kolkata, the Company's Cost Auditors be paid a remuneration of ₹5.50 Lakhs (excluding applicable Taxes and reimbursement of actual travelling and other out of pocket expenses) for conducting the audit of the Company's cost accounting records for the Financial Year 2017 - 18 be and is hereby ratified and confirmed."

To consider and if thought fit, to pass with or without modification(s), the following as Special Resolution:

5. "**RESOLVED THAT** pursuant to Sections 196, 197 and Schedule V of the Companies Act, 2013 ("the Act") and the Rules made thereunder and subject to such approvals, if any, as may be necessary, consent of the Company be and is hereby accorded to the appointment of Chander Kumar Jain (DIN 08125968) as a Whole-time Director of the Company, for a period of one year effective 4th May, 2018 and payment of remuneration to him for this period, upon the terms of remuneration set out herein below:
   (a) Basic Salary & Allowances: Not exceeding ₹258 lakhs per annum as may be decided by the Board or any Committee thereof from time to time and as may be permissible under the provisions of Schedule V of the Companies Act, 2013.
   (b) Car with chauffeur for official use only and extension of communication facilities in the form of wi-fi and telephone including cell phone for official purposes will not be reckoned as remuneration.
   (c) No Fees payable for attending Meetings of the Board or any Committee thereof, where so appointed.
   (d) In the event of loss/inadequacy of profits during tenure, the above remuneration including perquisites shall be payable as minimum remuneration, subject to such approvals as may be necessary, under Schedule V of the Act.
   (e) Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration. Such expenditure will either be paid by the Company directly or reimbursed to him.

   RESOLVED FURTHER that the appointment shall be terminable:

   (a) by efflux of time ; or
   (b) by one party serving the other a three months' written notice;

   RESOLVED FURTHER that for the purpose of giving effect to the Resolution, the Board be and is hereby authorised to do all other acts, deeds and things as are or may be expedient and necessary."

Registered Office:
9/1, R. N. Mukherjee Road,
Kolkata - 700 0011
11th May, 2018

By Order of the Board
Gautam Ganguli
Company Secretary

Notes:

1. **A Member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and a proxy need not be a Member of the Company. The Instrument of Proxy must be lodged with the Company not less than 48 hours before the Meeting.**

   A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 percent of the total Share Capital of the Company.

   Proxies submitted on behalf of Companies / Association of Persons (AoP) must be supported by an appropriate Resolution/Authority, as applicable.

2. The Register of Members shall remain closed from 7th July, 2018 to 13th July, 2018 (both days inclusive).

3. The relevant Statement, pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") in respect of the items of Special Business is annexed hereto.

4. **As per Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility of casting votes through the electronic voting system from a place other than the venue of the Meeting ("remote e-Voting") under an arrangement with The National Securities Depository Limited ("NSDL") as specified more fully in the instructions hereunder:**

   a. **The items of business set out in the attached Notice may, however, be transacted also through the electronic voting system as an alternative mode of voting provided that once a vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast his/her vote again.**

   b. **The facility for voting through Ballot shall also be made available at the Meeting venue and Members attending the Meeting, who have not already cast their vote by remote e-Voting, shall be permitted to vote by ballot at the Meeting.**

   c. **Members who have cast their votes through remote e-Voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.**

5. The Notice of Meeting is also available on the Company's website **www.kesocorp.com** and the website of The National Securities Depository Limited ("**NSDL**") at **www.evoting.nsdl.com**.

6. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the "**cut-off date**" i.e. **6th July, 2018**, shall be entitled to avail the facility for remote e-Voting or voting at the Annual General Meeting ("**AGM**") through Ballot. A person who is not a Member on the cut-off date must treat this Notice for information only.

7. **Members holding shares in physical form are requested to notify change of address**, if any, along with address proof i.e. Voter Identity Card, Aadhaar Card, Electric/Telephone Bill, Driving License, Passport and Bank Statement to the **Share Department of the Company / Registrar and Share Transfer Agent**. In case shares are held in dematerialised form, then this information should be passed on to the respective **Depository Participant(s)** and not to the **Share Department of the Company / Registrar and Share Transfer Agent**.

8. In case the mailing address mentioned on the envelope of this Annual Report is either without Pin Code or with incorrect Pin Code, Members must advise the correct Pin Code to the **Share Department of the Company / Registrar and Share Transfer Agent** or the respective **Depository Participant(s)**, as the case may be, immediately, for speedier delivery in future.

   Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20,2018, Members are hereby requested to update their PAN and Bank details with the **Share Department of the Company / Registrar and Share Transfer Agent** for the purpose of payment of Dividend.

9. a) Members desirous of receiving Notices and/or documents from the Company through the **electronic** mode are urged to update their email addresses with their **Depository Participant(s)**, where shares are held in electronic form or the **Share Department of the Company / Registrar and Share Transfer Agent** where shares are held in physical form.

b) Email addresses of Members as advised to the **Share Department of the Company / Registrar and Share Transfer Agent** where shares are held in physical mode or **registered with Depositories** where shares are held in the electronic mode will be deemed to be the Member's registered email address for serving Company documents / notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs until and unless otherwise advised to the Company in writing. Members intending to refresh / update their email addresses should do so as soon as possible.

10. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Share Department of the Company / Registrar and Share Transfer Agent** enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for their own convenience.

11. As per the provisions of the Act, the facility for making / varying / cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in **Form SH-13** and any variation / cancellation thereof can be made by giving notice in **Form SH-14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the S**hare Department of the Company / Registrar and Share Transfer Agent or from the website or the Ministry of Corporate Affairs at www.mca.gov.in**.

12. a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 dividends for the Financial Year ended 31st March, 2011 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the '**Investor Education and Protection Fund'("IEPF")** constituted by the Central Government. Members, who have not encashed their dividend, warrant(s) for the Financial Year ended 31st March, 2011 or any subsequent Financial Year(s) are urged to claim such amount from the **Share Department of the Company/Registrar and Share Transfer Agent.**

    b) Pursuant to the Provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 29th June, 2017 (the date of the last Annual General Meeting) on the website of the Company **www.kesocorp.com** and also on the website of the Ministry of Corporate Affairs.

    c) Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 and of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 340251 Equity Shares in respect of which dividend had not been paid or claimed by the a member for seven consecutive years, to the Demat Account of the Investor Education and Protection Fund Authority. The Company had sent a communication to all members concerned and also had published a Notice in a leading Newspaper both in English and in the regional language, with respect to the formalities and process of such transfer. The Company had also uploaded full details of such members, whose dividend remains unclaimed on its website **www.kesocorp.com**.

    d) Members / claimants whose shares, unclaimed dividend etc. have been transferred to the IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with the requisite fees. Members / claimants must file only one consolidated claim in a Financial Year as per the IEPF Rules.

    e) Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Till such claim, as per Para E in Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on such shares shall remain frozen.

13. Last dates of claim for the following dividends are as follows:

Dividend for the Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
31st March, 2011	5th July, 2011	3rd August, 2018
31st March, 2012	11th July, 2012	9th August, 2019
31st March, 2013	31st July, 2013	2nd September, 2020

14. a) Electronic copy of the Annual Report 2017 - 18, Notice of the aforesaid AGM, ***inter alia***, indicating the process and manner of remote e-Voting along with Attendance Slip and Proxy Form have been sent to all Members, whose email IDs are registered with the Company's Registrar & Share Transfer Agent Depository Participant(s), for communication purposes unless a Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Annual Report 2017 – 18, Notice of the AGM along with Attendance Slip, Electronic Voting Particulars and Proxy Form are being sent to their registered addresses.

    b) **Corporate Members/AOPs are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Act, authorising their representative to attend and vote at the Annual General Meeting.**

    c) Members desirous of getting any information in relation to the Company's Annual Report 2017 - 18 are requested to address their query(ies) well in advance, i.e. **at least 10 days before the Meeting**, to the Company Secretary to enable the Company keep the information readily available at the Meeting.

    d) Members holding shares in Electronic Form, are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. Thereafter, it was clarified vide Circular no. MRD/DOP/Cir-05/2009 dated May 20, 2009 that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for transferee(s) to furnish a copy of PAN Card to the **Share Department of the Company / Registrar and Share Transfer Agent** for registration of such transfer of shares. Hence, Members holding shares in the electronic form are requested to submit their PANs to their **Depository Participant(s)** with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the **Share Department of the Company / Registrar and Share Transfer Agent.**

16. **As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars relating to appointment and re-appointment of Directors are given in the Corporate Governance Section of the Annual Report.**

17. For those Members opting for remote e-Voting, the process and manner of remote e-Voting will be as follows:

    A. The voting period begins from **9.00 A.M. on Tuesday, 10th July, 2018** and ends at **5.00 P.M. on Thursday, 12th July, 2018**. During this period, Members of the Company, holding Shares either in physical form or in dematerialised form, as on the **cut-off date ("record date")** i.e. **6th July, 2018**, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. The facility for voting through Ballot shall be made available at the Meeting to the Members as on the "**cut-off date**" i.e. **record date**, attending the Meeting, who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Meeting through Ballot.

    B. In case a Member receives an email from NSDL:

        (i) Open email and open PDF file viz; "KIL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-Voting. Please note that the password is an initial password.

        NOTE: Shareholders already registered with NSDL for e-Voting will not receive the PDF file "KIL e-Voting.pdf".

        (ii) Launch internet browser by typing the following URL: **https://www.evoting.nsdl.com/**

        (iii) Click on **Shareholder – Login**.

        (iv) Put your user ID and password. Click **Login**.

        (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

        (vi) Home page of remote e-Voting opens. Click on remote e-Voting: Active Voting Cycles.

        (vii) Select "**EVEN**" of "**Kesoram Industries Limited**".

(viii) Now you are ready for remote e-Voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "**Submit**" and also "**Confirm**" when prompted.

(x) Upon confirmation, the message "**Vote cast successfully**" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to banerjeesalil@rediffmail.com with a copy marked to evoting@nsdl.co.in

C. In case a Member receives physical copy of the Notice of AGM :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-Voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. 17B (ii) to (xii) above, to cast vote.

In case of any queries, kindly refer to the Frequently Asked Questions (FAQs) for Members and remote e-Voting user manual for Members available at the downloads section of **www.evoting.nsdl.com** or call on toll free No.: **1800-222-990**. should you be already registered with NSDL for remote e-Voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password" or "Physical User Reset Password" option available on **www.evoting.nsdl.com**.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No.+Folio No.).

18. Persons, who have acquired Shares and become Members of the Company after despatch of the Notice of AGM, but before the **cut-off date**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or sharedepartment@kesoram.net. However, Members already registered with NSDL for remote e-Voting can use their existing user ID and passwords for casting their votes. If a Member has forgotten her / his password, s / he can reset her / his password by using "Forgot User Details / Password" option available on **www.evoting.nsdl.com** or contact NSDL at the following toll free No.: **1800-222-990**.
19. Voting rights of Members shall be in proportion to their share in the Company's Paid-up Equity Share Capital as on the **cut-off date**.
20. Salil Banerjee, FCS, (CP Registration No. 1140), Practising Company Secretary, has been appointed as the Scrutiniser to enable the voting at venue of AGM and remote e-Voting processes to be conducted in a fair and transparent manner.
21. The Chairman / person shall, at the end of discussion on the Resolutions on which voting are to be held, allow voting by use of Ballot for those Members present at the AGM but have not cast their votes through the remote e-Voting facility.
22. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman / person of the Meeting or a person authorised by him / her in writing, who shall countersign the same and declare the results of the voting forthwith.
23. The Results declared along with the Report of the Scrutiniser shall be placed on the website of the Company **www.kesocorp.com** and on the website of NSDL **www.evoting.nsdl.com** immediately after the declaration of result by the Chairman / person of the Meeting or the person authorised by him / her in writing. The results shall also be simultaneously communicated to the Stock Exchanges and displayed on the Notice Board of the Company at the Registered Office at 8th Floor, Birla Building, 9/1, R N Mukherjee Road, Kolkata - 700001.
24. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
25. The Landmark and Route Map of the venue of the AGM are given on the reverse of the Attendance Slip cum Proxy Form with the Annual Report 2017-18.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Number 3

Jikyeong Kang (DIN: 08045661), President and Dean of the Asian Institute of Management, Manila, Philippines and an eminent academic on her own right, was appointed an Additional Director of the Company at a Meeting of the Board of Directors held on 10th January, 2018. The appointment was based upon a recommendation from the Board's Nomination and Remuneration Committee.

The Board, at the said Meeting, also formed an opinion that Ms. Kang is a person of integrity and possesses the relevant expertise and experience for being appointed an Independent Director of the Company. In the opinion of the Board, Ms. Kang fulfills the conditions specified in the Companies Act, 2013 ("the Act") and the Rules made thereunder and that she is independent of the Management.

Ms. Kang has furnished to the Board the requisite declarations contemplated under Section 149(7) of the Act stating that she is an Independent Director within the meaning of Section 149(6) of the Act and she is not disqualified from being appointed as Director in terms of Section164(2) of the Act.

In view of the above, approval of Members is sought, through an Ordinary Resolution, to appoint her as an Independent Director for an initial term of five years from the conclusion of the Company's Ninety-ninth Annual General Meeting to the conclusion of the Company's One Hundred and fourth Annual General Meeting.

Brief particulars of Ms. Kang is appended in the Report of Corporate Governance.

The Company and Ms. Kang, as an Independent Director, shall also abide by the Code for Independent Directors specified in Schedule IV of the Act, and shall be governed and guided in the manner similar to the other Independent Directors of the Company.

Formal letter of appointment will be issued to Ms. Kang as an Independent Director upon her appointment at this meeting. The terms and conditions of the appointment shall be open for inspection at the Registered Office of the Company by any Member during normal business hours and shall also be posted on the Company's website.

The Board is of the opinion that it would be in the interest of the Company to appoint Ms. Kang as an Independent Director and the Resolution under Item No. 3 has been proposed to this end. The Board commends the Resolution to Members for acceptance.

The appointment of Ms. Kang being based on the recommendation of the Nomination and Remuneration Committee duly constituted under Section 178(1) of the Companies Act, 2013 and she being an Independent Director, no deposit under the Act, is applicable. Further, the Company has received a Notice from a shareholder proposing her name as an Independent Director.

Ms. Kang should be deemed concerned or interested in the Resolution. No other Director / Key Managerial Personnel nor any relative of the Directors or the Key Managerial Personnel have any concern or interest in this Resolution. The passing of the aforesaid Resolution does not and will not relate to or affect any other company.

Item Number 4

Upon the recommendation of the Audit Committee, the Board had appointed Mani & Co., Cost Accountants to audit the cost accounting records maintained by the Company for the Financial Year ended 31st March, 2018 at a total remuneration of ₹5.50 lakhs excluding taxes and actual reimbursement of out of pocket expenses, in respect of its Tyre and Cement Businesses.

As required under Section 148(3) of the Act the remuneration payable to the Cost Auditors require ratification by Shareholders.

Item No. 4 of the Notice convening the Ninety-ninth Annual General Meeting ("AGM") has accordingly been proposed and the Board commends this Ordinary Resolution to Shareholders for acceptance.

No Director or Key Managerial Personnel or any relative of the Directors or Key Managerial Personnel have any concern or interest in the Resolution.

The passing of this Resolution does not and will not relate to or affect any other company.

Item Number 5

In accordance with the recommendation of the Nomination and Remuneration Committee, the Board proposes to induct Chander Kumar Jain ("Mr. Jain") (DIN 08125968), Head Manufacturing Operations of the Company's Cement Business as a Whole-time Director for one year effective 4th May, 2018.

Mr. Jain is a professionally qualified Electrical Engineer, functioning in a professional capacity and is neither a shareholder nor related to any Director or any other Key Managerial Personnel or Promoter of the Company, at any time during the last two years before or after the date of appointment. The remuneration offered to him is in line with the Company's Nomination and Remuneration Policy as well as present corporate trends taking due account of his expertise as well as the considerable acumen that he brings to the Company.

As per Schedule V of the Act, Mr. Jain's appointment and remuneration requires approval through a Special Resolution.

Mr. Jain, not being a retiring Director, has been duly proposed by a Member under Section 160 of the Act.

Brief particulars of Mr. Jain in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are incorporated in the Report on Corporate Governance.

Information required to be disclosed under the provisions of the Second Proviso to Section-II(B), Part-II of Schedule V of the Act is as follows :

i. the proposed remuneration has been approved by a Resolution of the Nomination and Remuneration Committee as well as the Board;

ii. the Company has not made any default in repaying its debt (including public deposits) or debentures or interest payable for a continuous period of thirty days in the preceding Financial Year;

iii. a Special Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding one year;

iv. a statement containing further specified information is set out hereunder:

I. General Information:

(1) Nature of industry:

The Company is in the business of manufacturing and marketing Tyres and Cement.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated on 18th October, 1919. It commissioned its two Cement plants in 1969 and 1986 respectively and the present Tyre plant in 1991.

(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :

Not applicable

(4) Financial performance based on given indicators:

Particulars	31.03.2018 (₹/crores)
Gross Revenue from operations	3933.03
Profit/(Loss) before Exceptional items & Tax	(390.28)
Exceptional Items	(75.23)
Profit/(Loss) before Tax	(465.51)
Tax Expenses / (Credit)	(2.00)
Profit/(Loss) for the Year	(463.51)
Equity Share Capital	137.34

(5) Foreign investments or collaborations, if any : None

II. Information about the appointee:

(1) Background details: Mr. Jain, a qualified Electrical Engineer, has been with the Company's Cement Business for over 32 years. He joined the Company as a Deputy Project Manager (Electrical), in the Vasavadatta Cement Plant, and rose to become Plant Head in May, 2013. He was promoted as Head Manufacturing Operations of the Cement Business in August, 2014, with concurrent charge of both Cement plants.

(2) **Past remuneration:** ₹218.59 lakhs p.a. as on 31st March, 2018.

(3) **Recognition or awards:** Nil

(4) **Job profile and his suitability:** Mr. Jain superintends manufacturing operations of the Company's Cement Business and is also simultaneously involved in the operations of the Company's other businesses. In recognition of his merit in managing the operations of the Company, the Nomination and Remuneration Committee thought it fit to recommend his elevation as a Whole-time Director.

(5) **Remuneration proposed:** As set out in Item No. 5 of the Notice of the Annual General Meeting.

(6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Mr. Jain's remuneration is considered reasonable and is in line with that drawn by his peers in Industry.

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Nil

III. Other information:

(1) **Reasons of loss or inadequate profits :**

Out of the two Businesses of the Company, the Tyre Business has been performing below expectations. The Cement Business, has, however, consistently returned a positive Earnings before Interest, Depreciation, Taxes and Amortisation ("EBIDTA"). The Tyre Business's under-performance compounded by the effect of a debt burden has been the primary reason for the Company not being able to show a performance in accordance with its true potential. This situation is being expeditiously remedied. The Cement Business is further consolidating itself. Certainly, this business looks at 2018-19 with confidence. The Tyre Business underwent a difficult first half of 2017-18 owing largely to a demand recession on the back of the onset of Goods and Service Tax from 1st July, 2017. Nonetheless, it took full advantage of a market revival post Diwali 2017 to post a positive EBIDTA in the fourth quarter of 2017-18. A recovery is thus in sight.

(2) **Steps taken or proposed to be taken for improvement:**

Both Businesses are inherently EBIDTA positive and, indeed, the Cement Business has never deviated from being EBIDTA positive over the years despite the price pressures it has been subjected to. The functioning of the Tyre Business is being restructured, including if so required, through the induction of a strategic partner for thoroughly remodulating the Business's vision going forward.

At a more macro level the Promoter Group is stead fast in its ongoing commitment to the well being of the Company. It has brought in non debt funds during 2017-18 to counter balance cash deficits. This position will be maintained. In parallel, the Company will modify its borrowing profile and bring down total debt through structural measures.

(3) **Expected increase in productivity and profits in measurable terms:**

The Company draws immense strength from the Cement Business's its long and established track record, strong brand image and a demonstrable marketing network. This Business will continue to be EBIDTA positive. The Company recognises also that the task ahead for the Tyre Business is cut out. This Business is in the process of reinventing itself.

IV. Disclosures:

The required disclosures are given in the Report on Corporate Governance annexed to the Directors' Report.

The Company accordingly commends for Shareholders acceptance of the Special Resolution as set out in Item No. 5 of the Notice convening the Company's Ninety-ninth AGM. Mr. Jain should be deemed concerned or interested in this Resolution. No other Director or Key Managerial Personnel, Promoters or any of their relatives have any concern or interest, financial or otherwise in the Resolution. The passing of this Resolution does not and will not relate to any other company.

Registered Office:
9/1, R. N. Mukherjee Road,
Kolkata - 700 001
11th May, 2018

By Order of the Board
Gautam Ganguli
Company Secretary

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31st MARCH, 2018

The Board presents its Ninety-ninth Annual Report together and the Audited Statement of Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL RESULTS ₹ in crores

Particulars	31st March, 2018	31st March, 2017
Total Revenue	3,933.03	4,243.44
Profit/(Loss) before Interest, Depreciation, Tax and other Amortizations ("EBIDTA")	159.19	129.69
Add : Exceptional (Expense)/Income	(75.23)	121.35
Less : Depreciation and Amortization Expenses	128.23	123.05
Finance Costs	421.24	282.10
Tax Expenses – Net	(2.00)	0.76
	547.47	405.91
Profit/(Loss) for the year	(463.51)	(154.87)
Other Comprehensive Income (net of tax expense): (Items that will not be reclassified subsequently to the statement of profit and loss)		
Remeasurement of post-employment benefit obligations	(7.67)	(0.04)
Fair valuation of equity investments	7.93	7.88
Income tax relating to these items	(2.00)	(1.57)
	(1.74)	6.27
Total comprehensive income/(loss) for the year	**(465.25)**	**(148.60)**

DIVIDEND

No dividend is recommended in view of the loss during the year and non-availability of any carry forward surplus.

SHARE CAPITAL

The Paid-up Equity Share Capital as on 31st March, 2018 amounted to ₹137.34 crores and was comprised as follows:

	₹ in crores
Equity Share Capital as on 1st April, 2017	117.27
Add: Equity Shares allotted on conversion of	
a) Optionally Convertible Redeemable Preference Shares	7.50
b) Issued during the year to the Promoter Group on preferential basis	12.57
Closing Equity Share Capital	**137.34**

In addition, the Company issued, on preferential basis to the Promoter Group, 52,50,000 Convertible Warrants of ₹10/- each at a premium of ₹165/- per warrant amounting to ₹91.87 crores on which 90% consideration was received upto 31st March, 2018. These Warrants were fully converted into Equity Shares on 6th April, 2018.

₹207.43 crores being premium received against preferential allotment of Equity Shares has been credited to the Securities Premium Account.

ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Company adopted the Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these Financial Statements. Consequently, the Financial Statements of the previous year have had to be restated to conform to the provisions of IndAS. The corresponding reconciliation and description of the effects of this transition from the provisions of the Companies (Accounting Standards) Rules, 2005 has been provided under Note 43 to the Financial Statements.

DEPOSITS

No deposit within the meaning of Section 73 of the Companies Act, 2013 ("the Act") was accepted during the year. Deposits amounting ₹4.46 lakhs from two depositors continue to remain unclaimed as at the end of the year. These depositors have yet again been approached for instructions. There were no deposits not in compliance with the requirements of Chapter V of the Companies Act, 2013.

GENERAL REVIEW

Total Revenue of the Company for the year on a stand-alone basis amounted to ₹3933.03 crores as against ₹4243.44 crores in the previous year. Despite the lower turnover, the Company's Earnings Before Interest, Depreciation, Taxation and other Amortisztions ("EBIDTA") during the year rose to ₹159.19 crores as against ₹129.69 crores in the previous year, an increase of nearly 23%.

Sale volumes of the Cement Business during the year were subdued largely owing to a slowdown in construction activity in the markets that it services. This was compounded by uncertainty in consumer behaviour in the months leading up to the implementation of the Goods and Service Tax ("GST") in the country and immediately thereafter. This affected cement offtake and, in turn, impacted net price realisations. Nonetheless, the Business did well to improve EBIDTA as compared to the previous year.

The Tyre Business had an indifferent first half with both volume and net sale realisations on a downward cycle. The impact of GST was even more pronounced in the Tyre Business. In the run up to the D-day of 1st July, 2017 and subsequently, the market tended to postpone tyre buying decisions till "GST settled down". Markets in the North began recovering their equilibrium post Diwali. The Tyre Business took full cognisance of the altered dynamics and concentrated on growing sale volumes and augmenting margins. The strategy yielded dividends and the fourth quarter showed a positive EBIDTA. Commendable progress in the second half of the year was made not only in the Business's conventional segments but also in such segments as two and three wheelers and off the road tyres.

With a view to enhancing the Company's manufacturing presence in the State of West Bengal, the undertakings of Spun Pipes & Foundries as well as Heavy Chemicals, disposed of effective close of business on 31st March, 2016, were reacquired during the year. These Undertakings continue to be under suspension of work.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE

A Management Discussion & Analysis and the Report on Corporate Governance are attached as Annexures I and II respectively of this Annual Report.

RISK MANAGEMENT

The Company's Risk Management Policy continues to be contemporary, dealing as it does with perceived risks in its Businesses. It endeavours to minimise, as far as possible, their adverse impact and fine tunes each Business's competitive advantages.

GOING CONCERN STATUS

There were no significant or material orders passed by regulators/ courts / tribunals impacting or influencing the Company's going concern status and/or its future operations.

INTERNAL FINANCIAL CONTROLS

The Company has a defined framework for internal financial controls through a combination of business level controls, process level controls and IT level controls. Continuous internal monitoring mechanisms ensure that these controls are reinforced from time to time on an ongoing basis.

EVALUATION OF BOARD PERFORMANCE

As in previous years, the performance of the Board, each individual Board Member, including Independent Board Members, as well as the performance of each Board Committee were evaluated during the year. A brief statement on the methodology adopted in the evaluation process appears in the Corporate Governance Report.

As mandated under the provisions of the Act, a Meeting of all Independent Directors was convened and held during the year.

NUMBER OF BOARD MEETINGS

A tentative calendar of Board Meetings to take place in each financial year is prepared and circulated amongst Board Members and Key Management Personnel before the beginning of that financial year. During the year, seven Board Meetings were convened and held. These details appear in the Report on Corporate Governance.

NOMINATION AND REMUNERATION POLICY

The Company's Nomination and Remuneration Policy prepared in conformity with the requirements of Section 178(3) of the Act is attached in Annexure III of this Report.

AUDIT COMMITTEE

The Audit Committee is chaired by Amitabha Ghosh, an eminent Chartered Accountant with additional qualifications in banking. K P Khandelwal, Sudip Banerjee, Lee Seow Chuan, Jikyeong Kang and Siddhartha Mohanty are the other Members. Tridib Kumar Das, Whole-time Director and Chief Financial Officer is a permanent invitee to the Meetings. The Company Secretary acts as Secretary to the Committee.

All recommendations of the Audit Committee made during the year were accepted by the Board and there were no instances of any disagreement between the Committee and the Board.

CORPORATE SOCIAL RESPONSIBILITY

In the absence of profit, there were no compulsions whatsoever on the Company to incur any spends on Corporate Social Responsibility ("CSR"). The Company nonetheless recognises its commitment towards fulfilling its societal responsibilities.

Several programmes initiated in previous years keeping in mind the Company's obligations to the society at large were continued during the year so that the uptrend in the number of beneficiaries of these schemes was preserved.

The Company's singular initiative aimed at transforming the lives of youth through excellence in sport in the form of the CCFC-Kesoram Football Academy ("the Academy") gained further ground during the year. The Academy today has a nucleus of some fifty talented young men meticulously spotted from over six hundred hopefuls who had participated in the series of trials. They are being put through the grind by a select group of qualified coaches for skill upgradation and developing the "big match" temperament. The team consisting of the senior trainees did well to top the Kolkata Second Division League in 2017-18 and has been promoted to participate in the Kolkata First Division League during the ensuing football season. This development has been a source of inspiration for the young men at the Academy and their trainers.

The Academy has major plans to further hone in on the ingrained talent in these young men. It is contemplating conversion of the present coaching pattern into a residential *gurukul* setting where both trainees and coaches will be housed in one location and trained in a dedicated complex equipped with the requisite facilities.

The football project is therefore so designed as to constitute a critical impetus to the game of football in the country. At the same time, the Academy endeavours to make a difference to the lives of these young men drawn as they have been from the weaker sections of society. The Academy hopes to see several of these young men being recruited by the country's premier football clubs as well as the teams competing in the Indian Soccer League .

The Company's CSR Policy is available on **www.kesocorp.com**. The CSR Committee of the Board consists of Manjushree Khaitan Chairperson, Amitabha Ghosh and Tridib Kumar Das.

A Report on CSR activities as mandated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure IV** to this Report.

RELATED PARTY TRANSACTIONS

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, related party transactions are placed before the Audit Committee for approval. Wherever required, prior approval of the Audit Committee is obtained on an omnibus basis for continual transactions. The corresponding actual transactions then become a subject of review by the Committee at subsequent Meetings.

All related party transactions/arrangements entered into by the Company during the year were on an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Management Personnel or other designated persons which could conflict with the interest of the Company as a whole. Consequently, disclosures in Form AOC-2 pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014 are not required.

The Company's Related Party Transactions Policy appears on its website with weblink www.kesocorp.com/DOCS/management corner.php#slide5.

SUBSIDIARY AND JOINT VENTURE COMPANY

As at 31st March, 2018, the Company had a wholly owned subsidiary, Cygnet Industries Limited ("Cygnet") and a Joint Venture Company, Gondkhari Coal Mining Limited ('Gondkhari")

The Financial Statements of Cygnet as at 31st March, 2018 has been consolidated with the Financial Statements of the Company. The Consolidated Financial Statements of the Company in respect of the year appears on pages 132 to pages 200 of this Annual Report.

As reported in the previous Annual Report, Gondkhari, the Special Purpose Vehicle ("SPV") incorporated in 2009 as a Joint Venture between the Company and two other corporate entities for developing and working a coal block in the State of Maharashtra lost its sub-structure once the coal block was de-allocated in 2014 by the Supreme Court. The SPV is therefore non functional and the Company has made full provision against its portion of the investment in Gondkhari.

A Statement containing the salient features of the financial statements of Cygnet, the wholly owned subsidiary and Gondkhari, in Form AOC-1 appears in **Annexure V** to this Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Inter corporate financial exposures during the year appears separately under Note No. 7 to the Financial Statements. The Company had, during the year, issued a Corporate Guarantee on behalf of Cygnet Industries Limited ("Cygnet"), its wholly owned subsidiary, against a Term Loan of ₹500 crores availed by Cygnet from a Scheduled Bank. Cygnet has since repaid ₹226 crores out of this Term Loan after the end of the year. Subject to converting ₹400 crores out of its existing loan to Cygnet into Equity as disclosed under Note No. 5 to the Financial Statements, the Company has not made any investment during the year.

The Company has taken no other financial exposure during the year within the meaning of Section 186 of the Act to any other Company.

VIGIL MECHANISM

The Whistle Blower Policy of the Company is available on its website www.kesocorp.com.

STATUTORY AUDIT AND REPORT

Shareholders at the Company's Ninety eighth Annual General Meeting appointed Messrs. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company for a period of five years from the conclusion of that Annual General Meeting.

The Report of the Auditors for the year ended 31st March, 2018 forming part of this Annual Report does not contain any qualification, reservation, observation, adverse remark or disclaimer.

COST AUDIT

Upon a recommendation from the Audit Committee, Mani & Co., Cost Accountants, were appointed to audit the cost accounting records maintained by the Company for the financial year ended 31st March, 2018 at a total remuneration of

₹5.50 lakhs, excluding taxation and reimbursement of out of pockets. The remuneration requires ratification by shareholders and an appropriate Resolution has been incorporated in the Notice convening the Ninety-ninth Annual General Meeting.

SECRETARIAL AUDIT AND SECRETARIAL STANDARDS

Salil Banerjee, Practising Company Secretary, was appointed by the Board to conduct audit of the Company's Secretarial records in respect of the Financial Year 2017-18.

His Report appears under **Annexure VI** to this Report. There are no qualifications in the Report.

The Company, during the year, has complied with Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in Annexure VII and forms part of this Report. None of the employees listed in the said Annexure is related to any Director of the Company.

As per the provisions of Section 136 of the Act, this Annual Report and Accounts is being sent to each Member and others entitled thereto, excluding the information on employee particulars as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. This information is readily available for inspection by Members at the Company's Registered Office between 3 P.M. and 5 P.M. on all working days (excluding Saturdays) up to the date of the forthcoming Annual General Meeting. Should any Member be interested in obtaining a copy (including through e-mail gg@kesoram.net), s/he should write to the Company Secretary at the Company's Registered Office.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place the requisite Internal Committees as envisaged in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints on the issues covered by the above Act were received during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act and, based upon representations from the Management, the Board, to the best of its knowledge and belief, states that:

(a) in the preparation of the Annual Accounts, applicable accounting standards has been followed along with proper explanation relating to material departures;

(b) such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2018 and of the loss for that period;

(c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Annual Accounts have been prepared on a going concern basis;

(e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

(f) proper systems have been devised to ensure compliance by the Company with the provisions of applicable laws and that such systems were adequate and working effectively.

DIRECTORS

Upon a favourable recommendation from the Board's Nomination and Remuneration Committee, the Board appointed Jikyeong Kang (DIN 08045661) as an Additional Independent Director effective 10th January, 2018. Ms. Kang vacates office at the forthcoming Annual General Meeting and is eligible to be appointed an Independent Director for a term of five years.

An appropriate Ordinary Resolution is therefore being included in the Notice convening the Ninety-ninth Annual General Meeting. A respected academic, Ms. Kang is at present the President and Dean of the Asian Institute of Management, Manila, Philippines.

Similarly, based upon a recommendation of the Nomination and Remuneration Committee, Chander Kumar Jain (DIN 08125968) Head Manufacturing, Cement Business has been appointed a Whole-time Director for one year effective 4th May, 2018. An appropriate Resolution, to this effect is also being proposed at the forthcoming AGM.

The Life Insurance Corporation of India, during the year, replaced its nominee Vinay Sah (DIN 02425847) with Siddhartha Mohanty (DIN 08058830). Mr. Mohanty is the Corporation's Executive Director, Legal. The Board wishes to place on record its sincere appreciation for Mr. Sah's wise advice and guidance during his tenure on the Board.

Basant Kumar Birla (DIN 00055856), Chairman of the Board, retires by rotation and, being eligible, offers himself for re appointment.

All Independent Directors have furnished to the Company the requisite declarations that they meet the relevant independence criteria as laid down in Section 149(6) of the Act as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief profiles of Directors being appointed / re-appointed at the forthcoming Ninety-ninth Annual General Meeting have been given in the Report on Corporate Governance.

KEY MANAGERIAL PERSONNEL

The following persons functioned as Key Managerial Personnel during the year:

Manjushree Khaitan	Executive Vice Chairperson (DIN 00055898)
Tridib Kumar Das	Whole - time Director and Chief Financial Officer (DIN 01063824)
Gautam Ganguli	Company Secretary

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, set out in **Annexure VIII** to this Report.

MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There has been no material change between the end of the Financial Year and the date of this Report. The conversion of Warrants issued to the Promoter Group, into Equity Shares of the Company features elsewhere in this Report.

EXTRACTS FROM ANNUAL RETURN

Details forming extracts from the Company's Annual Return in Form MGT-9 appears in **Annexure IX** to this Report.

ANNEXURES FORMING PART OF THIS REPORT

Annexure	Particulars
I	Management Discussion & Analysis
II	Report on Corporate Governance
III	Nomination & Remuneration Policy
IV	Report on Corporate Social Responsibility (CSR) activities
V	AOC – 1
VI	Secretarial Audit Report
VII	Remuneration related disclosures per Section 197
VIII	Energy Conservation Particulars
IX	Annual Return Extracts

APPRECIATION

The Board gratefully acknowledges the understanding and support received by the Company from its employees. It also places on record its deep gratitude for the unstinted support the Company has received from the Banks, the Central Government, the various State Governments and the local authorities during the year.

Specific acknowledgment is also made for the confidence and understanding shown by the Members in the Company.

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Chander Kumar Jain
Whole-time Director

Place: Kolkata
Date: 11th May, 2018

Gautam Ganguli
Company Secretary

ANNEXURE- I

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Overview

The Company's Business-wise performance during the year is shown below: ₹ in crores

S.No.	Particulars	2017-18	2016-17
1	EBIDTA		
a)	Cement	212	181
b)	Tyres	(90)	(35)
c)	Total EBIDTA before Corporate Expenses	122	146
d)	Unallocated Income/(Expenses)	37	(16)
	Total EBIDTA	**159**	**130**
2	Exceptional Income/(Expenses)	(75)	121
3	Finance Cost (Including other borrowing cost)	421	282
4	Cash Profit /(Loss)	(337)	(31)
5	Depreciation	128	123
6	Profit Before Tax	(465)	(154)
7	Tax Provision /(Credit)	(2)	1
8	**Profit After Tax**	**(463)**	**(155)**

Business-wise resume

Cement

Industry Overview

Though far behind China, the world's largest cement producer, India ranks as the world's second largest cement producer. Total Indian production capacity per *annum* is estimated at 425 million tonnes. Of this, some 350 million tonnes is accounted for by approximately 210 large cement plants and the balance from mini cement plants.

The industry in India, however, actually produces about 280 million tonnes per *annum* with a per *capita* consumption of around 225 kg. The country's total production figure is expected to grow to over 550 million tonnes per *annum* by 2025.

Risks and Concerns

The Indian cement industry is materially dependent for growth on the development of infrastructure. Infrastructure development in the country being predominantly in the hands of the Government, any decline in Government spends adversely impacts the well being of cement. In addition, Government buying cannot always be divorced from an oligopolistic situation where prices tend to be dictated by the buyer. Access to insufficient quantities of sand adds a further discordant note to the overall scenario as the genesis of concrete (or mortar) which is the basic raw material for any building activity is contingent upon cement being mixed with sand. Certain Indian states seem perpetually stretched in making available sufficient quantities of natural sand for the sector. A solution could probably lie in entering the arena of artificial sand. That would benefit the cement industry.

The industry seems continually hamstrung in reining in energy and logistics costs. Present price trends of such key energy inputs, as fossil fuels in the form of coal and pet coke are unfavourable. While this has afforded industry the required stimulus to step up conservation through research, the process is, by its very nature, time consuming. Increases in the cost of the other fossil fuel, high speed diesel, hurt logistics costs since cement has to be transported in bulk.

Linked to the above would be the concern that clinker production across the globe accounts for some 4% of carbon dioxide ('CO_2"). This would mean that tighter environment policies going forward will necessitate further research on the exercise of control over CO_2 emissions.

Stressed availability of railway rakes can disrupt smooth supplies of coal for clinkerisation. It also has the effect of considerably slowing down transportation of clinker to grinding units and cement to rail-fed destinations.

A macro concern would be the progressive depletion of reserves of limestone and other flux minerals required for cement manufacture. This is probably a signal for the industry to further gear up on technological innovations.

Growth drivers

The prospects of the cement industry continues to be closely intertwined with the progress of the national economy. As infrastructure moves forward, so will cement.

Housing, including real estate, will form a major driver of cement demand, accounting, as it presently does, for nearly 60% of total cement consumption in India. The sector is expected to grow at a CAGR of around 11%. The primary aim of the *Pradhan Mantri Awaas Yojana* ("PMAY") is to ensure that at least two crore dwelling units are built nationally per year. The accent on *Swachh Bharat Abhiyan* will also benefit the cement industry.

The Government has already announced an allocation of ₹5.97 lakh crores in the 2018-19 Central Budget to be spent during the current financial year on infrastructure. As part of this process, the railways, for instance, have already embarked on impressive plans to further augment infrastructure in terms of stations, laying and renewing railway lines, replacing wooden sleepers, taking up and completing metro rail projects as well as operationalising dedicated freight corridors.

Outlook

Recent merger and acquisition deals in cement could promote better production discipline and perhaps lead to more price stability going forward. Further consolidation may well be imminent as there are at least 20 large cement companies in the country as against a handful globally.

According to a recent joint report by CREDAI and JLL, the housing sector's contribution to the country's GDP could possibly increase beyond 11% by 2020 from the present estimates of 5% - 6%. This could enhance cement demand.

The Company's Cement Business going forward

With the Government aspiring to boost investment in infrastructure, including on the construction of *Amaravati*, Telengana's proposed capital, the Business perceives an accretion in the demand pull for cement during the current year. There would, of course, be a more complex competition landscape to reckon with given the manufacturing capacity additions in the Business's serviced areas.

The Cement Business has, over the past several months, dedicated itself, albeit unobtrusively, to the task of initiation and implementation of several productivity and efficiency upgradation measures across functions. A clear strategic shift is now discernible from giving primacy to volume to delivering profitable volume growth by entering high realisation zones and, at the same time, driving cost optimisation. Cost optimisation will include further, broadening distribution network, penetrating new geographies as well as bringing more rigour in branding and technical services. This emphasis will serve to further fortify the Cement Business in the current year.

Tyres

Industry Overview

Despite competition, especially from China, the tyre industry in India is rapidly enlarging its footprint not only nationally but in various developed and developing economies across the globe. Indian tyre companies have done very well indeed to develop niches for themselves. Enterprising Indian entrepreneurs have set up manufacturing plants overseas to take advantage of such niches. Within the country, the tyre industry continues to reinforce its competencies, particularly in two and three wheelers, passenger car radials and certain speciality tyres.

Risks and concerns

The major risk facing tyre manufacturing in the country today is the price escalation in procurement costs of conversion materials, particularly fossil fuels, carbon black and natural rubber. To further compound matters, certain critical raw materials, for instance, carbon black, are no longer readily available.

It needs to be recognised that at the end of the day, tyre manufacturing is raw material intensive in as much as a significant portion of its net sale price realisations is tied up in conversion costs. The challenge therefore would be to ceaselessly innovate for lowering costs. This will enable the industry keep pace with frequent alterations in the tyre demand pattern. The industry, for example, will need to be ready for electric vehicles and fuel saving tyres.

Imminent introduction of the concept of "connected tyres" in the Indian market by virtue of which a lay user would be able to capture and internalise on what could be happening in the tyre(s) installed in his/her vehicle, for example, measuring tread wear level, time for rotation and replacement, and so on. This process would call for a rise in tyre- user literacy which is still some way off in this country.

Harmonising production processes to ensure consistent quality, and improving collaboration between R&D, design, sourcing, production as well as sales and services in accordance with changing market parameters would also be a concern for the industry.

Growth drivers and Outlook

Two and three wheeler tyres as well as passenger car radials will continue to be the mainstay of the Indian tyre market and be followed by commercial vehicle tyres and other speciality tyres.

With incomes both in the rural and urban belts in the country on the rise, the proclivity of today's youth to move up the value chain in their choice of two wheelers will further proliferate. Moreover, two wheelers are eminently more manoeuvrable in the clogged Indian road situation and should act as a demand booster for these vehicles. More inelasticity in the demand for two wheeler tyres will be a consequent result for which the tyre industry has to be prepared. Indeed, in respect of those aspiring to further move up the value ladder, four wheelers open an entirely new paradigm. Unless compelled by environment prohibitions or an exorbitant rise in the price of fossil fuels, demand for four wheelers and therefore their tyres whether OEM or replacement is also expected to be inelastic.

Further, the progressively higher allocation being accorded by the Government to infrastructure development is likely to catalyse demand for commercial vehicle tyres as well as speciality tyres like off the road tyres. The present restrictions on overloading and the stress on better road connectivity through the *Bharat Mala* project will prove beneficial for commercial vehicle tyre producers.

Given the above growth drivers, the immediate outlook for the tyre industry is positive and the current year should see the industry progress further subject, of course, to its ability to rein in conversion costs. The other caveat will be the industry's proficiency in coming up with effective substitutes for inputs suffering from supply volatility or price instability.

The Company's Tyre Business going forward

The Business will continue with its revamped market approach devoting focussed attention on commercial vehicle bias tyres. It will introduce designs that will be improved versions of the existing ones so that it retains the niches that it is painstakingly creating. Bias is no more a segment subjected to emphasis by competition and could be a sheltered nook that the Business could arguably exploit. The Business is also working extensively on deepening market penetration beyond commercial vehicle bias including, for example, on light commercial vehicles as well as on farm and OTR. The Business's thrust in the two and three wheeler market will be intensified in view of the intrinsic advantages that these markets have. Commercial vehicle radials will rank as another important segment for penetration during the current year.

In addition, the Company is closely looking at the possibility of inducting a strategic partner in possession of specialised acumen in the tyre industry globally to assist it in operating the Tyre Business in a manner that will be even more beneficial for all stakeholders.

Internal Control Systems and their adequacy

This has been covered in the Directors' Report.

Material Developments in Human Resources

Both the Cement and Tyre Businesses have very energetically put in place during the year, processes and procedures designed to keep the workforce fully motivated as the Company rigorously moves forward to assiduously re-engineer itself.

The Cement Business's initiatives in this direction have already been discussed above. The Tyre Business has adopted a set of remodelled goals centred around distinct objectives that it would seek to accomplish during the current year. The agreed processes have been so designed as to further consolidate on work force alignment, their engagement and enablement as well as learning and development. These have been structured in a manner that would permit periodical review of achievements against set targets.Wherever required deviations could be corrected.

Industrial relations remained cordial during the year.

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Chander Kumar Jain
Whole-time Director

Place: Kolkata
Date: 11th May, 2018

Gautam Ganguli
Company Secretary

ANNEXURE II

REPORT ON CORPORATE GOVERNANCE

1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is founded upon and structured on a rich legacy of principles and practices that predicates dealings with stakeholders based on fairness, transparency and ethical behaviour. It seeks to assiduously build mutual trust and confidence as the basis for all working relationships with stakeholders. Implicit in this philosophy is also the recognition and demonstration of a two way communication between the Company and its stakeholders. While the Company welcomes constructive ideas and encourages dissent, it also acts fearlessly and with conviction.

2. BOARD OF DIRECTORS

i) **Composition of the Board as on 31st March, 2018 and their Directorships, Committee positions held in other Companies and shares held by them as on that date:**

As on 31st March, 2018, the Company had nine Directors. The composition of the Board complies with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). Details of Board composition are as follows:

Directors	Designation	Category	No. of other Directorships held *	No. of Independent Directorships held in Listed Companies *	No. of other Board Committees ** (of Companies *)		Share-holding in the Company
					As a Member	As a Chairman / Chairperson	
Basant Kumar Birla	Chairman	Non–executive	4	0	0	0	4,02,496
Manjushree Khaitan	Executive Vice Chairperson	Executive	2	0	0	0	7,20,158
Amitabha Ghosh	Director	Non-executive Independent	4	3	2	1	Nil
Lee Seow Chuan	Director	Non-executive Independent	0	0	0	0	Nil
Jikyeong Kang (appointed w.e.f. 10.01.2018)	Additional Director	Non-executive Independent	0	0	0	0	Nil
Siddhartha Mohanty*** (appointed w.e.f. 10.02.2018)	Nominee Director, LICI(Equity Investor)	Non-executive	0	0	0	0	Nil
Kashi Prasad Khandelwal	Director	Non-executive Independent	3	3	3	0	Nil
Sudip Banerjee	Director	Non-executive Independent	3	2	1	0	Nil
Tridib Kumar Das	Whole-time Director	Executive	2	0	0	0	Nil

* *Excluding Kesoram Industries Limited, Private Companies, Companies under Section 8 of the Companies Act, 2013 ("the Act") and foreign companies.*

** *Only two Committees viz., the Audit Committee and the Stakeholders' Relationship Committee have been considered for this purpose in terms of Regulation 26(1)(b) of LODR Regulations.*

*** *Vinay Sah resigned effective from 24.01.2018 and in his place Siddhartha Mohanty was appointed as the Nominee Director effective from 10.02.2018.*

The following persons are related as per the provisions of the Act:

Basant Kumar Birla and Manjushree Khaitan;

ii) Attendance of Directors at Meetings held during the Financial Year 2017-18

Seven Board Meetings were held during the Financial Year ended 31st March, 2018 on 28th April, 2017, 14th June, 2017, 14th September, 2017, 10th November, 2017, 15th December, 2017, 10th January, 2018 and 10th February, 2018.

The attendance of each Director at these Meetings and at the Ninety-eighth Annual General Meeting ("AGM") held on 29th June, 2017 was as follows:

Members	Attendance	
	No. of Board Meetings	AGM
Basant Kumar Birla	2	No
Manjushree Khaitan	5	Yes
Amitabha Ghosh	7	Yes
Lee Seow Chuan	7	Yes
Jikyeong Kang (appointed w.e.f. 10.01.2018)	0	NA
Vinay Sah (resigned w.e.f. 24.01.2018)	6	No
Siddhartha Mohanty (appointed w.e.f. 10.02.2018)	1	NA
Kashi Prasad Khandelwal	7	Yes
Sudip Banerjee	7	Yes
Tridib Kumar Das	7	Yes

iii) Details of Remuneration and Meeting Fees paid to Directors during the Financial Year 2017-18

Sl.No.	Name of the Directors	Sitting fees paid for[1]	
		Board Meetings (₹)	Committee Meetings* (₹)
1	Basant Kumar Birla	2,00,000	-
2	Manjushree Khaitan **	-	-
3	Amitabha Ghosh	7,00,000	8,00,000
4	Lee Seow Chuan #	10,13,026	6,94,646
5	Jikyeong Kang (appointed w.e.f. 10.01.2018)	-	-
6	Vinay Sah*** (resigned w.e.f. 24.01.2018)	6,00,000	5,00,000
7	Siddhartha Mohanty*** (appointed w.e.f. 10.02.2018)	1,00,000	-
8	Kashi Prasad Khandelwal	7,00,000	7,60,000
9	Sudip Banerjee	7,00,000	4,40,000
10	Tridib Kumar Das**	-	-
	Total	**40,13,026**	**31,94,646**

1 Exclusive of 0.5% Swachh Bharat Tax (chargeable upto 30.06.2017).

* Includes non-statutory Committees of the Board as well as Meeting of Independent Directors.

** Sitting fee is not payable to Whole-Time Directors.

*** Fees paid to Life Insurance Corporation of India ("LICI").

Inclusive of Income Tax borne on the fees paid by the Company.

No Commission was paid to the Directors during the Financial Year 2017-18.

Tridib Kumar Das was re-appointed as a Whole-time Director at the Annual General Meeting held on 29th June, 2017 for a period of three years effective from 1st April, 2017. The total remuneration paid to him during 2017-18 is as under:

Particulars	Amount paid ₹/lakhs
Gross Salary :	
(a) Salary [Section 17(1) of the Income Tax Act, 1961]	465.97
(b) Value of perquisites	0.81
(c) Others :	
Contribution to Provident Fund and Superannuation Fund	13.36
Total	**480.14**

Manjushree Khaitan was appointed as a Whole-time Director for a period of five years effective 5th February, 2013 at the Ninety-fourth Annual General Meeting held on 31st July, 2013. At the Ninety-eighth Annual General Meeting held on 29th June, 2017, a Special Resolution was passed for increase in her remuneration for the period commencing from 1st April, 2017 to 4th February, 2018. She was re-appointed by the Shareholders in its meeting held on 29th June, 2017 effective 5th February, 2018 for a further period of two years. The total remuneration paid to her during 2017-18 is given below:

Particulars	Amount paid ₹/lakhs
Gross Salary :	
(a) Salary [Section 17(1) of the Income Tax Act, 1961]	284.09
(b) Value of perquisites	0.39
(c) Others :	
Contribution to Provident Fund and Superannuation Fund	10.80
Total	**295.28**

Apart from the above, no other pecuniary relationships (including stock options) or transactions vis-a-vis the Company exists with any Director.

iv) Code of Conduct

The Company has a Code of Conduct applicable to all Board Members and Senior Management staff for avoidance of conflict of interest between each of these individuals and the Company. Each Board Member and Senior Management staff have declared their compliance with the Code of Conduct as at 31st March, 2018. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

The Code of Conduct is available on the website of the Company.

3. AUDIT COMMITTEE

i) Terms of Reference

The Audit Committee has been mandated with the same terms of reference as envisaged in Section 177 of the Act and in Regulation 18 of the LODR Regulations.

ii) Composition, Names of Members and Chairman

As on 31st March, 2018 the Audit Committee had six Non-Executive Directors as Members out of which five were Independent Directors and one was Nominee Director with Amitabha Ghosh as the Chairman of the Committee.

The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Amitabha Ghosh	4
Lee Seow Chuan	4
Jikyeong Kang (appointed as a member w.e.f. 10.01.2018)	-
Vinay Sah (ceased to be a member w.e.f. 24.01.2018)	3
Siddhartha Mohanty (appointed as a member w.e.f. 10.02.2018)	-
Kashi Prasad Khandelwal	4
Sudip Banerjee	4

Four Meetings were held during the Financial Year ended 31st March, 2018 on 28th April, 2017, 14th September, 2017, 10th November, 2017 and 10th February, 2018.

The quorum for an Audit Committee Meeting is two Members personally present. The Company Secretary acts as the Secretary to the Audit Committee.

The following were invited to Audit Committee Meetings:

a) the Statutory Auditors.

b) the Internal Auditors, as and when necessary.

c) the Cost Auditors, as and when necessary.

d) Tridib Kumar Das, Whole-time Director and Chief Financial Officer; Herve Richert, President, Tyre Business, C K Jain, Head Manufacturing, Cement Business, U. S. Asopa, Chief of Treasury and Accounts, Suresh Sharma, Chief of Secretarial & Investor Services and P. Radhakrishnan, Treasurer.

Amitabha Ghosh, Chairman of the Committee and Kashi Prasad Khandelwal, Member of the Committee are senior Chartered Accountants with expert knowledge in finance, accounting and audit. Vinay Sah, senior executive of the Life Insurance Corporation of India resigned from the Company's Board w.e.f. 24th January, 2018 and therefore ceased to be the member of the Audit Committee of the Company as well and in his place Siddhartha Mohanty, Executive Director (Legal) of the Life Insurance Corporation of India was appointed as a Nominee Director and a Member of the Audit Committee effective 10th February, 2018. He holds a Master Degree in Arts together with an LLB. Lee Seow Chuan is a fellow member of the Association of International Accountants, UK. Sudip Banerjee is an Honours graduate in Economics and holds a Management Diploma from All India Management Association. Jikyeong Kang, was appointed as the member of the Audit Committee w.e.f. 10th January, 2018. She holds a doctorate in Marketing and is the President and Dean of the Asian Institute of Management, Manila, Philippines ("AIM").

All Members of the Committee are, therefore, financially literate.

The Chairman of the Audit Committee attended the last Annual General Meeting ("AGM") held on 29th June, 2017.

4. NOMINATION AND REMUNERATION COMMITTEE

i) Composition, Names of Members and Chairman

As on 31st March, 2018, the Nomination & Remuneration Committee consisted of three Non-Executive Independent Directors as Members.

Vinay Sah, senior executive of the Life Insurance Corporation of India resigned from the Company's Board w.e.f. 24th January, 2018 and therefore ceased to be the member of the Nomination and Remuneration Committee of the Company.

Lee Seow Chuan, an Independent Non- Executive Independent Director of the Company, was appointed as the member of the Committee effective 10th February, 2018.

The Committee met three times during the Financial Year 2017-18 on 28th April, 2017, 14th September, 2017 and 10th February, 2018. Amitabha Ghosh chaired all the meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Amitabha Ghosh	3
Lee Seow Chuan (appointed as a member w.e.f. 10.02.2018)	1
Vinay Sah (ceased to be a member w.e.f. 24.01.2018)	2
Kashi Prasad Khandelwal	3

The terms of reference of the Nomination and Remuneration Committee traverses the areas covered under Regulation 19 of the LODR Regulations and Section 178 of the Act.

ii) The Nomination and Remuneration Policy

This Policy formulated and recommended by the Committee to the Board was approved on 29th April, 2015. The Policy is attached as Annexure III to the Directors' Report.

The performance of individual Board Members including Independent Directors was subject to peer evaluation during the Financial Year.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

i) Composition, Names of Members and Chairman

As on 31st March, 2018, the Committee consisted of two Non-Executive Directors and one Executive Director as Members.

The Committee met five times during the Financial Year 2017-18 on 28th April, 2017, 29th June, 2017, 14th September, 2017, 10th November, 2017 and 10th February, 2018. Amitabha Ghosh chaired these Meetings.

The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Amitabha Ghosh	5
Vinay Sah (upto 24.01.2018)	3
Kashi Prasad Khandelwal	5
Tridib Kumar Das	5

The terms of reference of the Committee cover all the areas as mentioned under Regulation 20 of the LODR Regulations and Section 178 of the Act.

ii) Shareholder complaints received and redressed during the Financial Year 2017-18:

Nature of Grievances	Complaints received from				Total complaints received during 2017-18	Total complaints redressed	No. of complaints outstanding as on 31st March, 2018
	Investors directly	Stock Exchanges	SEBI "SCORES"	ROC			
Non-receipt of Dividend/ Interest/ Redemption Warrants/NECs	13	Nil	2	Nil	15	15	Nil
Non-receipt of Share / Debenture Certificate(s)	Nil	Nil	4	Nil	4	4	Nil
Non-receipt of Duplicate Share/ Debenture Certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Demat related grievances	1	Nil	Nil	Nil	1	1	Nil
Non-receipt of Annual Report(s)	7	7	Nil	Nil	14	14	Nil
Status of Application lodged for Rights Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reason for Non-Allotment of Shares in Rights Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Change of Name on Securities	3	Nil	Nil	Nil	3	3	Nil
TOTAL	**24**	**7**	**6**	**Nil**	**37**	**37**	**Nil**

iii) Details of outstanding shares in the Unclaimed Suspense Account:

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on 1st April, 2017	3,988	1,53,021
Shareholders, who approached the Company for transfer/ delivery during 2017-18	04	72
Shares transferred/delivered during the year 2017-18	03	60
Shareholders, who approached the Company for transfer/ delivery pending compliance of verification process	01	12
Shares transferred to Investor Education and Protection Fund (IEPF) u/s 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.	3,984	1,52,956
Balance as on 31st March, 2018	01	05

The voting rights on these outstanding shares in the Unclaimed Suspense Account and transferred to IEPF Authority shall remain frozen till the rightful owners of such shares claim the shares.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under Section 135 of the Act, a Corporate Social Responsibility Committee was constituted on 29th April, 2014 and re-constituted with effect from 1st April, 2016 with Amitabha Ghosh, Tridib Kumar Das as Members and Manjushree Khaitan as the Chairperson. The terms of reference of this Committee are aligned with the requirements of Section 135 of the Act. The Committee met once during the Financial Year 2017-18 on 10th February, 2018. Amitabha Ghosh chaired the Meeting. Amitabha Ghosh and Tridib Kumar Das attended the Meeting.

7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As per stipulations in Section VII of the Code for Independent Directors in Schedule IV of the Act and Regulation 25 of the LODR Regulations, a separate Meeting of the Company's Independent Directors was held on 10th February, 2018. All Independent Directors except Jikyeong Kang, attended the meeting.

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation programme for Independent Directors is available on the website of the Company under the weblink:

http://www.kesocorp.com/DOCS/management_corner.php#slide_6.

9. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

An annual evaluation exercise was carried out by the Board during the year encompassing its own performance, those of its Committees as well as individual Board Members.

The exercise this year focused on the ability of each Board Member, whether functioning as part of the Board or Committee, to competently overcome individual predilections and egos and subordinate himself/ herself to the collective entity, be it the Board or Committee so that such entity appropriately subserved its objectives to stakeholders.

The process was an involved one and the conclusion reached was that each Board Member had harmoniously contributed to complement the role of the collective entity during the year. This had made the performance of both the Board and its Committees efficacious.

10. COMPLIANCE OFFICER

The Company Secretary is the Compliance Officer under Regulation 6 of the LODR Regulations, and other applicable SEBI Regulations and Rules.

11. GENERAL BODY MEETINGS

i) Details of last three AGMs

AGMs	Date of AGM	Location	Time
98th AGM	29th June, 2017	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.
97th AGM	28th July, 2016	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.
96th AGM	12th December, 2015	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.

ii) Special Resolutions passed at previous three AGMs:

a) AGM held on 29th June, 2017:

Three Special Resolutions were proposed and passed as stated hereunder:

i) Payment of remuneration to Manjushree Khaitan, a Whole-time Director, for the period commencing from 1st April, 2017 to 4th February, 2018 in terms of Sections 196,197 and Schedule V of the Act read with Rules made thereunder.

ii) Re-appointment of Manjushree Khaitan, as Whole-time Director and payment of remuneration for a further period of two years effective 5th February, 2018 in terms of Sections 196,197 and Schedule V of the Act read with Rules made thereunder.

iii) Appointment of Tridib Kumar Das, as Whole-time Director and payment of remuneration for a period of three years effective 1st April, 2017 in terms of Sections 196,197 and Schedule V of the Act read with Rules made thereunder.

b) AGM held on 28th July, 2016:

One Special Resolution was proposed and passed viz. Appointment of Tridib Kumar Das as Whole-time Director and payment of remuneration for the period of three years effective 1st April, 2016 in terms of Sections 196, 197 and Schedule V of the Act read with Rules made thereunder.

c) AGM on 12th December, 2015:

Six Special Resolutions were proposed and passed as stated hereunder:

i) Reappointment of Kamal Chand Jain as Whole-time Director and payment of remuneration for the period of one year effective 1st April, 2015 in terms of Sections 196, 197 and Schedule V of the Act read with Rules made thereunder.

ii) Appointment of Amolak Preet Singh, a non resident Indian, as Whole-time Director and payment of remuneration for the period commencing from 1st December, 2014 until 14th January, 2015 in terms of Sections 196,197 and Schedule V of the Act read with Rules made thereunder.

iii) Payment of remuneration to Manjushree Khaitan, a Whole-time Director, for the period commencing from 1st April, 2015 to 4th February, 2018 in terms of Sections 196,197 and Schedule V of the Act read with Rules made thereunder.

iv) Divestment of Company's entire investment in Cavendish Industries Limited, a material non-listed subsidiary company in terms of Clause 49(V) (F) of the Listing Agreement with Stock Exchanges.

v) A new set of Memorandum of Association pursuant to Section 13 and other applicable provisions of the Act and Rules made thereunder.

vi) A new set of Articles of Association pursuant to Section 14 and other applicable provisions of the Act and Rules made thereunder.

iii) Postal Ballot:

During the financial year ended 31.03.2018 two Special Resolutions were passed by postal ballot, details of which are given as follows:

Salil Banerjee, a Practising Company Secretary acted as scrutinizer to conduct the Postal Ballot.

The procedure laid down under Section 108 and other applicable provisions of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended was followed. The details of voting pattern of the Special Resolutions passed are as under:

Date of Result- 14th March, 2018

Result :

Resolution No. as given in the Postal Ballot Notice dated 10th January, 2018	Particulars of the Votes Cast			Result
		No. of Votes	%	
Resolution No. 1 as a Special Resolution	Votes cast in favour	7,12,47,529	99.99	Approved by requisite majority
	Votes cast against	9,675	0.01	
Resolution No. 2 as a Special Resolution	Votes cast in favour	7,12,46,898	99.99	Approved by requisite majority
	Votes cast against	9,436	0.01	

As of now, no Special Resolution is proposed to be passed through Postal Ballot.

12. DISCLOSURE IN RELATION TO THE APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As required under Regulation 36(3) of the LODR Regulations, brief profiles of Basant Kumar Birla, Jikyeong Kang and Chander Kumar Jain are appended:

Basant Kumar Birla (Non-Executive Director) DIN 00055856: Basant Kumar Birla was appointed a Director of the Company in 1940. He is 97 years of age and an industrialist of distinction. He has more than 70 years experience in several diverse businesses and is also associated with various charitable trusts and educational institutions. He is a Director of Century Enka Limited, Century Textiles and Industries Limited, Jay Shree Tea & Industries Limited, Pilani Investment & Industries Corporation Limited and B K Birla Foundation. He holds 4,02,496 shares in the Company.

Jikyeong Kang (Non-Executive, Independent Director) DIN 08045661: Jikyeong Kang, aged about 56 years, was appointed as an Additional Independent Director in the Board Meeting held on 10th January, 2018. She holds a doctorate in Marketing and is the President and Dean of the Asian Institute of Management, Manila, Philippines ("AIM"). Prior to assuming her post at AIM, she was Director of the DBA Program at Manchester Business School (MBS) from 2010 to 2014. She has also taught at top business schools around the world as a Visiting Professor and currently serves on the International Board of the AACSB as well as on the Board of EFMD, both educational institutions. She is also an Independent Director of Security Bank, one of Philippines' leading universal banks. She does not hold any directorship in any other Company and has no shareholding in the Company.

Chander Kumar Jain (Whole-time Director) DIN 08125968: C K Jain, (65) has been the Head of Manufacturing Operations of the Company's Cement Divisions since August, 2014 and appointed as a Whole-time Director of the Company effective 4th May, 2018. He joined the Company as a Deputy Project Manager in January, 1986 and was elevated several times during his three decades of association with the Company. He is a professionally qualified Electrical Engineer. His experience spans over four decades through which he has gathered acumen in amongst other areas, operations and maintenance of Cement plants and TPM implementation. His last employment was in Cement Corporation of India as a Senior Engineer. He does not hold a directorship of any other Company and has no shareholding in the Company.

13. DISCLOSURES

1. The Audit Committee in its Meeting held on 8th August, 2014 has approved the Related Party Transaction Policy which is placed on the website of the Company. The weblink is http://www.kesocorp.com/DOCS/management_corner.php#slide_5.
2. Transactions with Related Parties, as per requirements of Indian Accounting Standard 24 (IND-AS 24) in the prescribed format of Para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are disclosed in the Notes to Accounts annexed to the Financial Statements. There are no materially significant transactions with Related Parties viz. Promoters, Directors or the Management or their relatives or Subsidiaries that had or could have potential conflict with the Company's interest. There were no Related Party Transactions in terms of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, which required disclosure in Form AOC - 2 as such the same does not form part of the Directors' Report.
3. The Company has complied with all relevant Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended, while preparing the Financial Statements.
4. There are/were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has or could have potential conflict with the interests of the Company at large.
5. The Company has complied with all requirements of the Listing Agreement as well as the Regulations and guidelines prescribed by the Securities and Exchange Board of India ("SEBI") for the Financial Year ended 31st March, 2018. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
6. The Company has in place a mechanism to inform Board Members about risk assessment and mitigation plans and periodical reviews to ensure that critical risks are controlled by the executive management. No Risk Management Committee has been constituted since this is not mandated for the Company under the LODR Regulations.

7. As on 31st March, 2018, the Company had a wholly owned subsidiary- Cygnet Industries Limited.

   The Policy on Material Subsidiaries is available on the Company's website for which the weblink is http://www.kesocorp.com/DOCS/management_corner.php#slide_5.

8. Independent Directors have confirmed to the Company that they meet the criteria of 'Independence' as stipulated under Regulation 16 (b) of the LODR Regulations.

9. The Company has adopted a Whistle Blower Policy that has been placed on the website of the Company at the weblink http://www.kesocorp.com/DOCS/management_corner.php#slide_5. The Policy contains guidelines to be followed by whistle blowers. No person has been denied access to the Audit Committee.

10. Commodity price risks and foreign exchange risks are hedged from time to time in accordance with a Board approved Hedging Policy.

11. The Company has complied with Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of LODR Regulations.

12. The status of compliance with non-mandatory recommendations of the Part E of Schedule II of LODR Regulations are provided below:

    a) Non-Executive Chairman's Office: The Non-Executive Chairman maintains an office at the Company's Head Office.

    b) Shareholders' Rights: As the quarterly and half yearly financial performance are submitted to the Stock Exchanges, published in the news papers and posted on the Company's website, these are not sent to shareholders separately.

    c) Audit Qualifications: The Company's financial statements for the year 2017-18 does not contain any audit qualification.

    d) Separate posts of Chairman and CEO: The Chairman of the Board is a Non - Executive Director and his position is separate from that of the CEO.

    e) Reporting of Internal Auditor: The Internal Auditors and an in house audit team report to the Audit Committee.

14. MEANS OF COMMUNICATION

i) Financial results, Annual Report etc.

The quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board are sent to / filed with the Stock Exchanges where the Company's shares are listed and then published in various leading national newspapers, viz. Business Standard (English – all editions) and Dainik Statesman(Bengali edition). The Results are also posted on the Company's website www.kesocorp.com. All official releases and other related information are also displayed on this website.

The quarterly Unaudited Financial Results and the Annual Financial Results along with the Report on Segment Revenue, Results and Capital Employed, Balance Sheet, Statement of Profit & Loss, Directors' Report, Auditor's Report, Cash Flow Statement, Corporate Governance Report, Management Discussion and Analysis and Shareholding Pattern etc. can also be accessed by investors from the Company's website www.kesocorp.com.

ii) **Management Discussion and Analysis**

The Management Discussion and Analysis, as reviewed by the Audit Committee, is part of this Annual Report.

15. GENERAL SHAREHOLDER INFORMATION

- **Next AGM**

Time	11.00 A.M
Day	Friday
Date	13th July, 2018
Venue	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017

- **The Company's Financial Year**

  The Financial Year of the Company is from 1st April to 31st March.

- **Date of Book Closure**

  7th July, 2018 to 13th July, 2018 (both days inclusive).

- **Stock Exchange related information**

  a) Listing on Stock Exchanges :

Equity Shares	BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	National Stock Exchange of India Limited ("NSE"), Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai-400 051
	The Calcutta Stock Exchange Limited ("CSE"), 7, Lyons Range, Kolkata-700 001
	Societe de la Bourse de Luxembourg, Societe Anonyme/R.C.B. 6222, B.P.165, L-2013 Luxembourg (for GDRs)

  b) Codes:

Equity Shares	
BSE	502937
NSE	KESORAMIND
CSE	10000020
Luxembourg Stock Exchange	US4925322053

There are no arrears in payment of Listing Fees to any Exchanges stated above.

  c) ISIN No. for the Company's Listed Securities

Equity Shares	
Equity Shares in Demat Form	INE087A01019
Global Depository Receipts	US4925322053

  d) Depository Connectivity: National Securities Depository Limited and Central Depository Services (India) Limited.

  e) Stock Market Price Data: ₹/Share

Month	BSE Sensex Close	Share Price		
		High	Low	Close
April, 17	29,918.40	173.40	144.50	166.55
May, 17	31,145.80	157.00	135.80	142.45
June, 17	30,921.61	151.85	135.10	147.50
July, 17	32,514.94	154.35	139.85	141.10
August, 17	31,730.49	144.30	121.65	139.55
September, 17	31,283.72	149.55	122.65	124.85
October, 17	33,213.13	143.60	125.00	140.25
November, 17	33,149.35	143.20	119.60	131.30
December, 17	34,056.83	156.40	130.20	138.05
January, 18	35,965.02	173.25	134.80	138.30
February, 18	34,184.04	144.90	122.70	127.10
March, 18	32,968.68	128.50	104.95	108.85

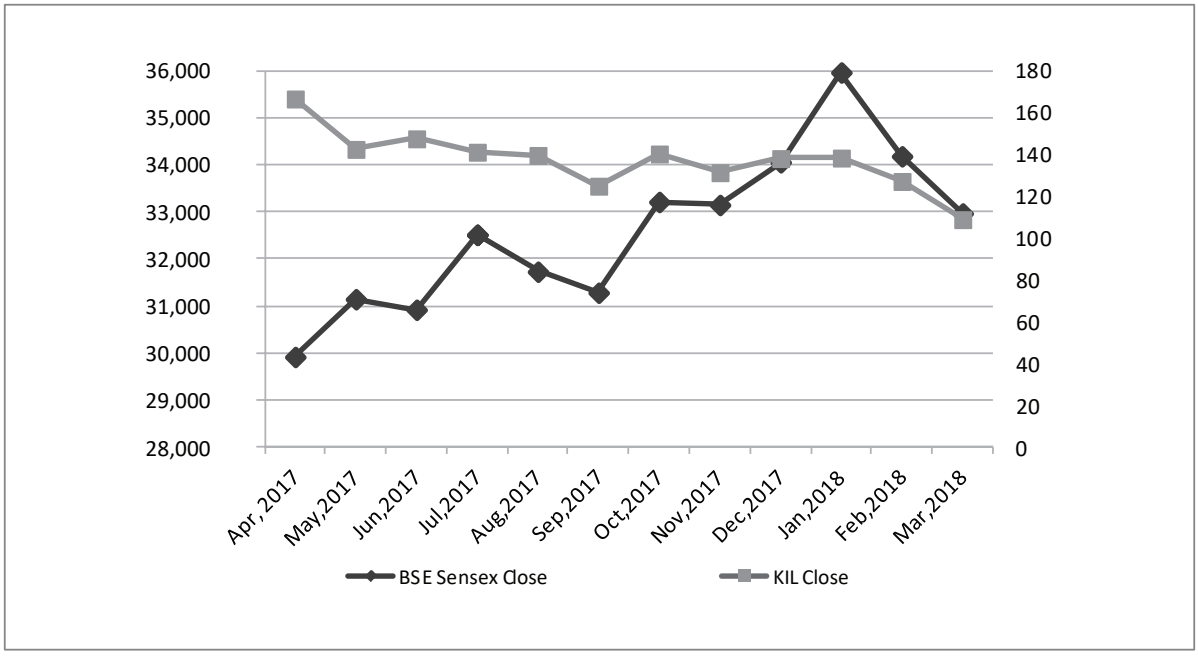
₹/Share

Month	NSE Nifty Close	Share Price		
		High	Low	Close
April, 17	9,304.05	173.40	144.40	166.95
May, 17	9,621.25	158.00	135.80	141.85
June, 17	9,520.90	152.00	134.65	147.55
July, 17	10,077.10	154.50	140.00	141.10
August, 17	9,917.90	144.30	122.25	139.80
September, 17	9,788.60	150.00	122.45	124.95
October, 17	10,335.30	143.85	124.50	140.55
November, 17	10,226.55	143.15	119.50	131.20
December, 17	10,530.70	156.40	130.50	138.05
January, 18	11,027.70	173.70	134.60	138.80
February, 18	10,492.85	145.50	122.00	127.30
March, 18	10,113.70	128.75	104.90	108.25

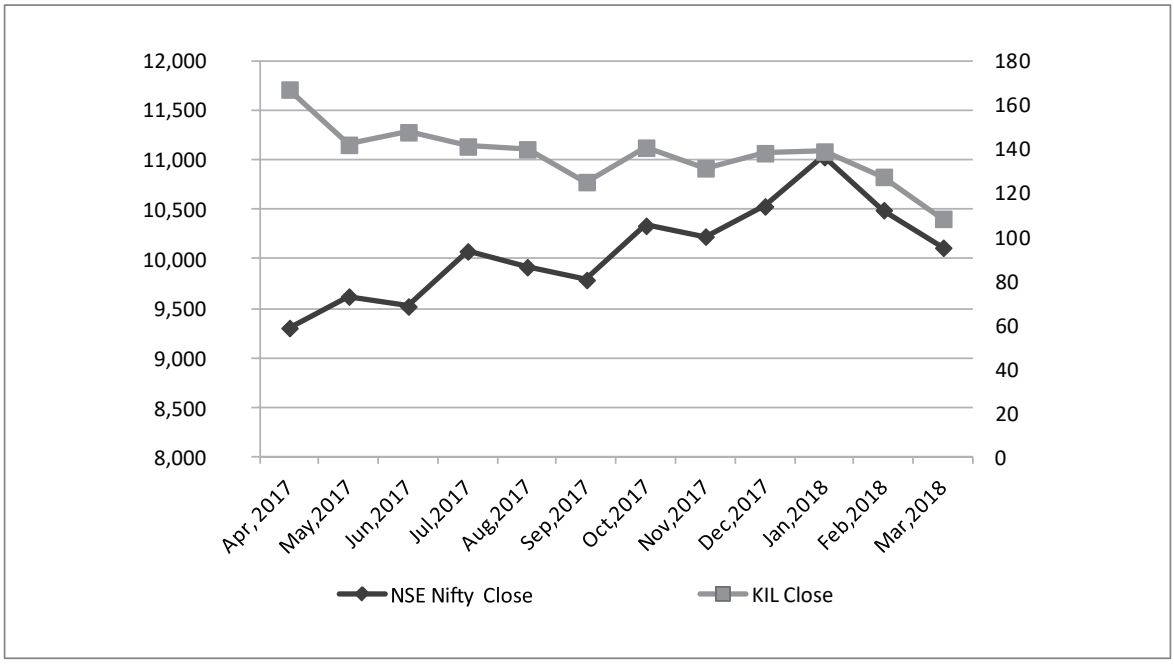
During the year there was no trading on The Calcutta Stock Exchange Ltd. as well as Societe de la Bourse de Luxembourg.

f) Performance in comparison to broad based indices such as BSE SENSEX and NSE NIFTY

Kesoram Industries Limited (KIL) Share Price on BSE vis-a-vis BSE Sensex (2017-18)



Kesoram Industries Limited (KIL) Share Price on NSE vis-a-vis NSE Nifty (2017-18)



g) Registrar and Share Transfer Agent

MCS Share Transfer Agent Limited

(Unit: Kesoram Industries Limited)

12/1/5, Manoharpukur Road, Kolkata -700 026

Phone Nos.: +91 33 40724051 to 54

Fax No.: +91 33 40724050

E-mail : mcssta@rediffmail.com

h) Share Transfer System

Subject to documentation being in order, transfer requests of Equity Shares in the physical form lodged with the Share Department of the Company/Registrar and Share Transfer Agent are processed no later than fifteen days from the date of receipt. Individual share transfer requests in physical form are dealt with and approved at the level of Company Executives.

i) Distribution of shareholding as on 31st March, 2018

(a) According to category of holding:

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Promoters	17	0.02	7,05,76,418	51.39
Mutual Funds / UTI	11	0.01	2,38,957	0.17
Financial Institutions & Banks	37	0.04	3,07,110	0.22
Foreign Portfolio Investors	8	0.01	34,62,060	2.52
Insurance Companies	6	0.01	54,79,411	3.99
NRI/OCB's	840	0.97	46,62,461	3.40
Enemy Property	37	0.04	8,099	0.01

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Private Body Corporates/Trust	1,299	1.50	1,71,73,604	12.50
Individuals	84,417	97.40	2,80,49,828	20.42
Unclaimed Suspense A/c	1	0.00	5	0.00
GDRs	1	0.00	70,41,875	5.13
IEPF Authority	1	0.00	3,40,251	0.25
Total	**86,675**	**100.00**	**13,73,40,079**	**100.00**

(b) According to the number of Equity Shares held:

No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares	% of Shares
1-100	59,006	68.08	22,43,067	1.63
101-200	9,491	10.95	15,84,572	1.15
201-500	9,499	10.96	34,65,555	2.52
501-1000	4,321	4.99	35,32,642	2.57
1001-5000	3,521	4.06	78,02,479	5.68
5001-10000	434	0.50	32,62,323	2.38
10001 and above	403	0.46	11,54,49,441	84.07
Total	**86,675**	**100.00**	**13,73,40,079**	**100.00**

j) Dematerialisation and Rematerialisation

Requests for Dematerialisation and Rematerialisation should be sent either to the Company's Registrar and Share Transfer Agents or to the Share Department at Birla Building, 8th Floor, 9/1, R. N. Mukherjee Road, Kolkata -700 001.

k) Dematerialisation of shareholding

The Company's Equity Shares are compulsorily traded in the dematerialised form. 12,36,18,037 Equity Shares of the Company representing 90.01 % of the total equity shares issued were held in dematerialised form as on 31st March, 2018. The corporate action, on the part of the Company, for dematerialization of the allotted 1,25,71,429 equity shares on 28.03.2018 has been initiated. These allotted shares will be reflected in dematerialized conditionof the paid up capital of the Company when the listing and trading approval of these shares are received and filed with NSDL/CDSL. The said listing and trading approvals for the aforesaid allotment is still awaited. Investors have an option to dematerialise their Equity Shares either with National Securities Depository Limited or Central Depository Services (India) Limited.

l) Outstanding GDRs

70,41,875 Equity shares of the Company were held as Global Depository Receipts as on 31st March, 2018.

m) Insider Trading

The Code of Internal Procedure & Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, has been effective 15th May, 2015 and the Company has implemented the same.

n) Plant Locations

Section	Factory Location	City Office	Run under name & style of
Cement	Sedam, Dist. Gulbarga Karnataka-585222 Phone: +91-8441-276005/276391/277403 Fax: +91-8441-276139 E-mail: communication@vasavadattacement.com **Storage and Packing Unit :** T-3 MIDC Chincholi, Taluk - Mohal Solapur -413255, Maharastra State	613 to 616, White House, Block III, 6th Floor, 6-3-1192/1/1, Kundanbagh, Begumpet, Hyderabad (Telangana) - 500016 Phone : +91-40-43344555 Fax: +91-40-43344534	Vasavadatta Cement
	Basantnagar, Dist. Karimnagar Telangana-505187 Phone : +91-8728 -228152/228121 Fax: +91-8728-228160 E-mail: communication@kesoramcement.com	613 to 616, White House, Block III, 6th Floor, 6-3-1192/1/1, Kundanbagh, Begumpet, Hyderabad (Telangana) - 500016 Phone : +91-40-43344555 Fax: +91-40-43344534	Kesoram Cement
Automobile Tyres and Tubes	AT/P.O. Chhanpur, Via. Kuruda, Dist. Balasore, Odisha, Pin-756056 Phone: +91-6782-255080 / 064 / 641 / 780 Fax: +91-6782-255225 E-mail: btbls@ birlatyre.com	7th Floor, Birla Building 9/1, R. N. Mukherjee Road Kolkata-700001 Phone: +91-33-2262 4411-13, +91-33- 22624355-57. Fax: +91-33-2262 4359 E-mail:ho@birlatyre.com	Birla Tyres

o) Address for Correspondence

a) For routine matters:

Any assistance regarding share transfer and transmission, change of address, non-receipt of dividend, duplicate / missing Share Certificate, demat and other matters, investors are welcome to get in touch with the Share Department of the Company at the address given below:

Kesoram Industries Limited

Share Department

8th Floor, Birla Building,

9/1, R. N. Mukherjee Road, Kolkata-700 001

Phone No.: +91-33-22101545

Fax No. : +91-33-22109455

E-mail : sharedepartment@kesoram.net

Or

Registrar and Share Transfer Agent:

M/s. MCS Share Transfer Agent Limited

(Unit: Kesoram Industries Ltd.)

12/1/5, Manoharpukur Road, Kolkata 700 026

Phone Nos.: +91 33 40724051 to 4054

Fax No.: +91 33 40724050

E-mail: mcssta@rediffmail.com

b) For Redressal of Complaints and Grievances:

The Company Secretary
Kesoram Industries Limited
8th Floor, Birla Building
9/1 R. N. Mukherjee Road
Kolkata-700 001
Telephone Nos. : +91 33 22435453/22429454/22135121
Fax No. : +91 33 22109455
E-mail: corporate@kesoram.net

16. CERTIFICATE FROM CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

A Certificate has been issued by the CFO as required under Regulation 17(8) of the LODR Regulations.

17. COMPLIANCE CERTIFICATE FROM A PRACTISING COMPANY SECRETARY

The Company has obtained a Certificate from a Practicing Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Para C of the Schedule V of the LODR Regulations.

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Chander Kumar Jain
Whole-time Director

Place: Kolkata
Date: 11th May, 2018

Gautam Ganguli
Company Secretary

DECLARATION

All Board Members and Senior Management Personnel have affirmed their compliance with the 'Code of Conduct for Members of the Board and Senior Management' for the period from 1st April, 2017 to 31st March, 2018 in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Kesoram Industries Limited

Tridib Kumar Das

Whole-time Director & Chief Financial Officer

Place: Kolkata

Dated: 3rd May, 2018

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of

Kesoram Industries Limited

I have examined all relevant records of Kesoram Industries Limited for the purpose of certifying compliance of conditions of Corporate Governance under Para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on 31st March, 2018. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedure and implementation thereof and was carried out in accordance with the guidance note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. It is neither an audit nor an expression of opinion on the financial statement of the Company. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with all the mandatory conditions of the Para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CS Salil Banerjee

Company Secretaries

Certificate of Practice No.1140

Membership No.FCS 2288

Date: 11th May, 2018

Kolkata

ANNEXURE – III

NOMINATION AND REMUNERATION POLICY

The Board of Directors of Kesoram Industries Limited ("the Company") constituted a Nomination and Remuneration Committee" at the Meeting held on 29th April, 2014 consisting of three (3) Non-Executive Directors, all of whom are Independent Directors and one Executive Director. In compliance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as on 31st March, 2016 the Nomination and Remuneration Committee consists of three (3) members all of whom are Non-Executive and two of them are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy will be in compliance with Section 178 of the Companies Act, 2013 together with the applicable rules thereto and Clause 49 of the Listing Agreement.

The Key Objectives of the Committee would be:

1.1. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and other Senior Management Personnel one level below the Board.

1.2. To evaluate the performance of Board Members on the criteria decided.

1.3. To recommend to the Board on remuneration payable to Directors, Key Managerial Personnel and Senior Management.

1.4. To ensure that Key Managerial Personnel and Senior Management Personnel one level below the KMPs are remunerated based upon their efforts, performance, dedication and achievement relating to the Company's operations.

1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons.

1.6. To devise a policy on Board diversity.

1.7. To evolve an evaluation process and develop a succession plan for the Board.

2. DEFINITIONS

2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2. **Board** means the Board of Directors of the Company.

2.3. **Directors** mean Directors constituting the Board of the Company.

2.4. Key Managerial Personnel (KMPs).

2.4.1. Chief Executive Officer or the Managing Director or the Manager under the Act.
2.4.2. Whole-time Director;
2.4.3. Chief Financial Officer;
2.4.4. Company Secretary; and
2.4.5. Such other officer as may be prescribed by law.

2.5. Senior Management Personnel means personnel only those who are members of its core management team placed one level below the KMPs including the Chief Operating Officer.

3. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

3.1 To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

3.2 To recommend to the Board the appointment and removal of Key Managerial Personnel and other Members of the Senior Management one level below the KMPs.

3.3 To carry out evaluation of Director's performance and recommend to the Board his/her re- / removal based on his/her performance.

3.4 To formulate, if so required, a policy relating to remuneration of Directors, Key Managerial Personnel and other Senior Management one level below the KMPs.

3.5 To ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

3.6 To devise a policy on Board diversity.

3.7 To develop a succession plan for the Board.

4. MEMBERSHIP

4.1 The Committee shall consist of at least three Directors, two of whom should be Independent Directors.

4.2 Minimum two (2) members shall constitute a quorum for a Committee Meeting. However, Meetings can be conducted by circulation as well as through tele-conferencing. Meeting can be held as and when necessary.

4.3 Committee Members will continue in office at the discretion of the Board.

5. CHAIRMAN

5.1 The Chairman of the Committee shall be an Independent Director appointed by the Board.

5.2 In the absence of the Chairman, Members of the Committee present at a Meeting shall choose one amongst them to act as Chairman.

6. COMMITTEE MEMBERS' INTEREST

6.1 A Member of the Committee is not entitled to be present when his or her own remuneration is discussed or when his or her performance is being evaluated.

6.2 The Committee may invite such Executives, as it considers appropriate, to be present at meetings of the Committee.

7. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

8. VOTING

8.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

8.2 In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

9. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters will include:

9.1 Ensuring that there is an appropriate induction in place for new Directors, Key Managerial Personnel and other Members of Senior Management one level below the KMPs.

9.2 Ensuring that on appointment to the Board, Non-Executive Independent Directors receive a formal letter of appointment in accordance with the Act.

9.3 Determining an appropriate size, diversity and composition of the Board.

9.4 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.

9.5 Developing a succession plan for the Board, Key Managerial Personnel and other Members of Senior Management one level below the KMPs.

9.6 Evaluating the performance of Board Members, Key Managerial Personnel and other Senior Management Members one level below the KMPs in the context of the Company's performance.

9.7 Delegating any of its powers to one or more of its members or to the Secretary of the Committee.

9.8 Recommend any necessary changes to the Board and

9.9 Considering any other matter that may be referred to it by the Board.

10. REMUNERATION DUTIES

Duties of the Committee in relation to remuneration matters will include:

10.1 To consider and determine a rational Remuneration Policy, based on performance and bearing in mind the fact that remuneration should be reasonable and sufficient to attract, retain and motivate Members of the Board as well as those constituting the Senior Management and such other factors as the Committee may deem appropriate.

10.2 To approve the remuneration of Directors, Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. The remuneration of other Senior Management Personnel one level below the KMPs would be decided by the Key Managerial Personnel team.

10.3 To ensure that the Company has in place a professional indemnity and liability insurance for Directors and Key Managerial Personnel.

11. CRITERIA FOR APPOINTMENT AND QUALIFICATIONS

11.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

11.2 A person should possess adequate qualification, expertise and experience for the position before he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

11.3 The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the Notice for such motion indicating the justification for extension of appointment beyond seventy years.

12. Evaluation Criteria

12.1 The Committee shall carry out evaluation of performance of every Director at regular intervals.

12.2 The Committee shall evaluate the performance of Non-Executive / Independent Directors through a peer evaluation process at least once early year. Each Board Member will evaluate Board Member based on select performance indicators. On the basis of performance, other evaluation, the Board will decide whether to extend the term of appointment of an Independent Director.

12.3 Independent Directors have three key roles, namely governance, control and guidance. Performance indicator of independent directors will include inter alia, acumen, ability to strategise, competence in marrying plurality of views and the capability of functions in an uncertain operating environment.

On behalf of the Board

Kashi Prasad Khandelwal
Director

Tridib Kumar Das
Whole-time Director & Chief Financial Officer

Place: Kolkata
Date: 11th May, 2018

ANNEXURE – IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

   The Company fully recognises its commitment to the fulfillment of its social responsibilities. Programs to benefit society in general and those living in the vicinity of its facilities in particular have been consistently implemented over the years. In so doing, the Company has been faithfully following and implementing the vision of its Chairman, Basant Kumar Birla, who instilled in the Company the consciousness of being responsive to the needs of the less privileged. Such observance has been Company Policy for decades much before statutory mandates were even thought of. Although, under the provisions of Section 135(5) of the Companies Act, 2013, the Company need not statutorily spend on CSR activities owing to absence of profit over the last three years, the Company's CSR schemes primarily focusses on activities that benefit the less privileged in the society.

   The Company's CSR Policy has been hosted on the Company's website and the web link is:
   https://www.kesocorp.com/DOCS/pdf/mgc/kesoram-CSR-Policy-27042015.pdf

2. The composition of the CSR Committee: The Committee is chaired by Manjushree Khaitan with Amitabha Ghosh and Tridib Kumar Das as Members.

3. Average net profit of the company for last three financial years:

Particulars	Last three financial years (₹ in crores)			Average Net Profit/(Loss) for calculating CSR expenditure (₹ in crores)
	2016-17	2015-16	2014-15	
Net Profit (Loss)*	(245.54)	(1003.55)	(780.25)	(676.45)

* Dividend income of ₹0.06 crores, ₹3.90 crores and ₹4.37 crores for the financial years 2016-17, 2015-16 and 2014-15 respectively have been deducted from the net profits of the respective financial years in terms of the proviso to Clause (ii) to Rule 2(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the figures stated above are as per previous GAAP.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): **As will be evident from the above that the Company has made losses during the financial year 2016-17, 2015-16 and 2014-15 and the average net profit for the last three financial years is negative. In view of the above, no CSR expenditure during the Financial Year 2017-18 is mandated.**

5. Details of CSR spent during the Financial Year

   (a) Total amount to be spent for the financial year: **Nil**

   (b) Amount unspent, if any: **Not Applicable**

   (c) Manner in which the amount spent during the Financial Year is detailed below:

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (i) Local area or others; (ii) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8

Not Applicable for Financial year under review

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: **Not Applicable**

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: **The implementation and monitoring of CSR Policy is in compliance/ will be in compliance with CSR objectives and Policy of the company.**

On behalf of the Board of Directors

Manjushree Khaitan
Chairperson of CSR Committee

Tridib Kumar Das
Whole-time Director
& Chief Financial Officer

Place: Kolkata
Date: 11th May, 2018

ANNEXURE – V

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(₹ in crores)

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	Cygnet Industries Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
4.	Share Capital	430.05
5.	Reserves & Surplus	(246.21)
6.	Total Assets	1314.41
7.	Total Liabilities	1314.41
8.	Investments	641.65
9.	Turnover	291.24
10.	Profit before taxation	(114.06)
11	Provision for taxation	Nil
12	Profit after taxation	(114.06)
13	Proposed Dividend	Nil
14	% of Shareholding	100.00

Note:

Cygnet Industries Limited is a Wholly Owned Subsidiary of Kesoram Industries Limited w.e.f. 7th May, 2016.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in crores)

Name of Joint Ventures	Gondkhari Coal Mining Limited
1. Latest audited Balance Sheet Date	31st March, 2018
2. Shares of Joint Ventures held by the Company on the year end	
a. Number	22,730
b. Amount of Investment in Joint Venture	0.02
c. Extent of Holding (%)	45.46
3. Description of how there is significant influence	Joint Venture
4. Reason why the joint venture is not consolidated	Consolidation is done using the equity method as per IND AS 28 para 16.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	(0.55)
6. Profit/(Loss) for the year	(0.38)
a. Considered in Consolidation	(0.17)
b. Not Considered in Consolidation	(0.21)

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Chander Kumar Jain
Whole-time Director

Place: Kolkata
Date: 11th May, 2018

Gautam Ganguli
Company Secretary

ANNEXURE – VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

TO,
THE MEMBERS,
KESORAM INDUSTRIES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESORAM INDUSTRIES LIMITED (CIN: L17119WB1919PLC003429)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31ST MARCH, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31ST MARCH, 2018** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT) and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditors for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in **Annexure I**.

Place: KOLKATA
Date: 10.05.2018

SALIL BANERJEE
FCS 2288 CP 1140

This report should be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE I'

The List of Various Applicable Laws to the Company

1. Employees' Provident Fund Act, 1952 and Rules,
2. Payment of Gratuity Act, 1972,
3. Apprentices Act, 1961,
4. Contract Labour (R&A) Act, 1970,
5. Employees State Insurance Act, 1948,
6. Employees Provident Fund & Misc Provision Act, 1952,
7. Minimum Wages Act, 1948,
8. Payment of Bonus Act, 1965,
9. Central Excise Act and Rules including CENVAT Rules,(upto 30th June, 2017)
10. West Bengal Shops and Establishments Act and Rules
11. The West Bengal State Tax On Professions, Trades, Callings And Employments Act & Rules,
12. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013,
13. Water (Prevention & Control of Pollution) Act, 1974,
14. Water (Prevention & Control of Pollution) Cess Act and Rules,
15. Payment of Wages Act, 1936,
16. The West Bengal Tax on Entry of Goods into Local Areas Act and Rules (upto 30th June, 2017),
17. West Bengal Value Added Tax Act and Rules (upto 30th June, 2017),
18. The Industrial Employment (Standing Orders) Act, 1946,
19. Central Sales Tax Act (upto 30th June, 2017),
20. Finance Act, 1994,
21. The Factories Act, 1948,
22. The Equal Remuneration Act, 1976,
23. Workmen's Compensation Act, 1923 & Rules,
24. The Maternity Benefit Act, 1961
25. The Negotiable Instrument Act, 1881 and
26. Goods and Service Tax (effective from 1st July, 2017)

'ANNEXURE A'

TO,
THE MEMBERS,
KESORAM INDUSTRIES LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: KOLKATA
Date: 10.05.2018

SALIL BANERJEE
FCS 2288 CP 1140

ANNEXURE – VII

Details as required under Sections 134(3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended 31st March, 2018.

Sl. No.	Requirement	Details
(i)	The ratio of the remuneration of each Director to the median of remuneration of employees of the Company for the Financial Year.	Basant Kumar Birla - 0.55 : 1 Manjushree Khaitan - 81.69 : 1 Amitabha Ghosh - 4.15 : 1 Vinay Sah - 3.04 : 1 * Kashi Prasad Khandelwal - 4.04 : 1 Sudip Banerjee - 3.15 : 1 Lee Seow Chuan - 4.72 : 1 Jikyeong Kang - 0.0 : 1 Siddhartha Mohanty - 0.28 : 1 Tridib Kumar Das - 132.83 : 1
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in Financial Year.	**Directors** : Basant Kumar Birla - 00.00 Manjushree Khaitan - 68.44 Amitabha Ghosh - 10.29 Vinay Sah - 111.54 * / **** Kashi Prasad Khandelwal - 10.61 Sudip Banerjee - 21.28 Lee Seow Chuan - 47.50 Jikyeong Kang - 0.00 Siddhartha Mohanty - 100.00 **** Tridib Kumar Das - 15.97 ** **Key Managerial Personnel** : Gautam Ganguli, CS - 24.54
(iii)	The percentage increase in median remuneration of employees in the Financial Year.	5.97%
(iv)	The number of permanent employees on the rolls of Company.	5,668 *** employees as on 31.03.2018
(v)	a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year	12.56%
	b) Its comparison with the percentile increase in the managerial remuneration.	3.63%
	c) Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There were no exceptional circumstances behind the increase in managerial remuneration.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

* Resigned with effect from 24th January, 2018.

** Tridib Kumar Das is a Whole - time Director as well as the Chief Financial Officer of the Company.

*** Includes fifty one emplyees on acquisition of HHC & KSPF business.

**** Sitting fees paid to LICI

On behalf of the Board
Kashi Prasad Khandelwal
Director

Tridib Kumar Das
Whole-time Director & Chief Financial Officer

Place: Kolkata
Date: 11th May, 2018

ANNEXURE – VIII

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Account) Rules, 2014]

A. CONSERVATION OF ENERGY:

i) Steps taken or impact on conservation of energy:

The following measures have been taken by the Businesses in relation to conservation of energy.

Cement

In Raw Mill-2, O-Sepa air slide blower pipe line is re-routed by removing unwanted bends. In Cement Mill-3, O-Sepa HT fan GRR cooling blower idle running is avoided by providing hardware interlock at GRR full speed. The conveying of air time setting of ash handling system is reduced by programming in the PLC and throttling service air conveying line valves which reduces compressor running hours. In Packing Plant, the existing TC-200 compressor @ 75 HP is replaced with TC-100 Compressor @ 30 HP, the air pipelines were replaced and air receivers were re-installed. Raw Coal crusher MCC Operating power factor is improved from 0.5 to 0.8 by installing capacitor bank. In Raw Mills two Nos. of cooling fans i.e., one for HT Board and other for Raw Mill-3 main motors were provided side by side and one fan is removed and as such the operation is with single fan ultimately saving power. VFD to Kiln-1 DPC DC Fan is installed by removing inlet damper. In Mines at Ammonium Nitrate shed, solar powered DC LED light fittings is installed instead of conventional powered light fittings. In Limestone Crusher, Tertiary Crusher-2 dust collector fan is provided with VVVF drive for conservation of power. Existing worm reduction Gear Box and 5HP motor are replaced with directly coupled geared motor of 1HP for Raw Mill-1&2 main DC rotary air locks and the bed is modified to be suitable for geared motors installation. In Packing plant, to avoid idle running of auxillary equipment time totalizer provided and packer machine running feed backs are connected to the time totalizers, on installation of with the same, the operator can monitor the packer and its auxillaries running status.

Optimization of HR -Separator is done to increase output of raw mill. There was an increase of Polycom Operating Pressure, fabrication of engine test bench and an optimisation of Unit 1& 2 Cooler to reduce Heat Loss. In-efficient compressors in Pkg. Plant were replaced. There was an optimization of water feed Pump in CPP. A Recirculation system of Coarse ash back was introduced to boiler to reduce LOI. Bed ash feeding system in all Units was done to conserve power.

Tyre

The Tyre Business has launched the *"Shakti Sanrakshan"* Energy Management System to continually reduce energy consumption through waste reduction. The Tyre Business is continuously bench marking and improving energy performance.

Further the factory roof has been changed from CGI sheet to PUF insulated sheet with provision for penetration of sunlight between two sheets. This has reduced the requirement of artificial light during the day besides reducing the temperature at shop floor resulting in power savings. Replacement of Metal Halide bulbs with Energy efficient LED bulbs was under taken during the year. Some 380 bulbs were replaced in phase-1.

ii) Steps taken by the Company for utilising alternate sources of energy

Cement

Consumption of 21,776 MT of different types of alternative fuels. Further, PPF is used in place of HSD oil for kiln firing.

Fly Ash injection during the year was maintained at 35.00% for PPC Manufacturing.

Tyre

The Business is examining the feasibility of using solar energy for both plant and colony. It has already started using Open Access Power from Indian Energy Exchange (IEX).

iii) Capital investment on energy conservation equipment

Cement

₹0.07 crores

Tyre

₹0.50 crores

B. TECHNOLOGY ABSORPTION:

i) Efforts made towards technology absorption

Cement

Rotor weigh feeder is installed in Cement Mill 1, 2 & 3 for injecting 35% fly ash (PPC manufacturing). Gypsum weigh feeders of 10T each was installed for Cement Mill 1 & 2. Bulk loading system was installed in packing plant. Upgradation of DCS system for Cement Mill -3 process operation had been done. Upgradation of DCS system for Raw mill 1,2&3 process operation had been done. Upgradation of DCS system (Hardware and Software) for Kiln-2 process Operation had been done. Further, feeding Bed Ash of CPP in Kiln cooler had been done for technology absorption.

Tyre

Development of new compounds, use of High Tensile Steel Cord in Truck Bus Radial tyre construction, development of extra reinforced tread compound, REACH compliant compound package in Passenger Car Radial tyres for European market, adaptation of tyre simulation technology, computer programmes for more accurate footprint comparison, automated complex tyre pattern machine method development had been done for technology absorption.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

Cement

There was reduction of Grid CMD from 6000KVA to 5400KVA (w.e.f 22-08-2017), which saved cost in Grid Bill. There was maximum utilization of Grid power during non-peak hours without hampering the production reducing Grid bill. To avoid manual draining of contaminated moisture in compressed air, auto level sensing drain valve (LDV2000) in place of Mechanical float condensate drain valve was provided for moisture free air to Kiln-2 bag house. In Power plant, increased COC from 5 +/- 0.5 to 10 +/- 0.5 by changing the existing chemicals reducing softened water consumption and cost saving against chemical cost. In-house repair was done of Mines L&T 300 CK shovel track motor by track motor parts cannibalization with necessary repairs which led to avoidance of procurement and ultimately saving cost. In Mines IR-No-4 Drill Engine overhaulling cost was minimized by in house repairs of crank case by partial dismantling. BEML-Dozer existing equalizer bar seat design was modified to avoid damage of front idler assembly and dozer vibration which led to cost saving against idler assembly center shaft. In Coal Mill-2 dust collector dust conveying screw conveyor was with hanger bearings, which was frequently troubling the production to avoid frequent breakdowns, the screw was replaced with single screw, fabricated with available material thereby cost saving against new screw. In Kiln-2, MFC outlet duct joining at Kiln inlet riser duct was accumulating material due to rough surface, the same was controlled by laying obsolete "Hasle Bricks" which ensured smooth surface. In mines shovel teeth locking HT bolt and nut were replaced with steel pin and welding was done at both sides, thereby avoiding damage of crusher internals due to entering of teeth short tip into crusher along the limestone. Main coal firing fluctuation due to positive pressure at venturay inlet was controlled by providing dedusting venting pipe and given indication in DCS resulting in an overall reduction in power consumption in the manufacturing process.

Tyre

Reduction of TBR tyre weight and improvement of fuel efficiency, improvement of puncture resistant and tyre wear and upgrading to European Union (EU) regulations.

iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

(a) **Details of technology imported**

No technology was imported during the last three years by the Company.

(b) **Year of import**

Not applicable.

(c) **Whether the technology has been fully absorbed**

Not applicable.

(d) **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof**

Not applicable.

iv) **Expenditure incurred on Research & Development:**

Cement

₹5.01 crores

Tyre

₹4.41 crores

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

₹/crores

	2017 - 18	2016 - 17
Foreign exchange earned (F.O.B basis)	154.89	180.77
Foreign exchange outflow	352.57	510.06

On behalf of the Board

Kashi Prasad Khandelwal
Director

Tridib Kumar Das
Whole-time Director & Chief Financial Officer

Place: Kolkata
Date: 11th May, 2018

ANNEXURE – IX

FORM NO MGT-9

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	L17119WB1919PLC003429
(ii)	Registration Date	18th October, 1919
(iii)	Name of the Company	KESORAM INDUSTRIES LIMITED
(iv)	Category/Sub-Category of the Company	Public Company
(v)	Address of the Registered Office and contact details	9/1, R.N. Mukherjee Road, Kolkata - 700 001. Phone: +91 33 22429454/22435453 Fax: +91 33 2210 9455 E-Mail: corporate@kesoram.net
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Kolkata - 700 026 Phone: +91 33 40724051 to 4053, Fax: +91 33 40724050 E-Mail: mcssta@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Tyres & Tubes	22111	39.23
2	Cement	23942	60.77

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN	Holding / Subsidiary/ Associates	% of Shares held	Applicable Section
1	Cygnet Industries Limited 8th floor, Birla Building, 9/1, R. N. Mukherjee Road, Kolkata 700 001	U74900WB2015PLC206720	Subsidiary	100.00	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held as on 1st April, 2017				No. of Shares held as on 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1312409	Nil	1312409	1.12	1312409	Nil	1312409	0.96	(-) 0.16
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	56692580	Nil	56692580	48.34	69264009	Nil	69264009	50.43	2.09
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	58004989	Nil	58004989	49.46	70576418	Nil	70576418	51.39	1.93
(2) Foreign									
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others…	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**58004989**	**Nil**	**58004989**	**49.46**	**70576418**	**Nil**	**70576418**	**51.39**	**1.93**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	211131	11430	222561	0.19	227727	11230	238957	0.17	(-) 0.02
b) Banks/FIs	1495425	19402	1514827	1.29	291599	15511	307110	0.22	(-) 1.07
c) Centra l Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	4212346	200	4212546	3.59	5479211	200	5479411	3.99	0.40
g) FIIs	5787301	7100	5794401	4.94	3455260	6800	3462060	2.52	(-) 2.42
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**11706203**	**38132**	**11744335**	**10.01**	**9453797**	**33741**	**9487538**	**6.90**	**(-) 3.11**

Category of Shareholders	No. of Shares held as on 1st April, 2017				No. of Shares held as on 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	9090138	153919	9244057	7.88	16970068	150901	17120969	12.47	4.59
ii) Overseas	3741945	790	3742735	3.19	3741945	-	3741945	2.72	(-) 0.47
iii) NBFCs registered with RBI	142539	-	142539	0.12	3639	-	3639	0.00	(-) 0.12
iv) Central govt/ State Govt(s) POI/IEPF-4 Authority	-	-	-	-	340251	-	340251	0.25	0.25
b) Individuals									
i) Individuals shareholders holding nominal share capital upto ₹1 lakh	16191179	1151620	17342799	14.79	18659929	934109	19594038	14.27	(-)0.52
ii) Individuals shareholders holding nominal share capital excess of ₹1 lakh	9048500	24822	9073322	7.74	8430968	24822	8455790	6.16	(-) 1.58
c) Others (specify)									
i) NRI	742274	7209	749483	0.64	914772	5744	920516	0.67	0.03
ii) Enemy Property	6803	1296	8099	0.01	6803	1296	8099	0.01	0.00
iii) Trust	21396	-	21396	0.02	23996	-	23996	0.02	0.00
iv) Unclaimed Suspense A/c	153021	-	153021	0.13	5	-	5	0.00	(-) 0.13
v) Cooperative Society	-	-	-	-	25000	-	25000	0.02	0.02
Sub-total (B)(2)	**39137795**	**1339656**	**40477451**	**34.52**	**49117376**	**1116872**	**50234248**	**36.58**	**2.06**
Total Public Shareholding (B)=(B)(1)+(B)(2)	50843998	1377788	52221786	44.53	58571173	1150613	59721786	43.48	(-) 1.05
C. Shares held by Custodian for GDRs & ADRs	7041875	-	7041875	6.00	7041875	-	7041875	5.13	(-) 0.87
Grand Total (A+B+C)	**115890862**	**1377788**	**117268650**	**100**	**136189466**	**1150613**	**137340079**	**100**	**0.00**

ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding as on 1st April, 2017			Share holding as on 31st March, 2018			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Basant Kumar Birla	402496	0.34	-	402496	0.29	-	(-) 0.05
2	Rajashree Birla	3250	0.00	-	3250	0.00	-	0.00
3	Kumar Mangalam Birla	300	0.00	-	300	0.00	-	0.00
4	Vasavadatta Bajaj	5750	0.01	-	5750	0.01	-	0.00
5	Jayashree Mohta	65078	0.06	-	65078	0.05	-	(-) 0.01
6	Manjushree Khaitan	720158	0.61	-	720158	0.53	-	(-) 0.08
7	Vidula Jalan	115377	0.10	-	115377	0.08	-	(-) 0.02
8	Manav Investment & Trading Company Ltd.*	16138250	13.76	13.76	28709679	20.91	11.75	7.15
9	M/s. Aditya Marketing & Manufacturing Ltd.	2449111	2.09	-	2449111	1.78	-	(-) 0.31
10	B.K. Birla Foundation	7012	0.01	-	7012	0.01	-	0.00
11	Birla Education Trust	954171	0.81	-	954171	0.69	-	(-) 0.12
12	Prakash Educational Society	910922	0.777	-	910922	0.663	-	(-) 0.11
13	Birla Educational Institution	362643	0.31	-	362643	0.26	-	(-) 0.05
14	Birla Institute of Technology & Science	1515806	1.29	-	1515806	1.10	-	(-) 0.19
15	Century Textiles & Industries Ltd.	5116800	4.36	-	5116800	3.73	-	(-) 0.63
16	Pilani Investment And Industries Corporation Ltd.	27338750	23.31	-	27338750	19.91	-	(-) 3.40
17	Padmavati Investment Ltd.	1899115	1.62	-	1899115	1.38	-	(-) 0.24
	Total	**58004989**	**49.46**	**13.76**	**70576418**	**51.39**	**11.75**	**1.93**

* 12571429 Equity Shares allotted on 28.03.2018 on preferential basis through private placement.

iii) Change in Promoters' Shareholding:

Sl. No.	Name of Promoter	Shareholding as on 1st April, 2017		Shareholding as on 31st March, 2018	
		No. of Shares	% of total Shares of the company	No. of Shares	% of Total Shares of the company
1	Manav Investment & Trading Company Ltd.				
	At the beginning of the year	16138250	13.76		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweet equity etc.): Allotment on preferential basis through private placement on 28.03.2018	12571429	-	28709679	20.90
	At the end of the year			28709679	20.90

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholder	Shareholding as on 1st April, 2017		Shareholding as on 31st March, 2018	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Life Insurance Corporation of India	3716952	3.17	3716952	2.70
2	Devi Investment And Development INC.	3441945	2.94	3441945	2.50
3	Hypnos Fund Ltd.	2200000	1.88	1694521	1.23
4	Century Enka Limited	1403985	1.20	1403985	1.02
5	Life Insurance Corporation of India P&GS Fund	1266865	1.08	1266865	0.92
6	EM Resurgent Fund	1225000	1.04	1225000	0.89
7	Lakshmi Capital Investments Limited*	1222600	1.04	0	0.00
8	Viral Amal Parikh	1040000	0.89	975262	0.71
9	India Infoline Ltd.*	625677	0.53	0	0.00
10	Ruchit Bharat Patel*	574589	0.49	0	0.00
11	Highgate Industries Limited**	0	0.00	7500000	5.46
12	Shah Jigar Lalchand***	261547	0.22	551220	0.40
13	Kajal Synthetics and Silk Mills Ltd.**	0	0.00	550000	0.40
		17438160	**14.87**	**22325750**	**16.23**

*the shareholding had ceased and was not part of top 10 shareholders as on 31/03/2018
** were a top ten shareholders on 31/03/2018
*** was not a top ten shareholder as on 31/03/2017

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding as on 1st April, 2017		Shareholding as on 31st March, 2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Basant Kumar Birla	402496	0.34	402496	0.29
2	Manjushree Khaitan	720158	0.61	720158	0.52
3	Gautam Ganguli	740	0.00	740	0.00
		1123394	**0.95**	**1123394**	**0.82**

V. INDEBTEDNESS

Indebtedness of the Company, including interest outstanding/accrued but not due for payment **₹/crores**

Particulars	Secured Loans, excluding deposits	Unsecured loan	Deposits	Total indebtedness
Indebtedness at the beginning of the Financial Year (1st April, 2017)				
i) Principal Amount	2,882.46	280.77	259.55	3422.78
ii) Interest due but not paid	14.34	-	2.71	17.05
iii) Interest accrued but not due	0.81	-	-	0.81
Total (i+ii+iii)	**2,897.61**	**280.77**	**262.26**	**3440.64**
Change in Indebtedness during the Financial Year				
Addition	3,197.51	1,071.04	157.69	4426.24
Reduction	2,976.83	1,128.80	137.49	4243.12
Net Change	220.68	-57.76	20.20	183.12
Indebtedness at the end of the Financial Year (31st March, 2018)				
i) Principal Amount	3103.14	223.01	279.75	3605.90
ii) Interest due but not paid	14.54	-	2.84	17.38
iii) Interest accrued but not due	0.73	-	-	0.73
Total (i+ii+iii)	**3118.41**	**223.01**	**282.59**	**3624.01**

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of WTD		Total Amount ₹
		Tridib Kumar Das	Manjushree Khaitan	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,65,97,023	2,84,08,891	7,50,05,914
	(b) Value of perquisites u/s 17(2) of the Income-tax Act 1961	81,000	39,600	1,20,600
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others	Nil	Nil	Nil
5.	Others - Provident Fund - Superannuation Fund	13,36,320 Nil	10,80,000 Nil	24,16,320 Nil
	Total (A)	**4,80,14,343**	**2,95,28,491**	**7,75,42,834**
	Ceiling as per Act	**Remuneration is within limits of provisions of law**		

B. Remuneration to other Directors:

I. Independent Directors

Particulars of Remuneration	Name of Directors					Total Amount (₹)
	Amitabha Ghosh	Kashi Prasad Khandelwal	Sudip Banerjee	Lee Seow Chuan*	Jikyeong Kang**	
Fees for attending Board & Committee Meetings	15,00,000	14,60,000	11,40,000	17,07,672	Nil	58,07,672
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	**15,00,000**	**14,60,000**	**11,40,000**	**17,07,672***	**Nil**	**58,07,672**

II. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors			Total Amount (₹)
	Basant Kumar Birla	Vinay Sah***	Siddhartha Mohanty****	
Fees for attending Board & Committee Meetings	2,00,000	11,00,000	1,00,000	14,00,000
Commission	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil
Total (2)	**2,00,000**	**11,00,000**	**1,00,000**	**14,00,000**
Total B = (1)+(2)				**72,07,672**
Ceiling as per Act	**Remuneration is within limits of provisions of law**			

* Includes Income Tax borne by the Company / ** Appointment w.e.f 10.01.2018/ *** Resigned w.e.f. 24.01.2018 / * *** Appointment w.e.f. 10.02.2018

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total (₹)
		Company Secretary	Chief Financial Officer*	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,92,36,413	4,65,97,023	7,58,33,436
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	81,000	81,000	1,62,000
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others	Nil	Nil	Nil
5.	Others - PF	10,80,000	13,36,320	24,16,320
	Total	**3,03,97,413**	**4,80,14,343**	**7,84,11,756**

* Tridib Kumar Das is a Whole - time Director as well as the Chief Financial Officer of the Company

VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

TYPE	SECTION OF COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/ PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD/NCLT/ COURT]	APPEAL MADE, IF ANY
A. COMPANY					
PENALTY	Nil				
PUNISHMENT					
COMPOUNDING					
B. DIRECTORS					
PENALTY	Nil				
PUNISHMENT					
COMPOUNDING					
C. OTHER OFFICERS IN DEFAULT					
PENALTY	Nil				
PUNISHMENT					
COMPOUNDING					

On behalf of the Board

Kashi Prasad Khandelwal
Director

Tridib Kumar Das
Whole-time Director & Chief Financial Officer

Place: Kolkata
Date: 11th May, 2018

SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

(All amounts in Rupees Crores, unless otherwise stated)

	31-3-2018 *	31-3-2017 *	31-3-2016	31-3-2015	31-3-2014
a. Net Fixed Assets					
Gross Fixed Assets	3,395.78	2,863.91	3,635.18	3,784.58	6,210.11
Less: Total depreciation	249.75	122.83	1,677.43	1,689.60	2,252.17
	3,146.03	**2,741.08**	**1,957.75**	**2,094.98**	**3,957.94**
b. Investments	508.41	101.25	705.62	766.41	66.36
c. Other Non Current Assets / (Liabilities) (net)	(104.00)	198.92	381.79	85.92	90.09
d. Other Current Assets / (Liabilities) (net)	564.68	983.40	2,061.53	1,636.59	400.28
Capital Employed	**4,115.12**	**4,024.65**	**5,106.69**	**4,583.90**	**4,514.67**
e. Less: Loan Funds	3,341.42	3,178.38	4,703.60	4,496.55	4,043.86
Net Worth	**773.70**	**846.27**	**403.09**	**87.35**	**470.81**
THEREFORE, COMPANY'S NET WORTH REPRESENTED BY					
a. Equity Share Capital	137.34	117.27	124.77	109.77	109.77
b. Reserve & Surplus	636.36	729.00	278.32	(22.42)	361.04
	773.70	**846.27**	**403.09**	**87.35**	**470.81**

* Figures for 31-3-2018 and 31-3-2017 are as per Ind AS compliant financial statements. Previous periods figures are as per previous GAAP financial statements.

Figures for the previous year(s) have been regrouped / rearranged where considered necessary.

SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

(All amounts in Rupees Crores, unless otherwise stated)

	2017-18 **	2016-17 **	2015-16 *	2014-15	2013-14
RECEIPTS					
1. Revenue From Operations	3,704.57	4,137.42	4,387.10	4,873.37	5,080.91
2. Other Income	153.23	227.37	1,256.00	474.95	124.54
Total Receipts (A)	**3,857.80**	**4,364.79**	**5,643.10**	**5,348.32**	**5,205.45**
EXPENDITURES					
1.Raw Materials and Finished Goods	1,220.46	1,331.02	1,643.71	2,087.08	2,430.21
2.Employee Benefit Expenses	323.41	313.21	389.13	469.61	412.12
3. Other Expenses	2,229.97	2,469.52	2,670.82	2,200.83	1,952.49
4. Finance Costs	421.24	282.10	677.54	680.58	572.83
Total Expenses (B)	**4,195.08**	**4,395.85**	**5,381.20**	**5,438.10**	**5,367.65**
GROSS PROFIT /(LOSS) (A-B)	**(337.28)**	**(31.06)**	**261.90**	**(89.78)**	**(162.20)**
OTHER COMPREHENSIVE INCOME	**(1.74)**	**6.27**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME	**(339.02)**	**(24.79)**	**261.90**	**(89.78)**	**(162.20)**
APPROPRIATIONS/TRANSFERS					
1. Depreciation (Net)	128.23	123.05	124.78	276.90	318.10
2. Provision for Taxation	-	2.33	-	-	-
3. Reversal of MAT Credit Entitlement	-	-	-	-	35.25
4. Provision for Deferred Tax - charge/ (credit)	(2.00)	(1.57)	-	-	-
5. Surplus/(Deficit)	(465.25)	(148.60)	137.12	(366.68)	(515.55)
	(339.02)	**(24.79)**	**261.90**	**(89.78)**	**(162.20)**

* All figures are inclusive of Discontinuing Operation.

**Figures for 2017-18 and 2016-17 are as per Ind AS compliant financial statements. Previous periods figures are as per previous GAAP financial statements.

Figures for the previous year(s) have been regrouped / rearranged where considered necessary.

Standalone Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF KESORAM INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Kesoram Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition

date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated April 28, 2017 and May 25, 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 take on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 33;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
Firm Registration Number: 302009E

Abhijit Bandyopadhyay
Partner
Membership Number 054785

Place: Kolkata
Date: May 11, 2018

Annexure "A" to Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kesoram Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
Firm Registration Number: 302009E

Abhijit Bandyopadhyay
Partner
Membership Number 054785

Place: Kolkata
Date: May 11, 2018

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of *three years* which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed, conveyance deed, mutation of title papers, provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The inventory, except for goods-in-transits and stock lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest except for one loan aggregating Rs. 7.11 crore as on at March 31, 2018, with a maximum amount of Rs. 7.11 crore outstanding during the year, which was granted without specifying any repayment terms, and is therefore in our opinion prejudicial to the Company's interests.

(b) In respect of the aforesaid loans, except for an amount aggregating Rs. 7.11 crore outstanding towards principal and which is fully provided for, the other loan amounting to Rs. 386.23 crore is repayable on demand. However, the party is regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, except for an amount aggregating Rs. 7.11 crore which is already provided for, there is no amount which is overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

(All amounts in Rupees Crores, unless otherwise stated)

Name of the statute	Nature of dues	Forum where dispute is pending	Period	Amount
Andha Pradesh General Sales Tax Act, 1957	Sales Tax	Tribunal	2003-04	0.11
Andhra Pradesh VAT Act	Sales Tax	High Court	2006 - 2009	0.54
Bihar VAT Act, 2005	Sales Tax	Commissioner (Appeals)	2013-14	0.65
Bihar VAT Act, 2005	Sales Tax	Joint Commissioner (Appeals)	2008-09	0.01
Bombay Sales Tax Act	Sales Tax	Deputy Commissioner of Sales Tax (Appeals), Amravati Division	2003-04, 2004-05	0.32
Central Excise Act, 1944	Central Excise	Additional Commissioner	2005 - 2006, 2006 - 2007, 2007 - 2008, 2008 - 2009, 2009 - 2010, 2010 - 2011, 2011 - 2012, 2012 - 2013, 2013 - 2014, 2014 - 2015, 2015 - 2016	6.36
Central Excise Act, 1944	Central Excise	Assistant Commissioner	1991- 92, 1993 -94, 1994 - 95, 1995 - 96, 1996 - 97, 1997 - 98, 1998 - 99, 1999 - 2000, 2000 - 2001, 2001 - 02, 2002 - 03, 2003 - 04, 2004 - 05, 2005 - 06, 2006 - 07, 2009 - 10, 2010 - 11, 2013 - 14, 2015 - 16, 2016 - 17	7.68
Central Excise Act, 1944	Central Excise	CESTAT	1974 - 75, 1987 - 88, 1993 - 94, 1994 - 95, 1995 - 96, 1996 -97, 1997 - 98, 1998 - 99, 1999 - 2000, 2000 - 01, 2001 - 02, 2002 - 03, 2003 - 04, 2004 - 05, 2005 - 06, 2006 - 07, 2007 - 08, 2008 - 09, 2009 - 10, 2010 - 11, 2011 - 12, 2012 - 13	142.56

(All amounts in Rupees Crores, unless otherwise stated)

Name of the statute	Nature of dues	Forum where dispute is pending	Period	Amount
Central Excise Act, 1944	Central Excise	Commissioner	1985-1990, 1995 - 96, 1996 - 97, 1997 - 98, 1998 - 99, 1999 - 2000, 2000 - 01, 2001 - 02, 2002 - 03, 2003 - 04, 2004 - 05, 2005 - 06, 2006 - 07, 2007 - 08, 2008 - 09, 2009 - 10, 2010 - 11, 2011 - 12, 2012 - 13, 2013 - 14, 2014 - 15, 2015 - 16, 2016 - 17	38.48
Central Excise Act, 1944	Central Excise	Commissioner (Appeals)	1994, 1997 - 98, 1998 - 99, 2002 - 03, 2003 - 04, 2004 - 05, 2005 - 06, 2006 - 07, 2007 - 08, 2008 - 09, 2009 - 10, 2010 - 11, 2013 - 14, 2014 - 15, 2015 - 16	13.81
Central Excise Act, 1944	Central Excise	Deputy Commissioner	2004	0.03
Central Excise Act, 1944	Central Excise	High Court	1994, 2005 - 06, 2006 - 07	1.16
Central Excise Act, 1944	Central Excise	Superintendent of Central Excise	1979-80, 1980-81, 1982-83, 1992-93, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2004-05, 2005-06, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	0.49
Central Excise Act, 1944	Central Excise	Superintendent, Central Excise	2002	0.03
Central Excise Act, 1944	Central Excise	Supreme Court	2010	0.08
Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner	1996-97, 1998-99	0.07
Central Sales Tax Act, 1956	Sales Tax	Appeal	2013-14	0.06
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner	2000-01, 2016-17	0.07
Central Sales Tax Act, 1956	Sales Tax	CESTAT	2009-10	20.70
Central Sales Tax Act, 1956	Sales Tax	Commissioner (Appeals)	2010-11 to 2014-15	0.43
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner	2012-13, 2015-16, 2016-17	0.10
Central Sales Tax Act, 1956	Sales Tax	High Court	2001-02, 2003-04, 2009-10, 2015-16	15.57
Central Sales Tax Act, 1956	Sales Tax	JCCT	2011-12, 2012-14	2.08
Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Commercial Taxes (Appeals)	2009-10	0.19
Central Sales Tax Act, 1956	Sales Tax	Karnataka Appellate Tribunal, Bangalore	2004-05	1.27
Central Sales Tax Act, 1956	Sales Tax	NA	2001-02	0.05
Central Sales Tax Act, 1956	Sales Tax	Revisional Board	2008-09, 2010-11	0.07

(All amounts in Rupees Crores, unless otherwise stated)

Name of the statute	Nature of dues	Forum where dispute is pending	Period	Amount
Central Sales Tax Act, 1956	Sales Tax	Sales Tax Tribunal	1995-96, 1997-98	0.05
Central Sales Tax Act, 1956	Sales Tax	Senior Joint Commissioner,Corporate	2013-14	0.05
Central Sales Tax Act, 1956	Sales Tax	Supreme Court	2003-04	4.06
Central Sales Tax Act, 1956	Sales Tax	Tribunal	1999-00, 1994-95, 2002-03, 2004-05, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	4.88
Central Sales Tax Act, 1956	Sales Tax	Tribunal & High Court	2006-07	0.52
Central Sales Tax Act, 1956	Sales Tax	WB Appellate & Revisional Board	2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11	7.02
CST Demanded under UP Trade Act,1948	Sales Tax	Addition Commissioner (Appeals)	2005-06, 2006-07	0.01
Customs	Customs	Assistant Commissioner of Customs	2008-09	0.02
Customs	Customs	CESTAT	2014-15	1.44
Delhi Sales Act, 1975	Sales Tax	Assessing Authority	1999-00	0.42
Finance Act, 1994	Service Tax	Assistant Commissioner	2006-07 to 2007-08	0.13
Finance Act, 1994	Service Tax	CESTAT	2007-08, 2008-09, 2009-10	0.60
Finance Act, 1994	Service Tax	Commissioner (Appeals)	2005-06, 2006-07, 2007-08, 2009-10, 2010-11, 2011-12	1.18
Finance Act, 1994	Service Tax	Superintendent of Central Excise	2013-14, 2014-15	0.12
Gujarat VAT Act	Sales Tax	Appeal	2013-14	0.73
Jharkhand VAT Act, 2005	Sales Tax	Commissioner	2010-11, 2012-13	0.73
Jharkhand VAT Act, 2005	Sales Tax	Joint Commissioner (Appeals)	2013-14	0.09
Jharkhand VAT Act, 2005	Sales Tax	Tribunal	2010-11	0.14
Odisha Value Added Tax Act, 2004	Sales Tax	Addition Commissioner (Appeals)	2010-11	8.12
Odisha Value Added Tax Act, 2004	Sales Tax	Additional Commissioner	2005-06, 2007-08	0.90
Odisha Value Added Tax Act, 2004	Sales Tax	CTC TRIBUNAL	2008-09	1.03
Odisha Value Added Tax Act, 2004	Sales Tax	JCCT	2011-12	3.34
Odisha Value Added Tax Act, 2004	Sales Tax	Sales Tax Tribunal	2009-10	4.21
Rajasthan VAT Act, 2003	Sales Tax	Assistant Commissioner	2013-14	0.02
Rajasthan VAT Act, 2003	Sales Tax	Deputy Commissioner	2008-09	0.01
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	High Court	1999-00	0.18
UP Trade Tax Act,1948	Sales Tax	Addition Commissioner (Appeals)	2006-07	0.09

(All amounts in Rupees Crores, unless otherwise stated)

Name of the statute	Nature of dues	Forum where dispute is pending	Period	Amount
UP VAT	Sales Tax	Addition Commissioner (Appeals)	2010-11, 2011-12, 2013-14	0.46
WB Sales Tax Act,1994	Sales Tax	Deputy Commissioner	1995-96, 1997-98	0.21
WB Sales Tax Act,1994	Sales Tax	WB Taxation Tribunal	1998-99	0.07
WB VAT Act, 2003	Sales Tax	Additional Commissioner	2014-15	0.04
WB VAT Act, 2003	Sales Tax	Revisional Board	2007-08, 2008-09, 2009-10, 2010-11	8.69
WB VAT Act, 2003	Sales Tax	WB Appellate & Revisional Board	2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10,	6.71
WB VAT Act, 2003	Sales Tax	WB Taxation Tribunal	2006-07, 2010-11	3.24

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares and fully convertible warrants during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
Firm Registration Number: 302009E

Abhijit Bandyopadhyay
Partner
Membership Number 054785

Kolkata
May 11, 2018

Balance Sheet

(All amounts in Rupees Crores, unless otherwise stated)

	Particulars	Notes	31-Mar-18	31-Mar-17	01-Apr-16
I.	**ASSETS**				
(1)	**Non-current assets**				
(a)	Property, plant and equipment	3	2,365.34	2,029.15	2,014.49
(b)	Capital work-in-progress		780.58	711.53	574.51
(c)	Other intangible assets	4	0.11	0.40	0.89
(d)	Investments in subsidiary and joint venture	5	430.05	30.05	0.02
(e)	Financial assets				
	(i) Investments	6	78.36	71.20	64.62
	(ii) Loans	7	-	-	13.45
	(iii) Other financial assets	8	12.86	12.49	10.33
(f)	Income tax asset (net)		59.99	45.82	44.66
(g)	Other non-current assets	9	91.71	400.71	258.52
	Total non-current assets		**3,819.00**	**3,301.35**	**2,981.49**
(2)	**Current assets**				
(a)	Inventories	10	387.26	418.72	536.99
(b)	Financial assets				
	(i) Trade receivables	11	535.15	493.09	534.29
	(ii) Cash and cash equivalents	12	66.99	152.30	351.83
	(iii) Other bank balances	13	31.46	24.40	91.67
	(iv) Loans	7	436.03	564.94	8.59
	(v) Other financial assets	8	183.67	37.92	1,876.91
(c)	Other current assets	9	254.00	301.31	186.35
			1,894.56	**1,992.68**	**3,586.63**
Assets classified as held for sale		14	-	-	700.05
Total current assets			**1,894.56**	**1,992.68**	**4,286.68**
Total assets			**5,713.56**	**5,294.03**	**7,268.17**
II.	**EQUITY AND LIABILITIES**				
	Equity				
(a)	Equity share capital	15 (a)	137.34	117.27	117.27
(b)	Other equity	15 (b)	636.36	729.00	877.60
	Total equity		**773.70**	**846.27**	**994.87**
	Liabilities				
(1)	**Non-current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	16	2,120.00	2,137.23	3,211.54
	(ii) Other financial liabilities	17	249.98	240.63	248.27
	(b) Provisions	18	16.56	17.83	11.92
	(c) Deferred tax liabilities (net)	19	-	-	-
	(d) Other Non-current liabilities	20	2.02	1.64	1.46
	Total non-current liabilities		**2,388.56**	**2,397.33**	**3,473.19**
(2)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	16	1,221.42	1,041.15	1,245.85
	(ii) Trade payables	21	682.74	509.35	592.45
	(iii) Other financial liabilities	17	232.16	214.20	677.12
	(b) Provisions	18	168.17	76.33	71.44
	(c) Income tax liabilities (net)		53.64	55.32	53.69
	(d) Other current liabilities	20	193.17	154.08	159.56
	Total current liabilities		**2,551.30**	**2,050.43**	**2,800.11**
	Total liabilities		**4,939.86**	**4,447.76**	**6,273.30**
	Total equity and liabilities		**5,713.56**	**5,294.03**	**7,268.17**
	Notes forming part of the Financial Statements	**1 - 46**			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Manjushree Khaitan
Executive Vice-Chairperson

Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

Statement of Profit and Loss

(All amounts in Rupees Crores, unless otherwise stated)

	Particulars	Notes	2017-2018	2016-2017
I	Revenue from operations	22	3,704.57	4,137.42
II	Other income	23	228.46	106.02
III	**Total Income (I+II)**		**3,933.03**	**4,243.44**
IV	Expenses:			
	(a) Cost of materials consumed	24	1,027.40	1,004.25
	(b) Purchases of stock-in-trade		145.35	209.65
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	47.71	117.12
	(d) Excise duty on sale of goods		117.46	460.92
	(e) Employee benefit expense	26	323.41	313.21
	(f) Depreciation and amortisation expense	27	128.23	123.05
	(g) Finance costs	28	421.24	282.10
	(h) Other expenses	29	2,112.51	2,008.60
	Total Expenses		**4,323.31**	**4,518.90**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		**(390.28)**	**(275.46)**
VI	**Exceptional Items**	30	**(75.23)**	**121.35**
VII	**Profit/(Loss) before tax (V+VI)**		**(465.51)**	**(154.11)**
VIII	**Tax expense:**	31		
	(1) Current tax charge / (credit)		-	2.33
	(2) Deferred tax charge / (credit)		(2.00)	(1.57)
IX	**Profit/(Loss) for the year (VII-VIII)**		**(463.51)**	**(154.87)**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss			
	Remeasurement of post-employment benefit plans		(7.67)	(0.04)
	Fair value changes of investments in equity shares		7.93	7.88
	Income tax relating to items that will not be reclassified to the statement of Profit and Loss		(2.00)	(1.57)
	Total other comprehensive income/(loss)		(1.74)	6.27
XI	**Total comprehensive income/(loss) for the year (IX+X)**		**(465.25)**	**(148.60)**
XII	**Earnings per share**	32		
	Basic (Rs.)		(37.66)	(13.21)
	Diluted (Rs.)		(37.66)	(13.21)
XIII	**Notes forming part of the Financial Statements**	1 - 46		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Manjushree Khaitan
Executive Vice-Chairperson

Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

Statement of Cash Flow

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	2017-2018	2016-2017
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before tax	(465.51)	(154.11)
Adjustments for:		
Depreciation and amortisation	128.23	123.05
Advances/deposits written off	1.37	3.78
Provision for bad and doubtful debts (written back)	(5.30)	(10.00)
Provision for warranty	4.42	11.91
Provision for decommissioning obligation	0.75	0.68
Provision for diminution in value of investments	-	0.02
Provision for doubtful advances	34.51	-
Provision for contingencies	18.41	-
Exchange loss/(gain) on derivatives instruments	(0.49)	-
Finance costs	421.24	282.10
Exchange loss/(gain) on foreign currency fluctuation	(1.42)	(10.10)
Exceptional Items	41.36	(121.35)
Loss on sale of property, plant and equipment (net)	4.38	2.04
Liabilities/Provision no longer required written back	(15.65)	(35.75)
Interest income	(197.83)	(58.67)
Dividend income from long term investment (other than trade)	(0.07)	(0.08)
Operating profit/(loss) before working capital changes	**(31.60)**	**33.52**
Changes in Working Capital:		
Increase / (decrease) in Non Current /Current financial and other liabilities/provisions	241.21	(28.11)
(Increase) / decrease in Non Current /Current financial and other assets	(10.62)	(3.12)
(Increase) / decrease in inventories	31.45	118.27
Cash Generated from Operations	230.44	120.56
Direct Taxes paid (net of refunds)	(15.78)	(1.89)
Net cash generated from operating activities	**214.66**	**118.67**
B. Cash flow from Investing Activities:		
Purchase of property, plant and equipment/capital advance given	(645.83)	(337.92)
Proceeds from sale of property, plant and equipment	1.86	1.87
Refund of capital advance	256.71	-
Proceeds from sale of body corporate	-	1,427.16
Proceeds from sale of undertakings	-	511.14
Purchase of Non Current investments	-	(0.05)
Loan given to subsidiary	(944.20)	(529.29)
Repayment of loans given to subsidiary	701.82	-
Proceeds from sale of Non Current investments	0.62	1.31
Proceeds from assets held for sale	-	700.05
Interest received	175.57	29.79
Deposit made with bank	-	(0.01)
Dividend income from long term investment (other than trade)	0.07	0.08
Net cash (used in)/generated from investing activities	**(453.38)**	**1,804.13**
C. Cash flow from Financing Activities		
Proceeds from Issue of Equity Shares	219.99	-
Proceeds from issue of share warrants	82.69	-
Dividends paid	-	(0.29)
Finance cost paid	(437.01)	(372.06)
Proceeds from		
- Long term borrowings	530.00	950.00
- Short term borrowings	3,645.28	3,612.62
Repayment of		
- Long term borrowings	(430.51)	(2,461.14)
- Short term borrowings	(3,550.93)	(3,854.83)
Net cash (used)/generated in financing activities	**59.51**	**(2,125.70)**

Statement of Cash Flows (contd.)

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	2017-2018	2016-2017
Net decrease in cash and cash equivalents	(179.21)	(202.90)
Cash and cash equivalents at the beginning of the year	152.30	351.83
Less: Cash credits at the beginning of the year	(126.84)	(123.47)
Adjusted cash & cash equivalents at the beginning of the year	25.46	228.36
Cash and cash equivalents on acquisition of an undertaking	0.04	-
Cash & cash equivalents at the end of the year	(153.71)	25.46
	2017-2018	**2016-2017**
Cash and Cash Equivalents comprise :		
Cash on hand	0.14	0.05
Cheques on hand	19.14	21.95
Balances with banks on current account	19.00	113.65
Balances with banks on Cash Credit Accounts	28.71	16.65
Cash credits at the end of the year	(220.70)	(126.84)
	(153.71)	**25.46**

Notes:

1. The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
2. During the year, the Company allotted 75,00,000 Equity Shares of face value Rs.10 each to IndusInd Bank Ltd by converting the existing 7,50,000 Optionally Convertible Preference Shares of Rs.100 each at the stipulated price of Rs.120 per Equity Share on account of conversion option exercised by IndusInd Bank Ltd.
3. During the year, the Company has converted its loan of Rs 400 crores to subsidiary company into 40,00,00,000 equity shares of Rs 10 each at par aggregating to Rs 400 crores.
4. During the previous year, pursuant to the business transfer agreement, the Company had acquired 3,00,00,000 equity shares of Rs 10 each at par aggregating to Rs 30 crores without consideration being paid in cash.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director &
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Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

Statements of Changes in Equity

(All amounts in Rupees Crores, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
As at 01 April 2016		117.27
Changes during the year	15 (a)	-
As at 31 March 2017		**117.27**
Changes during the year	15 (a)	20.07
As at 31 March 2018		**137.34**

B. Other equity

Particulars	Notes	Share warrants	Securities Premium	Capital reserve - Development grant/ subsidy	Capital reserve -Amalgamation reserve	Capital Redemption Reservet	General reserve	Others **	Retained earnings	FVOCI - equity instruments	Total other equity
Balance at 01 April 2017		**-**	**424.72**	**0.40**	**2.91**	**3.59**	**224.00**	**7.31**	**11.99**	**54.08**	**729.00**
Profit/(Loss) for the year									(463.51)		**(463.51)**
Other comprehensive income/(expense) [net of tax]									(7.67)	5.93	**(1.74)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(471.18)**	**5.93**	**(465.25)**
Issue of equity shares and warrants		82.69	289.92	-	-	-	-	-			**372.61**
Transfer within equity *	15 (b)								0.62	(0.62)	**-**
Balance as at 31 March 2018		**82.69**	**714.64**	**0.40**	**2.91**	**3.59**	**224.00**	**7.31**	**(458.57)**	**59.39**	**636.36**

Particulars	Notes	Share warrants	Securities Premium	Capital reserve - Development grant/ subsidy	Capital reserve -Amalgamation reserve	Capital Redemption Reservet	General reserve	Others **	Retained earnings	FVOCI - equity instruments	Total other equity
Balance at 01 April 2016		**-**	**424.72**	**0.40**	**2.91**	**3.59**	**224.00**	**7.31**	**165.87**	**48.80**	**877.60**
Profit/(Loss) for the year		-	-						(154.87)		**(154.87)**
Other comprehensive income/(expense) [net of tax]		-	-						(0.04)	6.31	**6.27**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(154.91)**	**6.31**	**(148.60)**
Transfer within equity*	15 (b)	**-**	**-**						**1.03**	**(1.03)**	**-**
Balance at 31 March 2017		**-**	**424.72**	**0.40**	**2.91**	**3.59**	**224.00**	**7.31**	**11.99**	**54.08**	**729.00**

* represents gain on sale of shares transferred from Fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings.
** refer note 15 (b).

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Manjushree Khaitan
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Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

Notes forming part of Financial Statements

1. Company Information

Kesoram Industries Limited (the Company) is a public company domiciled and incorporated under the provisions of the Indian Companies Act, 1913. The Company is a flagship company of B. K. Birla group of companies. The Company is a multi-product and multi-location company. Automobile tyre business and Cement are its core businesses. Its shares are listed on three stock exchanges in India (Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange) and its Global Depositary Receipts (GDR) are listed on Luxembourg Stock Exchange. The Company markets its automobile tyres under the brand name "Birla Tyres" and cement is marketed under "Birla Shakti" brand.

The financial statements as at 31 March 2018 present the financial position of the Company.

The financial statements for the year ended 31 March 2018 were approved by the Board of Directors and authorised for issue on 11th May 2018.

2. Summary of significant accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1 April 2017.

Up to the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 43 (First-time Adoption)

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

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.

2.2 Property, plant and equipment

a) Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation /settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

b) Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

c) Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.14 below] incurred during construction/installation period relating to items or projects in progress.

d) Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of profit and loss.

e) Depreciation methods, estimated useful lives and residual value

Notes forming part of Financial Statements

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of assets	Estimated useful life (in years)
Buildings	5-60 years
Plant and Equipment	1-40 Years
Furniture and Fixtures	1-16 Years
Office Equipment	1-20 years
Vehicles	8-10 Years
Railway Siding	15 Years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

2.3 Intangible assets

Intangible property, plant and equipment are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

Class of assets	Estimated useful life (in years)
Software	3 years

2.4 Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5 Lease

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

2.7 Financial Instruments

Financial assets and financial 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 and loss) are added to or deducted from the fair value

Notes forming part of Financial Statements

measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

i. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

ii. Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

iii. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model 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.

iv. Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

v. Impairment of financial assets

The Company assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Company recognises loss allowance for expected credit losses on financial asset.

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.

vi. De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes forming part of Financial Statements

(b) Financial liabilities and equity instruments

i. Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii. Equity instruments

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

iii. Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

iv. De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

v. Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

vi. Offsetting financial instruments

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

2.8 Employee Benefits

i. Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

ii. Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Notes forming part of Financial Statements

iii. Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

2.9 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.10 Provision and Contingent Liabilities

i. Provisions:

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

i. **Provision for restoration and environmental costs**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

ii. Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to five years.

Notes forming part of Financial Statements

ii. Contingent Liabilities:

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

2.11 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

2.12 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.13 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Notes forming part of Financial Statements

i. **Sales of goods**

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It includes excise duty and excludes value added tax/sales tax/Goods and Service tax . It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The estimated liability for sales related unfulfilled obligations is deferred to the time when those obligations are expected to be discharged. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence.

ii. **Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

iii. **Dividend income**

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

iv **Rental income**

Rental income from investment properties and subletting of properties is recognised on a time proportion basis over the term of the relevant leases.

2.14 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.15 Foreign currency transactions and translations

i. Functional and presentation currency

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

ii. **Transactions and balances**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses arising out of fluctuations in the exchange rates are recognised in the statement of profit and loss in the period in which they arise.

2.16 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

2.17 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

Notes forming part of Financial Statements

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors has been identified as the chief operating decision maker. Refer note 41 for segment information presented. The company accounts for intersegment sales and transfers at cost.

2.19 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.20 Standards issued but not effective

Ind AS 115:- Revenue from contracts with customers :

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

Ind AS 21:- Foreign currency transactions and advance consideration:

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Company expects this change to impact its accounting for revenue contracts involving advance payments in foreign currency.

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

3. Property, plant and equipment

	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK
Particulars	**As at 1/Apr/17**	**Additions during the Year**	**Deletion during the Year**	**As at 31/Mar/18**	**Upto 1/Apr/17**	**Provided during the Year**	**Deletion during the Year**	**Upto 31/Mar/18**	**As at 31/ Mar/18**
Land :									
- Freehold	432.29	419.59	-	851.88	-	-	-	-	851.88
- Leasehold	0.29	-	-	0.29	0.01	0.01		0.02	0.27
Buildings	356.57	21.86	-	378.43	22.00	21.97		43.97	334.46
Plant and Equipments	1,310.39	26.43	5.85	1,330.97	92.66	98.39	0.87	190.18	1,140.79
Furniture and Fixtures	10.13	0.20	0.31	10.02	1.35	1.29	0.06	2.58	7.44
Office Equipment	7.43	0.53	0.14	7.82	2.03	1.75	0.07	3.71	4.11
Vehicles	19.83	1.74	1.21	20.36	2.76	3.04	0.31	5.49	14.87
Railway Siding	14.40	-	0.05	14.35	1.47	1.46	-	2.93	11.42
Bearer plant	0.10	-	-	0.10	-	-	-	-	0.10
Total	**2,151.43**	**470.35**	**7.56**	**2,614.22**	**122.28**	**127.91**	**1.31**	**248.88**	**2,365.34**

	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK
Particulars	**Deemed Cost As at 1/Apr/16**	**Additions during the Year**	**Deletion during the Year**	**As at 31/Mar/17**	**Upto 1/Apr/16**	**Provided during the Year**	**Deletion during the Year**	**Upto 31/Mar/17**	**As at 31/ Mar/17**
Land :									
- Freehold	432.29	-	-	432.29	-	-	-	-	432.29
- Leasehold	0.29	-	-	0.29	-	0.01	-	0.01	0.28
Buildings	345.01	11.56	-	356.57	-	22.00	-	22.00	334.57
Plant and Equipments	1,194.75	118.97	3.33	1,310.39	-	92.78	0.12	92.66	1,217.73
Furniture and Fixtures	9.55	0.58	-	10.13	-	1.35	-	1.35	8.78
Office Equipment	4.71	2.79	0.07	7.43	-	2.05	0.02	2.03	5.40
Vehicles	13.39	7.16	0.72	19.83	-	2.84	0.08	2.76	17.07
Railway Siding	14.40	-	-	14.40	-	1.47	-	1.47	12.93
Bearer plant	0.10	-	-	0.10	-		-	-	0.10
Total	**2,014.49**	**141.06**	**4.12**	**2,151.43**	**-**	**122.50**	**0.22**	**122.28**	**2,029.15**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(i) Refer note 16 for Property, plant and equipment pledged as security.

(ii) Contractual obligations

Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

	31- Mar-18	31-Mar-17	1-Apr-16
(iii) The above balances include:			
(i) Jointly owned:-			
- Furniture and Fixtures and Office Equipments	-	-	1.12
- Plant and Equipment	-	-	0.03
(ii) Cost of assets lying with third parties	1.71	2.09	-

4. Intangible Asset

	GROSS BLOCK - AT COST				AMORTISATION				NET BLOCK
Particulars	As at 1/Apr/17	Additions during the Year	Deletion during the Year	As at 31/Mar/18	Upto 1/Apr/17	Provided during the Year	Deletion during the Year	Upto 31/Mar/18	As at 31/ Mar/18
Software	0.95	0.03	-	0.98	0.55	0.32	-	0.87	0.11
Total	**0.95**	**0.03**	**-**	**0.98**	**0.55**	**0.32**	**-**	**0.87**	**0.11**

	GROSS BLOCK - AT COST				AMORTISATION				NET BLOCK
Particulars	Deemed cost as at 1/Apr/16	Additions during the Year	Deletion during the Year	As at 31/Mar/17	Upto 1/Apr/16	Provided during the Year	Deletion during the Year	Upto 31/Mar/17	As at 31/ Mar/17
Software	0.89	0.07	0.01	0.95	-	0.55	-	0.55	0.40
Total	**0.89**	**0.07**	**0.01**	**0.95**	**-**	**0.55**	**-**	**0.55**	**0.40**

5. Investments in subsidiary and joint venture

Particulars	Face value	31 March 2018	31 March 2017	01 April 2016
A. Investments carried at cost				
(a) Equity Investments in Subsidiary Company - Unquoted				
43,00,50,000 (31 March, 2017: 30,050,000, 1 April, 16 : Nil) shares of Cygnet Industries Limited	10	430.05	30.05	-
(b) Equity Investments in Joint venture - Unquoted				
22,730 (31 March, 2017: 22,730, 1 April, 2016: 22,730) shares of Gondhkari Coal Mining Limited	10	0.02	0.02	0.02
Less: Provision for impairment in value of investments		(0.02)	(0.02)	-
Total investment in subsidiary and joint venture		**430.05**	**30.05**	**0.02**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Financial Assets

6. Investments

Particulars	Face value	31 March 2018	31 March 2017	01 April 2016
A. Investments carried at fair value through other comprehensive income:				
Investments in Equity shares				
(i) Q uoted				
496,100 (31 March, 2017: 496,100, 1 April, 2016: 496,100) shares of HGI Industries Ltd. $	10	0.00*	0.00*	0.00*
317,745 (31 March, 2017: 388,116, 1 April, 2016: 388,116) shares of Jay Shree Tea & Industries Limited	5	2.73	4.26	3.17
4,996,986 (31 March, 2017: 4,996,986, 1 April, 2016: 4,996,986) shares of Kesoram Textile Mills Limited #	2	23.38	22.37	22.37
NIL (31 March, 2017: NIL , 1 April, 2016: 233,423) shares of Manjushree Plantations Limited	10	-	-	0.01
44,750 (31 March, 2017: 44,750, 1 April, 2016 : 44,750) shares of Vidula Chemicals & Manufacturing Industries Ltd	10	-	-	-
		26.11	**26.63**	**25.55**
(ii) Unquoted				
30,000 (31 March, 2017: 30000, 1 April, 2016: 30,000) shares of Birla Buildings Ltd	10	47.76	40.97	34.17
10,000 (31 March, 2017: 10,000, 1 April, 2016: 10,000) shares of Coromandel Stampings & Stones Ltd $	10	0.00*	0.00*	0.00*
143,000 (31 March, 2017: 143,000, 1 April, 2016: 143,000) shares of Kesoram Insurance Broking Services Ltd	10	0.95	1.36	1.36
10,455 (31 March, 2017: 10,455, 1 April, 2016: 10,455) shares of Calcutta Stock Exchange Association Ltd	1	-	-	-
NIL (31 March, 2017: NIL, 1 April, 2016: 119) shares of Essel Mining & Industries Ltd	10	-	-	1.20
10 (31 March, 2017: 10, 1 April, 2016: 10) shares of Meghdoot Co-operative Housing Society Ltd $	100	0.00*	0.00*	0.00*
7,231 (31 March, 2017: 7,231, 1 April, 2016: 7,231) shares of Padmavati Investment Ltd	10	3.28	1.95	1.95
18,800 (31 March, 2017: 18,800, 1 April, 2016 : 18,800) shares of Vasavadatta Services Ltd	10	0.26	0.29	0.29
NIL (31 March, 2017: NIL, 1 April, 2016: 21,693) shares of JPM Merchandise Agencies Ltd	10	-	-	0.10
		52.25	**44.57**	**39.07**
Total Investments		**78.36**	**71.20**	**64.62**

(i) The carrying value and market value of quoted and unquoted investments are as below:

(a) **Quoted**			
Carrying value	26.11	26.63	25.55
Market value	26.11	26.63	25.55
(b) **Unquoted**			
Carrying value	52.25	44.57	39.07

#market values in cases of some quoted investments are not available, hence the fair value has been considered as market values in such cases

$ cost of these equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measuements and cost represents the best estimate of fair value within that range.

* Amount is below the rounding off norm adopted by the Company.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

7. Loans

Particulars	31 March 2018	31 March 2017	01 April 2016
A. Non-current			
Unsecured, considered good			
(a) Loan to joint venture company	7.11	6.79	6.77
Less: Allowance for credit loss	(7.11)	(6.79)	(6.77)
(b) Loan to employees	-	-	0.01
(c) Loan to others	-	-	13.44
	-	**-**	**13.45**
B. Current			
Unsecured, considered good			
(a) Loan to subsidiary	429.65	557.80	-
(b) Loan to employees	2.38	3.14	3.03
(c) Loan to others	4.00	4.00	5.56
	436.03	**564.94**	**8.59**

Disclosure as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Company	Relationship	As at 31 March 2018	Maximum balance outstanding during the year	Investment by the loanee in shares of parent Company
Cygnet Industries Limited	Subsidiary	429.65	786.36	-

8. Other financial assets

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-current			
Deposit with original maturity for more than 12 months	0.01	0.01	-
Security deposits	12.85	12.48	10.33
	12.86	**12.49**	**10.33**
Current			
Security deposits	3.46	18.29	12.62
Derivative asset	0.49	-	19.03
Balance with body corpoartes	172.84	10.63	1,286.94
Receivable from body corporate for sale of undertaking	-	-	541.14
Interest accrued on deposits	0.12	0.13	0.22
Others	6.76	8.87	16.96
	183.67	**37.92**	**1,876.91**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

9. Other assets

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-Current			
Capital advances	39.12	355.50	227.52
Balance with statutory/government authorities	50.91	43.54	30.38
Prepaid expenses	1.19	1.05	-
Others	0.49	0.62	0.62
	91.71	**400.71**	**258.52**
Current			
Balance with statutory/government authorities	104.91	125.29	97.44
Less: Allowances for doubtful advances	-	(6.74)	(6.74)
Prepaid expenses	6.47	5.83	5.83
Advance to vendors	121.98	139.23	98.50
Less: Allowances for doubtful advances	(16.12)	(14.88)	(17.83)
Others	59.39	52.58	9.15
Less: Allowances for doubtful advances	(22.63)	-	-
	254.00	**301.31**	**186.35**

10. Inventories

Particulars	31 March 2018	31 March 2017	01 April 2016
Raw materials	80.72	74.32	68.30
Work-in-progress	56.96	59.44	54.54
Finished goods	140.96	186.38	309.38
Stock-in-trade	-	0.12	-
Stores and spare parts	108.62	98.46	104.77
	387.26	**418.72**	**536.99**
Included above, goods-in-transit:			
Raw materials	14.26	16.17	1.83
Finished goods	11.23	3.44	4.24
Stores and spare parts	8.34	9.08	6.19
	33.83	**28.69**	**12.26**

The Company has made provision of Rs. 1.48 Crore (31 March 2017: Reversal of Rs. 22.20 Crore) for writing down the value of inventories towards slow moving, non-moving and obselete inventory.

11. Trade receivables

Particulars	31 March 2018	31 March 2017	01 April 2016
Current			
Trade Receivables			
(a) Secured, considered good	237.22	171.72	178.22
(b) Unsecured, considered good	297.93	321.37	356.07
(c) Doubtful	170.65	175.95	185.95
	705.80	**669.04**	**720.24**
Allowance for doubtful debts	(170.65)	(175.95)	(185.95)
	535.15	**493.09**	**534.29**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

12. Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	01 April 2016
Cash and cash equivalents			
Cash on hand	0.14	0.05	0.04
Cheques on hand	19.14	21.95	37.20
Balances with bank			
On Current accounts	19.00	113.65	311.70
On Cash Credit Accounts	28.71	16.65	2.89
Others			
In post office saving bank account	0.00*	-	-
	66.99	**152.30**	**351.83**

13. Other bank balances

Particulars	31 March 2018	31 March 2017	01 April 2016
Deposit with original maturity for more than three months but less than twelve months	31.14	23.79	90.77
On unpaid dividend accounts	0.32	0.61	0.90
	31.46	**24.40**	**91.67**

(a) Deposit more than three months includes:-	**31 March, 2018**	**31 March, 2017**	**1 April , 2016**
- Deposits pledged with the sales tax authorities	0.69	0.01	0.00
- Held as lien by bank against bank guarantees	2.02	0.75	0.75

(b) Depoits more than 3 months includes Rs 23.51 crore (31 March 2017: Rs 22.69 crore 1 April 2016: Nil) placed as fixed deposits in an escrow account.

(c) Other bank balances as of 31 March 2018, 31 March, 2017 and 1 April, 2016 include restricted bank balances of Rs.0.32 crore, Rs 0.61 crore and Rs 0.90 crore respectively. The restrictions are primarily on account of bank balances held in unclaimed dividends accounts.

14. Assets classified as held for sale

Particulars	31 March 2018	31 March 2017	01 April 2016
Investment in Cavendish Industries Limited	-	-	700.05
	-	**-**	**700.05**

The Company had transferred its automotive tyre manufacturing facility at Laksar, District Haridwar, Uttarakhand, as a going concern on slump sale basis, to Cavendish Industries Limited (Cavendish), a subsidiary whose more than 90% of the share capital was held by the Company.

Pursuant to the execution of a binding term sheet dated 12 September, 2015, between the Company, the subsidiary and the JK Tyre Group, it was agreed that the company would transfer its interest in such subsidiary to the JK Tyre Group at a consideration based on Enterprise Value (EV) of Rs. 2,195 crore. Subsequently, the Company had entered into a Share Purchase Agreement dated 28 October, 2015, with the subsidiary and the JK Tyre Group to transfer its interest in the said subsidiary to JK Group. The above mentioned transaction was concluded in April, 2016 and the net consideration received has been used to partially retire the Company's portfolio of long term borrowings after adjusting Rs. 25.15 crore which has since been written off on account of EV adjustment.

* Amount is below the rounding off norm adopted by the Company

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

15. Equity share capital and other equity

(a) Equity share capital

Authorised equity share capital

Particulars	31 March 2018	31 March 2017	01 April 2016
55,00,00,000 Equity Shares of Rs. 10 each	550.00	550.00	550.00
	550.00	**550.00**	**550.00**

Issued, subscribed and paid-up equity share capital

Particulars	31 March 2018	31 March 2017	01 April 2016
13,73,40,079 Equity Shares of Rs. 10 each fully paid up (31 March 2017: 11,72,68,650 Equity Shares of Rs. 10 each fully paid up) (1 April 2016: 11,72,68,650 Equity Shares of Rs. 10 each fully paid up)	137.34	117.27	117.27

(i) Movement in equity share capital

Particulars	31 March 2018	31 March 2017	01 April 2016
Opening balance	117.27	117.27	117.27
Conversion of optionally convertible preference shares (a)	7.50	-	-
Issued during the year (b)	12.57	-	-
Closing balance	**137.34**	**117.27**	**117.27**

a. During the year, the Company alloted 75,00,000 Equity Shares of face value Rs.10 each to IndusInd Bank Ltd by conversion of the existing 7,50,000 Optionally Convertible Preference Shares of Rs.100 each at the stipulated price of Rs.120 per Equity Share on account of conversion option exercised by IndusInd Bank Ltd.

b. During the year, the Company alloted 1,25,71,429 Equity Shares of face value Rs.10 each on a preferential basis to a promoter group entity at the stipulated price of Rs.175 per Equity Share.

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. All equity shareholders are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

(ii) Details of shareholders holding more than 5% shares in the company

Shareholder	31 March 2018		31 March 2017		01 April 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Pilani Investments and Industries Corporation Limited	2,73,38,750	19.91%	2,73,38,750	23.31%	2,73,38,750	23.31%
Manav Investment & Trading Co. Ltd	2,87,09,679	20.90%	1,61,38,250	13.76%	1,61,38,250	13.76%
	5,60,48,429	**40.81%**	**4,34,77,000**	**37.07%**	**4,34,77,000**	**37.07%**

(b) Other Equity

Particulars	31 March 2018	31 March 2017	01 April 2016
Share warrants#	82.69	-	-
Securities Premium	714.64	424.72	424.72
Capital reserve			
(a) Development grant/subsidy	0.40	0.40	0.40
(b) Amalgamation reserve	2.91	2.91	2.91
Capital redemption reserve	3.59	3.59	3.59
General reserve	224.00	224.00	224.00

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31 March 2018	31 March 2017	01 April 2016
Fair value through other comprehensive income (FVOCI)- equity instruments	59.39	54.08	48.80
Others	7.31	7.31	7.31
Retained earnings	(458.57)	11.99	165.87
Total reserves and surplus	**636.36**	**729.00**	**877.60**

During the year, the Company issued and allotted 52,50,000 share warrants at a price of Rs. 175/- (face value: Rs. 10 and premium: Rs. 165) per warrant to a promoter group entity on preferential basis under section 42 and 62(1)(c) of the Companies Act, 2013 and other relevant SEBI ICDR Regulations. The Company has received 90% of the subscription amount against the said warrants totalling Rs. 82.69 crores. These warrants are convertible within a period of 18 (Eighteen) months from date of allotment of the warrants, subject to payment of the balance 10% of the issue price. The remaining amount was subsequently received and the warrants have been converted on 6 April 2018.

(i) Securities Premium

Particulars	31 March 2018	31 March 2017
Opening balance	424.72	424.72
Increase/(decrease) during the year	289.92	-
Closing balance	**714.64**	**424.72**

(ii) Capital reserve

(a) Development grant/subsidy

Particulars	31 March 2018	31 March 2017
Opening balance	0.40	0.40
Increase/(decrease) during the year	-	-
Closing balance	**0.40**	**0.40**

(b) Amalgamation reserve

Particulars	31 March 2018	31 March 2017
Opening balance	2.91	2.91
Increase/(decrease) during the year	-	-
Closing balance	**2.91**	**2.91**

(iii) Capital redemption reserve

Particulars	31 March 2018	31 March 2017
Opening balance	3.59	3.59
Increase/(decrease) during the year	-	-
Closing balance	**3.59**	**3.59**

(iv) General reserve

Particulars	31 March 2018	31 March 2017
Opening balance	224.00	224.00
Increase/(decrease) during the year	-	-
Closing balance	**224.00**	**224.00**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(v) Fair value through other comprehensive income (FVOCI)- equity instruments

Particulars	31 March 2018	31 March 2017
Opening balance	54.08	48.80
Change in fair value of FVOCI equity instruments	7.93	7.88
Deferred tax	(2.00)	(1.57)
Transfer in equity	(0.62)	(1.03)
Closing balance	**59.39**	**54.08**

(vi) Other reserves

Particulars	31 March 2018	31 March 2017
Opening balance	7.31	7.31
Increase/(decrease) during the year	-	-
Closing balance	**7.31**	**7.31**

(vii) Retained earning

Particulars	31 March 2018	31 March 2017
Opening balance	11.99	165.87
Net profit/(loss) for the year	(463.51)	(154.87)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(7.67)	(0.04)
Transfer in equity	0.62	1.03
Closing balance	**(458.57)**	**11.99**

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(ii) Capital reserve

(a) Certain grants of capital nature had been credited to Capital Reserve.

(b) The Company has recognised profit on account of amalgamation in capital reserve.

(iii) Capital redemption reserve

Capital redemption reserve was created on account of reinstatement of certain investments and spares at cost.

(iv) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

(v) Fair value through other comprehensive income (FVOCI)- equity instruments

The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

(vi) Others primarily include:

(a) Amounts appropriated out of profit or loss for doubtful debts and contingencies.

(b) Share buyback reserve has been created as per the Companies Act, 1956.

(c) Reserve which has arisen on forfeiture of shares.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Financial Liabilities

16. Borrowings (measured at amortised cost)

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-Current			
(a) Secured			
Debentures			
Nil (31 March 2017: Nil, 1 April, 2016: 2000) Redeemable Non-Convertible Debentures [Refer Note (a) below]	-	-	199.67
Term Loans:			
From Bank			
Indian rupee loan [Refer note (b) below]	2,131.03	2,029.01	2,410.60
Foreign currency loan [Refer note (c) below]	-	-	231.42
From others			
Indian rupee loan [Refer note (d) below]	96.76	96.36	833.13
(b) Unsecured			
Nil (31 March 2017: 7,50,000, 1 April, 2016 : 7,50,000) Optionally convertible redeemable preference shares of Rs. 100 each fully paid up [Refer note (e) below]	-	88.29	84.98
	2,227.79	**2,213.66**	**3,759.80**
Less: Current maturities of long term borrowings (Refer Note 17)	(118.75)	(88.29)	(558.66)
Add: Interest accrued on long term borrowings	10.96	11.86	10.40
	2,120.00	**2,137.23**	**3,211.54**
Current			
(a) Secured			
Working Capital Loan			
From Bank [Refer note (f) below]			
Indian rupee loan	120.77	-	-
Overdraft / Cash Credit	220.70	126.84	123.47
Working capital demand loan	568.31	519.00	579.00
Packing credit loan	30.05	25.94	142.46
Foreign currency loan	53.27	85.31	22.99
(b) Unsecured			
Term Loan			
From Bank			
Indian rupee loan	109.25	148.79	343.10
Packing credit loan	25.00	25.94	-
Foreign currency loan	66.03	106.04	26.29
From others			
Director	23.73	-	-
	1,217.11	**1,037.86**	**1,237.31**
Add: Interest accrued on short term borrowings	4.31	3.29	8.54
	1,221.42	**1,041.15**	**1,245.85**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Net debt reconciliation

This section sets out an analaysis of debt and the movements in net debt for the current period

Particulars	31 March 2018	31 March 2017
Cash and cash equivalents	66.99	152.30
Non-current borrowings	(2,120.00)	(2,137.23)
Current borrowings	(1,221.42)	(1,041.15)
Total	**(3,274.43)**	**(3,026.08)**

	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April 2017	**152.30**	**(2,137.23)**	**(1,041.15)**	**(3,026.08)**
Cash flows	(179.17)	(99.49)	(94.35)	(373.01)
Change in cash credit considered as cash and cash equivalent for statement of cash flows	93.86	-	(93.86)	-
Interest expenses	-	(290.27)	(109.23)	(399.50)
Interest paid	-	297.87	117.39	415.26
Changes in current maturities of long-term debt and interest accrued on them	-	19.12	-	19.12
Non-cash movements:				
Optionally convertible redeemable preference shares converted to equity shares during the year	-	90.00	-	90.00
Foreign exchange adjustment	-	-	(0.22)	(0.22)
Net debt as at 31 March 2018	**66.99**	**(2,120.00)**	**(1,221.42)**	**(3,274.43)**

(a) Debentures

	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
10.50% Non Convertible Debentures	-	-	199.67	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the company.	Repayment at the end of 5 years from the allotment date of 28th August, 2014. Interest payable quarterly @ 10.50% p.a.
	-	**-**	**199.67**		

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(b) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
Axis Bank Ltd.	-	-	399.51	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the company.	Repayment in quarterly instalments after a 27 month moratorium period from the date of first disbursement in the following manner:(a) First 10 instalments of Rs 33 crore each; (b) Next 2 instalments of Rs 35 crore each. Interest Payable monthly @ Base rate plus 1% p.a.
Axis Bank Ltd.	1,258.92	1,252.63	1,166.98	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur).Second pari passu charge on all current assets of the company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each. (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 6 month MCLR plus 1.75% p.a.
Bank of Baroda	-	-	74.99	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable by four equal annual instalments commencing from 24 months after first disbursement. Interest is payable monthly @ base rate + 1.75% + term premium of 0.15%
ICICI Bank Ltd.	-	-	149.99	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Company.	Repayable in 20 equal quarterly instalments commencing from the 27th month from the date of disbursement. Interest is payable monthly @ base rate plus 2.7% p.a. with annual reset.
ICICI Bank Ltd.	198.53	198.23	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 28 equal quarterly instalments commencing from the 39th month from the date of disbursement. Interest is payable monthly @ base rate plus 1.40% per annum with annual reset.
	1,457.45	1,450.86	1,791.47	Carried over	

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
	1,457.45	1,450.86	1,791.47	Brought forward	
Punjab National Bank	-	-	40.00	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in twenty quarterly instalments starting from June 2012 distributed as first sixteen instalments of Rs. 16.25 Crore each and balance four instalments of Rs. 10 Crore each. Interest is payable monthly @ base rate plus 1.5% p.a. plus term premium.
State Bank of India	-	-	124.97	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in 12 quarterly instalments commencing from the quarter ending February, 2014 distributed as 11 instalments of Rs. 41.67 Crore each and the last instalment of Rs. 41.63 Crore in November, 2016. Interest is payable monthly @ base rate plus 2% p.a.
The South Indian Bank Ltd.	-	-	92.49	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Company.	Repayment commencing after a moratorium of 12 months in 6 quarterly instalments of Rs 1.5 Crore each, next 4 quarterly instalments of Rs 3 Crore each, next 17 quarterly instalments of Rs 4.39 Crore each and last instalment of Rs 4.37 Crore thereafter. Interest is payable @ base rate plus 2.50% p.a. with annual reset.
The South Indian Bank Ltd.	-	-	41.00	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Company.	Repayment commencing after a moratorium of 12 month in 6 quarterly instalments of Rs 0.75 Crore each, next 4 quarterly instalments of Rs 1.5 Crore each , next 17 quarterly instalments of Rs 2.20 Crore each and last instalment of Rs 2.10 Crore thereafter. Interest is payable @ base rate plus 3% p.a. with annual reset.
The South Indian Bank Ltd.	-	-	84.99	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Company.	Repayment to be made in 28 quarterly instalments after the initial holiday period of 12 months. (First 6 quarters Rs 1.5 Crore each, next 4 quarters Rs 3 Crore each, next 17 quarters Rs 4.39 Crore each, last quarter Rs 4.37 Crore). Interest payable monthly @ base rate + 2%.
	1,457.45	1,450.86	2,174.92	Carried over	

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
	1,457.45	1,450.86	2,174.92	Brought forward	
The South Indian Bank Ltd.	387.50	385.43	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur).Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.60% p.a.
The Karur Vysya Bank Ltd.	-	-	85.70	First pari passu charge on all movable and immovable property, plant and equipment (both present & future) of various units (excluding Corporate Office) of the Company.	To be repaid in 28 Quarterly instalments after a moratorium period of one year. Interest is payable monthly @ base rate + 1.5%.
The South Indian Bank Ltd.	-	-	149.98	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of the various units of the Company.	Repayment in 20 equal quarterly instalments of Rs 7.50 crore each after moratorium of 24 months from date of first disbursement. Interest payable monthly @ Base Rate plus 2.50% p.a.
The Karur Vysya Bank Ltd.	96.87	96.36	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur).Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.05% p.a.
	1,941.82	1,932.65	2,410.60	Carried over	

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
	1,941.82	1,932.65	2,410.60	Brought forward	
The Lakshmi Vilas Bank Ltd.	96.87	96.36	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur).Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.15% p.a.
IndusInd Bank Ltd	92.34	-	-	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land).Second pari passu charge on all current assets of the company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions).	Repayment in 16 equal quarterly instalments commencing from the 13th month from the date of disbursement. Interest is payable monthly @ 1year MCLR with annual reset.
	2,131.03	**2,029.01**	**2,410.60**		

(c) Repayment terms and nature of securities given for Foreign currency loans from banks are as follows:

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
IndusInd Bank Ltd	-	-	231.42	First Charge on Certain Immovable property, plant and equipment (non-agricultural land) located at Solapur, Maharashtra, (yet to be created) and first pari passu charge on immovable property, plant and equipment of the Company.	16 equal quarterly instalments after a moratorium period of 24 months. Interest payable @ Base Rate + 75 Basis Points.
	-	-	231.42		

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(d) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:

Financial Institution	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
HDFC Ltd	-	-	299.94	First pari passu charge on all movable and immovable property, plant and equipment (both present & future) of various units of the Company.	Principal repayment shall have a moratorium of 8 calendar quarters from the date of first disbursement and thereafter repayment in 12 equal calendar quarters starting from the first calendar quarter after the end of the moratorium period. Interest payable at the end of calendar quarters @ HDFC CPLR - 5.25 %.
IFCI Ltd	-	-	117.85	First pari passu charge on all movable and immovable property, plant and equipment (both present & future) of various units of the Company.	The loan shall be repaid in 28 structured quarterly instalments commencing from the fifteenth month from the date of first disbursement. Interest is payable monthly @ SBI base rate + 280 basis points.
IFCI Ltd	-	-	142.10	First pari passu charge on all moveable and immoveable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the Company.	Repayment in 19 equal quarterly instalments from 18th month from the date of first disbursement. Interest payable monthly @ benchmark rate plus 1.80% p.a.
L&T Infrastructure Finance Company Ltd	-	-	177.74	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Company.	Repayable in 28 quarterly instalments with 6 quarters of Rs 3.75 Crore, 4 quarters of Rs 7.5 Crore and 18 quarters of Rs 10.97 Crore each. Interest is payable monthly @ L&T Infra plrs minus/plus spread
West Bengal Infrastructure Development Finance Corporation Ltd.	-	-	95.50	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second charge on all current assets (both present and future) of the various units of the Company and second charge on Current Assets ranking Pari Passu with the existing and future charge of other term lenders.	Repayment over a period of 8 years (including 4 quarters of moratorium from the date of first disbursement) structured over 32 quarters. Interest payable monthly @ base rate of State Bank of India plus 2.80% p.a.
	-	-	**833.13**	Carried over	

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Financial Institution	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
	-	-	**833.13**	Brought forword	
West Bengal Infrastructure Development Finance Corporation Ltd.	96.76	96.36	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur).Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ Axis Bank Base Rate plus 0.75% p.a.
	96.76	**96.36**	**833.13**		

(e) Optionally convertible redeemable preference shares (OCRPS)

Yield (YTM) - The Yield on the Instrument to be minimum 12.50% p.a, on the Investment Amount. The Yield will Step Up by 0.50% p.a., over the prevailing Yield on the OCRPS for every notch of rating downgrade of the Instrument. The Yield will Step Down by 0.50% p.a., over the prevailing Yield on the OCRPS upgrade in rating of the Instrument to A- from the date of such upgrade in rating.

Annual Dividend – Cumulative annual dividend of 0.001% p.a. payable at annual rests, on the Face Value of Facility invested, throughout the tenure of the OCRPS.

(f) Repayment terms and nature of securities given for short term borrowings

1 Secured by way of hypothecation, first pari passu charge on current assets of the Company and second charge on movable and immovable property, plant and equipment, of the Company and Cygnet Industries Limited, subsidiary of Kesoram Industries Ltd. The charge on fixed assets of Cygnet Industries Limited is under process of release.

2 Maximum amount of Commercial Paper outstanding at any point of time during the year was Rs. 325 crs (31 March 2017: Rs 50 crores)

3 The cash credit and working capital demand loans are repayable on demand.

17. Other financial liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-Current			
Security deposits	249.98	240.63	248.27
	249.98	**240.63**	**248.27**
Current			
Current maturities of long-term debt (Refer Note 16)	118.75	88.29	558.66
Current maturities of long-term Finance lease	-	-	0.67
Interest accrued but not due on borrowings	-	11.34	2.09
Interest accrued and due on borrowings	-	-	2.14
Capital creditors	22.03	24.25	14.86
Retention & earnest deposits	16.29	16.01	9.21
Other payables	42.11	49.84	66.34
Security deposits	32.61	21.63	22.20
Forward contract payable	-	2.18	-
Unpaid dividends	0.32	0.61	0.90
Unpaid matured deposits and interest accrued thereon	0.05	0.05	0.05
	232.16	**214.20**	**677.12**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

18. Provisions

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-Current			
(a) Provision for employee benefits			
Provision for leave encashment (unfunded)	4.82	4.25	5.85
(b) Others			
Decommissioning obligations	7.50	6.75	6.07
Warranties	4.24	6.83	-
Total non-current provisions	**16.56**	**17.83**	**11.92**
Current			
(a) Provision for employee benefits			
Provision for gratuity (Refer Note 26)	8.50	1.97	6.77
Net of advance Rs 3.15 crore (31st March 2017 Rs 0.13 crore , 1st April 2016 Rs 6.57 crore)			
Provision for leave encashment (unfunded)	17.28	17.73	15.57
Others	0.38	-	3.32
(b) Others			
Warranties	16.19	9.18	4.10
Provision for contingencies	100.09	30.00	30.00
Provision for disputed statutory dues	11.68	11.68	11.68
Others	14.05	5.77	-
Total current provisions	**168.17**	**76.33**	**71.44**

(i) Movement in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
As at 1 April 2017	16.01	6.75	30.00	11.68
Charged/(credited) to profit or loss				
Additional provision recognised	13.62	-	70.09	-
Unused amounts reversed	-	-	-	-
Amounts used during the year	(9.63)	-	-	-
Unwinding of discount	0.43	0.75		
As at 31 March 2018	**20.43**	**7.50**	**100.09**	**11.68**

Movements in each class of provision during the previous year, are set out below:

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
As at 1 April 2016	4.10	6.07	30.00	11.68
Charged/(credited) to profit or loss:				
Additional provision recognised	15.60	-	-	-
Unused amounts reversed				
Amounts used during the year	(4.10)	-	-	-
Unwinding of discount	0.41	0.68	-	-
As at 31 March 2017	**16.01**	**6.75**	**30.00**	**11.68**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

19. Deferred tax liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Deferred Tax Liabilities			
Timing Difference - Property,plant and equipment	438.89	451.30	442.70
Timing Difference - Investments	15.27	13.14	10.27
Other	0.42	(3.34)	12.12
Gross Deferred Tax Liability	**454.58**	**461.10**	**465.09**
Deferred Tax Assets			
Unabsorbed depreciation	102.26	99.30	96.44
Business losses	89.99	141.48	102.55
Items allowable for tax purpose on payment basis	22.03	21.82	24.23
Provisions	130.92	99.56	97.97
Others	109.38	98.94	143.90
Gross Deferred Tax Asset	**454.58**	**461.10**	**465.09**
Net Deferred Tax Liability	**-**	**-**	**-**

20. Other liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-current			
Advance received from Employees	2.02	1.64	1.46
	2.02	**1.64**	**1.46**
Current			
Deferred revenue	17.49	21.99	-
Advance from customers	44.49	27.45	32.52
Statutory dues	130.93	104.30	106.80
Other payables	0.26	0.34	20.24
	193.17	**154.08**	**159.56**

21. Trade payables

Particulars	31 March 2018	31 March 2017	01 April 2016
Current			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 35)	2.40	0.73	0.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises			
(i) Acceptances	153.05	107.77	88.60
(ii) Others	520.86	393.71	495.89
(c) Employee benefits payable	6.43	7.14	7.21
	682.74	**509.35**	**592.45**

22. Revenue from operations

Particulars	2017 - 18	2016 - 17
Sale of Products	3,693.97	4,113.97
Other operating revenue	10.60	23.45
	3,704.57	**4,137.42**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Goods and Services Tax (GST) has been implemented with effect from 1st July 2017. Consequently, Central Excise, Value Added Tax (VAT),Service Tax etc. have been replaced by GST. GST, VAT,Service Tax etc. are not included in Revenue from Operations. However, excise duty was included in Revenue from Operations till 30th June, 2017. Hence, reported revenues for the period up to 30th June, 2017 are not comparable with those thereafter.

23. Other Income

Particulars	2017-2018	2016-2017
Interest income:		
On financial instruments measured at amortised cost	65.97	57.28
On income tax refund	2.00	1.39
On others	129.86	-
Liabilities no longer required written back	15.65	35.75
Insurance claims	0.27	1.99
Dividend income	0.07	0.08
Miscellaneous income	14.64	9.53
	228.46	**106.02**

During the year, interest income others represents interest and penalty charged on a vendor for non-fulfillment of contract for a period from inception to 31st March 2018.

24. Cost of Materials Consumed

Particulars	2017-2018	2016-2017
Raw Material Consumed		
Opening inventory	74.32	68.30
Add : Purchases	915.55	885.78
Less : Inventory at the end of the year	80.72	74.32
Add: Raising lime stone cost	118.25	124.49
	1,027.40	**1,004.25**

(a) Limestone raising cost include:

Salaries, Wages, Bonus etc.	11.16	10.30
Contribution to Provident and other Funds	0.91	0.73
Contribution to Gratuity Fund (refer note 26)	0.48	0.11
Workmen and Staff welfare	0.39	0.53
Dead Rent, Royalty etc.	63.32	67.26
Power and Fuel	5.24	4.21
Stores and spares parts consumed	15.96	22.39
Machinery repairs	4.23	3.92
Other repairs	0.26	0.23
Rates and taxes	0.19	0.60
Insurance	0.07	-
Contractors-Transport	7.93	2.41
Miscellaneous	8.11	11.80
	118.25	**124.49**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

		Quantity		Amount	
		2017-2018	2016-2017	2017-2018	2016-2017
(b) Purchase of stock-in-trade comprise:					
Tyre	Nos	66,817	410,445	80.36	154.32
Tubes	Nos	904,962	487,606	44.28	26.88
Flaps	Nos	899,350	759,166	20.71	16.77
Others	-	-	123,951	-	11.68
				145.35	**209.65**

25. Changes in stock of finished goods, work-in-progress and stock in trade

Particulars	2017-2018	2016-2017
Inventories at the beginning of the year		
- Work - in - progress	59.44	54.54
- Finished Goods	186.38	309.38
- Stock in trade	0.12	-
Less: Inventories at the end of the year		
- Work - in - progress	56.96	59.44
- Finished Goods	140.96	186.38
- Stock in trade	-	0.12
Less: Transferred to Capital Jobs	0.31	0.86
	47.71	**117.12**

26. Employee benefits expense

Particulars	2017-2018	2016-2017
Salaries, wages and bonus	286.57	278.98
Contribution to provident fund	18.51	17.65
Contribution to superannuation fund	0.15	0.20
Contribution to labour welfare fund	0.08	0.15
Gratuity	3.50	1.95
Contribution under Employees State Insurance Scheme	1.55	1.18
Staff welfare expenses	13.05	13.10
Total employee benefits expense	**323.41**	**313.21**

During the year, the Company recognised an amount of Rs. 10.79 crore (2016-17: Rs. 8.34 crores) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	2017-2018	2016-2017
Short term employee benefits	10.65	8.26
Post employment benefits	0.14	0.02
Other long term employee benefits	-	0.06
Total employee benefits expense	10.79	8.34

(i) Compensated absences

Compensated absences cover the Company's liability for sick and earned leave.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(ii) Defined benefit plan

a) Gratuity

The Company operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

b) Provident fund

Provident fund for certain eligible employees is managed by the Company through the "B. K. Birla Group of Companies Provident Fund Institution" and "Birla Industries Provident Fund", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at 31 March 2018 and 31 March 2017 and 1 April 2016 respectively.

The details of fund and plan asset position are given below:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 01 April 2016	16.44	17.73	1.29
As at 31 March 2017	64.15	71.65	7.50
As at 31 March 2018	33.85	75.95	42.10

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	31 March 2018	31 March 2017	01 April 2016
Discount Rate (per annum)	8.55%	8.65%	8.75%
Expected Rate of Return on Plan Assets (per annum)	9.13%	9.50%	9.02%

The Company contributed Rs.18.51 crore and Rs. 17.65 Crore during the year ended 31 March 2018 and 31 March 2017 respectively.

(iii) Defined contribution plan

Superannuation Fund: The Company has defined contribution superannuation plan for the benefit of its eligible employees. Employees who are members of the defined contribution superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trust is maintained for employees covered and entitled to benefits. The Company contributes 15% of the eligible employees' salary or Rs. 1 lakh, whichever is lower, in case of NPS participating employees and 15% of the basic salary in case of Non NPS participating eligible employees to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The Company contributed Rs.0.15 crore and Rs. 0.20 Crore during the year ended 31 March 2018 and 31 March 2017 respectively.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(iv) Balance sheet recognition

a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2016	**93.88**	**80.54**	**13.34**
Current service cost	4.37	-	4.37
Interest expense/(income)	4.73	7.04	(2.31)
Total amount recognised in profit or loss	**9.10**	**7.04**	**2.06**
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1.46	(1.46)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	2.86	-	2.86
Actuarial (gain)/loss from unexpected experience	(1.36)	-	(1.36)
Total amount recognised in other comprehensive income	**1.50**	**1.46**	**0.04**
Employer contributions/ premium paid	-	13.34	(13.34)
Benefit payments	10.39	10.39	-
Settlement Cost	25.57	-	25.57
Disposal/ Transfer of Asset	-	25.57	(25.57)
31 March 2017	**68.52**	**66.42**	**2.10**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2017	68.52	66.42	2.10
Current service cost	4.40	-	4.40
Interest expense/(income)	4.78	5.20	(0.42)
Total amount recognised in profit or loss	**9.18**	**5.20**	**3.98**
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.74)	0.74
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(1.31)	-	(1.31)
Actuarial (gain)/loss from unexpected experience	8.24	-	8.24
Total amount recognised in other comprehensive income	**6.93**	**(0.74)**	**7.67**
Employer contributions/ premium paid		2.16	(2.16)
Benefit payments	14.93	14.93	-
Settlement Cost	-	-	-
Acquisition adjustment	0.73	0.67	0.06
31 March 2018	**70.43**	**58.78**	**11.65**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Discount rate	7.75%	7.50%	8.00%
Salary growth rate	5.00%	5.00%	5.00%
Attrition rate	1.00%	1.00%	1.00%
Mortality rate	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE

(vi) Sensitivity analysis

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

Particulars	Impact on defined benefit obligation			
	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate **(-/+ 0.5%)**	67.86	73.15	65.40	71.60
% change compared to base due to sensitivity	(0.04)	0.04	(0.05)	0.05
Salary growth rate **(-/+ 0.5%)**	73.20	67.80	71.24	65.84
% change compared to base due to sensitivity	0.04	(0.04)	0.04	(0.04)
Attrition rate **(-/+ 0.5%)**	70.51	70.40	68.73	68.29
% change compared to base due to sensitivity	0.00	(0.00)	0.00	(0.00)
Life expectancy/ mortality rate **(-/+ 10%)**	70.80	70.05	69.10	67.92
% change compared to base due to sensitivity	0.01	(0.01)	0.01	(0.01)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) The major categories of plan assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

(viii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

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 at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability

Salary growth risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2018 is Rs. 17.97 crores.
The weighted average duration of the defined benefit obligation is 13 years (31 March 2017 – 14 years).

27. Depreciation and amortisation expense

Particulars	2017 - 18	2016 - 17
Depreciation on tangible assets	127.91	122.50
Amortisation of intangible assets	0.32	0.55
	128.23	**123.05**

28. Finance cost

Particulars	2017 - 18	2016 - 17
Interest expenses	418.57	323.38
Other borrowing costs	2.67	9.84
Applicable net gain/loss on foreign currency transactions and translation	-	2.06
	421.24	**335.28**
Less: Interest capitalised in capital work-in-progress	-	(53.18)
	421.24	**282.10**

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowing during the year, in this case is Nil, (31 March 2017: 10.02%)

29. Other expenses

Particulars	2017 - 18	2016 - 17
Consumption of stores and spare parts	48.19	55.88
Power and fuel [refer Note (a) below]	675.28	613.23
Rent	23.69	41.11
Repairs and Maintenance [refer Note (b) below]		
Building	7.67	6.58
Plant and Machinery	47.53	43.54
Others	6.05	4.76
Insurance	7.23	7.50
Rates and Taxes	9.39	17.53
Job working charges	15.52	11.74
Brokerage and Discounts	21.19	21.36
Packing, Carriage and Shipping [refer Note (c) below]	841.07	872.75
Commission to selling agents	27.20	31.58
Sales Promotion	53.04	53.21
Directors' Fees	0.66	0.52
Debts/ Advances/ Deposits written off	1.37	3.78
Legal & Professional Expenses	95.60	49.62
Provision for doubtful debts	(5.30)	(10.00)
Provision for doubtful advances	34.51	-
Loss on property, plant and equipments sold/ discarded (net)	4.38	2.04
Payments to the auditor [refer Note (d) below]	3.84	3.50
Guarantee commission	12.72	0.26
Provision for contingencies	18.41	-
Carried Over	1,949.24	1,830.49

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	2017 - 18	2016 - 17
Brought Forward	1,949.24	1,830.49
Commitment Charges	-	6.42
Loss On Claim - Warranty	24.34	39.71
Excise duty [refer Note (e) below]	(3.84)	(0.79)
Foreign currency translation loss (net)	(4.55)	(1.19)
Loss on derivatives	-	6.26
Miscellaneous expenses [refer Note (f) below]	147.33	127.70
	2,112.52	**2,008.60**
(a) Power and Fuel includes consumption of stores and spares	537.33	501.65
(b) Repair and Maintenance includes:		
(i) Consumption of stores and spares parts	4.72	5.01
(ii) Salaries and Wages	26.40	21.45
(c) Packing, carriage and shipping includes:		
(i) Consumption of stores and spares parts	52.59	52.91
(ii) Salaries and Wages	10.13	9.65
(d) Details of auditors' remuneration and out-of-pocket expenses are as below:		
Auditors remuneration and out-of-pocket expenses:		
Audit Fees (including Limited Reviews)	2.63	2.49
Tax Audit Fees	0.60	0.58
Fees for issuing various certificates	0.60	0.37
Reimbursement of Expenses	0.01	0.06
	3.84	**3.50**
(e) Represents excise duty related to the difference between the closing stock as at 30th June 2017 and opening stock of finished goods.		
(f) Miscellaneous expenses include		
(i) Consumption of stores and spares parts	3.40	4.57
(ii) Payment to cost auditor	0.07	0.07

30. Exceptional items

Particulars	2017 - 18	2016 - 17
Profit from sale of undertakings	-	121.35
Disputed indirect taxes	(41.37)	-
Voluntary retirement scheme	(33.86)	-
	(75.23)	**121.35**

Exceptional Item during the year relates to disputed indirect taxes against which a provision has been made pursuant to a court order on similar matter and based upon an opinion obtained from a counsel amounting to Rs 41.37 crores. It also includes Rs 33.86 crores relating to Voluntary Retirement Scheme floated by the Company.

Exceptional items during the previous year represents net income of Rs. 121.35 crores arising out of the transfer of the ownership of Cavendish Industries Ltd to the JK.Tyre Group in the first fortnight of April 2016 after adjusting Rs 44.89 crore estimated/ actual expenses related to such transfer.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

31. Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

Particulars	31 March 2018	31 March 2017
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	2.33
Total current tax expense	-	2.33
Deferred tax		
Decrease / (increase) in deferred tax assets	4.52	2.42
(Decrease) / increase in deferred tax liabilities	(6.52)	(3.99)
Total deferred tax expense/(benefit)	**(2.00)**	**(1.57)**
Income tax expense	**(2.00)**	**0.76**

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

Particulars	31 March 2018	31 March 2017
Profit before tax	(465.51)	(154.11)
Tax at the rate of 34.608% (2016-17 – 34.608%)	**(161.11)**	**(53.32)**
Deferred tax asset not recognised	163.82	56.02
Exempt income	(0.02)	(0.03)
Weighted deductions available in tax	(0.88)	(4.93)
Permanent differences	0.04	0.06
Others (including difference in tax rates)	(3.85)	2.96
Total income tax expense/(credit)	**(2.00)**	**0.76**

(c) Tax losses

Particulars	31 March 2018	31 March 2017	01 April 2016
Unused tax losses for which no deferred tax has been recognised:			
Tax losses	798.07	438.71	387.97
Unabsorbed tax depreciation	876.23	778.47	667.39
Potential tax benefit @ **34.944%** (2017-18 – **34.608%)**	585.07	421.24	365.24
Minimum Alternate Tax (MAT) credit entitlement	38.29	38.29	38.29
Total	**623.36**	**459.53**	**403.53**

(a) Unabsorbed depreciation does not have any expiry period.

(b) Business losses have an expiry ranging from 2 to 8 years as at the reporting date.

(c) MAT credit entitlement has an expiry period of 7 to 13 years as at the reporting date.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

32. Earnings per share

Particulars		2017 - 18	2016 - 17
(i) Basic			
Number of equity shares at the beginning of the year		11,72,68,650	11,72,68,650
Number of equity shares at the end of the year		13,73,40,079	11,72,68,650
Weighted average number of equity shares outstanding during the year	(A)	12,30,77,652	11,72,68,650
Nominal value of each equity Share (Rs.)		10	10
Profit / (Loss) for the year (Rs. in crore)	(B)	(463.51)	(154.87)
Earnings per share (Basic) (Rs.)	(B/A)	(37.66)	(13.21)
(ii) Diluted			
Weighted average number of equity shares outstanding during the year (refer note (a) below)		12,49,63,953	12,47,68,650
Earnings per share (Diluted) (Rs.)		(37.66)	(13.21)

(a) In 2016 - 17 Conversion of Optionally Convertible Redeemable Preference Shares into 75,00,000 equity shares and in 2017 - 18 52,50,000 share warrants has been considered for calculation of diluted EPS.

33. Contingent liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
(a) Guarantees given			
(i) to excise authorities	-	-	-
(ii) by Banks on behalf of other companies	5.40	5.40	5.40
(b) Claims against the Company not acknowledged as debts :			
(i) Rates, Taxes, Duties etc. demanded by various Authorities	480.70	538.59	584.34
(ii) Amount demanded by Provident Fund Authorities which is sub judice	-	0.87	0.87
(c) Income Tax matters	14.55	18.57	17.83
	500.65	**563.43**	**608.44**

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

34. Capital and other commitments

Particulars	31 March 2018	31 March 2017	01 April 2016
(a) Capital Commitments			
Estimated value of contracts in capital account remaining to be executed [net of advances Rs. 14.35 crore (31 March 2017: Rs. 24.91 crore 1 April 2016 : Rs.26.81 crore)]	57.53	174.94	114.77
(b) Other Commitments			
(i) Export Commitments against purchase of imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India.	4.31	24.18	24.70
(ii) Export Commitments against import under Advance License Scheme, of the Government of India.	61.27	62.63	-
(iii) Borrowing / Financial obligation not provided for	550.00	50.00	-
	673.11	**311.75**	**139.47**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

35. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.40	0.73	0.75
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act,	-	-	-
beyond the appointed day during the year			
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company

36. In the previous year the business of Cygnet Industries Ltd was operated by the Company for a period of two months from 1st April, 2016 to 31st May, 2016 on behalf of Cygnet Industries Ltd. Accordingly, the related revenue and expenses in respect of these two months have been excluded from the results of the Company. The related revenue and expenses of Cygnet Industries Ltd for the above period are summarised below.

Particulars	2016 - 2017
Income from Operations	42.54
Other Operating Income	0.35
Total Expenses (Net of Other Income)	46.04
Profit/(Loss) before Taxation	**(3.15)**
Exceptional item	-
Profit/(Loss) after exceptional items before Taxation	**(3.15)**
Tax Expenses	-
Profit/(Loss) after Taxation	**(3.15)**

37. Non-cancellable operating leases

The Company leases various offices under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Particulars	31 March 2018	31 March 2017	01 April 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	1.84	1.95	2.00
Later than one year but not later than five years	0.77	2.60	2.98
Later than five years	-	-	1.48
	2.61	**4.55**	**6.46**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Rental expense relating to operating leases

Particulars	31 March 2018	31 March 2017
Minimum lease payments	1.95	2.03
Total rental expense relating to operating leases	1.95	2.03

38. Capital management

(a) Risk management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

39. Fair value measurements

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Financial instruments by category

Particulars	31 March 2018			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	66.99	66.99	66.99
Other bank balances	-	-	31.46	31.46	31.46
Trade receivables	-	-	535.15	535.15	535.15
Derivative asset	0.49	-	-	0.49	0.49
Loans	-	-	436.03	436.03	436.03
Investments	-	78.36	-	78.36	78.36
Other financial assets	-	-	196.04	196.04	196.04
Total financial assets	**0.49**	**78.36**	**1,265.67**	**1,344.52**	**1,344.52**
Financial liabilities					
Borrowings	-	-	3,341.42	3,341.42	3,341.42
Trade and other payables	-	-	682.74	682.74	682.74
Other financial liabilities	-	-	482.14	482.14	482.14
Total financial liabilities	**-**	**-**	**4,506.30**	**4,506.30**	**4,506.30**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31 March 2017			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	152.30	152.30	152.30
Other bank balances	-	-	24.40	24.40	24.40
Trade receivables	-	-	493.09	493.09	493.09
Loans	-	-	564.94	564.94	564.94
Investments	-	71.20	-	71.20	71.20
Other financial assets	-	-	50.41	50.41	50.41
Total financial assets	**-**	**71.20**	**1,285.14**	**1,356.34**	**1,356.34**
Financial liabilities					
Borrowings	-	-	3,178.38	3,178.38	3,179.56
Trade and other payables	-	-	509.35	509.35	509.35
Other financial liabilities	-	-	452.65	452.65	452.65
Derivatives	2.18	-	-	2.18	2.18
Total financial liabilities	**2.18**	**-**	**4,140.38**	**4,142.56**	**4,143.74**

Particulars	01 April 2016			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	351.83	351.83	351.83
Other bank balances	-	-	91.67	91.67	91.67
Trade receivables	-	-	534.29	534.29	534.29
Derivative asset	19.03	-	-	19.03	19.03
Loans	-	-	22.04	22.04	22.04
Investments	-	64.62	-	64.62	64.62
Other financial assets	-	-	1,868.21	1,868.21	1,868.21
Total financial assets	**19.03**	**64.62**	**2,868.04**	**2,951.69**	**2,951.69**
Financial liabilities	-	-	-		
Borrowings	-	-	4,457.39	4,457.39	4,458.50
Trade and other payables	-	-	592.45	592.45	592.45
Other financial liabilities	-	-	925.39	925.39	925.39
Total financial liabilities	**-**	**-**	**5,975.23**	**5,975.23**	**5,976.34**

(i) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31 March 2018			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Investments	2.73	-	75.63	78.36
Derivative financial asset		0.49		0.49
	2.73	**0.49**	**75.63**	**78.85**
Financial liabilities:				
Derivative financial liabilities	-	-	-	-
	-	-	-	-

Particulars	31 March 2017			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Investments	4.26	-	66.94	71.20
Derivative financial asset	-	-	-	-
	4.26	**-**	**66.94**	**71.20**
Financial liabilities:				
Derivative financial liabilities	-	2.18	-	2.18
	-	**2.18**	**-**	**2.18**

Particulars	01 April 2016			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Investments	3.17	-	61.45	64.62
Derivative financial asset	-	19.03	-	19.03
	3.17	**19.03**	**61.45**	**83.65**
Financial liabilities:				
Derivative financial liabilities	-	-	-	-
	-	-	-	-

(ii) Valuation technique used to determine fair value

(a) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(b) Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available the management has involved valuation experts to determine the fair value of the investments. Different valuation techniques have been used by the valuers for different investments. These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Company has chosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation. Cost of certain investments in equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measuements and cost represents the best estimate of fair value within that range.

(c) Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

(d) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.

(e) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

40. Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

A) Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Maximum exposure to credit risk of the Company has been listed below:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Trade receivables	535.15	493.09	534.29
Loan	436.03	564.94	22.04
Other financial assets	196.53	50.41	1,887.24
Total	**1,167.71**	**1,108.44**	**2,443.57**

Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

i) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receiavbles are backed by security deposits. Export receivables are backed by letters of credit.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The Company's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at 31 March 2018, 31 March 2017 and 1 April 2016.

The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2017-18	2016-17
Opening balance	175.95	185.95
Charge/(Release) to statement of profit and loss	(5.30)	(10.00)
Utilised during the year	-	-
Balance at the end of the year	**170.65**	**175.95**

(B) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. he Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

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

Contractual maturities of financial liabilities 31 March 2018	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	1,562.95	747.20	756.20	1,747.12	4,813.47
Other financial liabilities	113.41	-	-	249.98	363.39
Trade payables	682.74	-	-	-	682.74
Total non-derivative financial liabilities	**2,359.10**	**747.20**	**756.20**	**1,997.10**	**5,859.60**
Derivatives (net settled) Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**	**-**

Contractual maturities of financial liabilities 31 March 2017	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	1,290.18	637.85	712.66	2,117.02	4,757.71
Optionally Convertible Redeemable Preference Shares	107.39	-	-	-	107.39
Other financial liabilities	123.73	-	-	240.63	364.36
Trade payables	509.35	-	-		509.35
Total non-derivative financial liabilities	**2,030.65**	**637.85**	**712.66**	**2,357.65**	**5,738.81**
Derivatives (net settled) Foreign exchange forward contracts	2.18	-	-	-	2.18
Total derivative liabilities	**2.18**	**-**	**-**	**-**	**2.18**

Contractual maturities of financial liabilities 1 April 2016	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Non Convertible Debentures	-	-	200.00	-	200.00
Borrowings	2,206.13	1,685.43	950.85	1,554.35	6,396.76
Optionally Convertible Redeemable Preference Shares	-	107.39	-	-	107.39
Other financial liabilities	118.46	-	-	248.27	366.73
Trade payables	592.45	-	-	-	592.45
Total non-derivative financial liabilities	**2,917.04**	**1,792.82**	**1,150.85**	**1,802.62**	**7,663.33**
Derivatives (net settled) Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**	**-**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(C) Market risk

(i) Foreign currency risk

The Company deals with foreign currency loan, trade payables etc and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:-

As at 31 March 2018

	USD		EUR		GBP		JPY	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	2.66	173.09	-	-	-	-	-	-
Derivative Asset	-	-	-	-	-	-	-	-
Financial liabilities								
Trade payables	0.18	11.51	0.03	2.67	-	-	0.54	0.33
Borrowings	1.86	121.32	0.14	11.01	-	-	-	-
Derivative liability	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	**0.62**	**40.26**	**(0.17)**	**(13.68)**	**-**	**-**	**(0.54)**	**(0.33)**

As at 31 March 2017

	USD		EUR		GBP		JPY	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	2.66	172.80	-	-	-	-	-	-
Derivative Asset	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-
Trade payables	0.14	8.86	0.04	2.85	-	-	3.14	1.82
Borrowings	4.33	280.97	0.19	13.32	-	-	1.45	0.87
Derivative liability	0.03	2.18	-	-	-	-	-	-
Net exposure to foreign currency risk	**(1.84)**	**(119.21)**	**(0.23)**	**(16.17)**	**-**	**-**	**(4.59)**	**(2.69)**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

As at 31 March 2016

	USD		EUR		GBP		JPY	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	3.06	202.59	-	-	-	-	-	-
Derivative Asset	0.29	19.03	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-
Trade payables	0.09	6.19	0.02	1.81	-	-	-	-
Borrowings	8.54	565.80	-	-	-	-	-	-
Derivative liability	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	**(5.28)**	**(350.37)**	**(0.02)**	**(1.81)**	**-**	**-**	**-**	**-**

Sensitivity

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

	Impact on profit before tax	
	31 March 2018	**31 March 2017**
USD sensitivity		
INR/USD appreciates by 5% (31 March 2017 - 5%)@	(2.01)	5.96
INR/USD depreciates by 5% (31 March 2017 - 5%)@	2.01	(5.96)
EUR sensitivity		
INR/EUR appreciates by 5% (31 March 2017 - 5%)@	0.68	0.81
INR/EUR depreciates by 5% (31 March 2017 - 5%)@	(0.68)	(0.81)
GBP sensitivity		
INR/GBP appreciates by 5% (31 March 2017 - 5%)@	-	-
INR/GBP depreciates by 5% (31 March 2017 - 5%)@	-	-
JPY sensitivity		
INR/JPY appreciates by 5% (31 March 2017 - 5%)@	0.02	0.13
INR/JPY depreciates by 5% (31 March 2017 - 5%)@	(0.02)	(0.13)

@ Holding all other variables constant

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the Company's borrowings at variable rate were mainly denominated in INR.

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

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Variable rate borrowings	3,502.05	3,237.86	4,796.32
Fixed rate borrowings	23.73	90.00	290.00
Total borrowings	**3,525.78**	**3,327.86**	**5,086.32**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

	Impact on profit before tax/equity	
	31 March 2018	31 March 2017
Interest expense rates – increase by 50 basis points (50 bps)#	(17.51)	(16.19)
Interest expense rates – decrease by 50 basis points (50 bps)#	17.51	16.19

Holding all other variables constant

(iii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. In general, these investments are not held for trading purposes.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Company's equity.

	Impact on equity		
	31 March 2018	31 March 2017	1-Apr-16
Share price - Increase 5%	3.92	3.56	3.23
Share price - Decrease 5%	(3.92)	(3.56)	(3.23)

41. Segment reporting

The Company's organizational structure and governance processes are designed to support effective management of Cement and Tyre, the two business segments of the company, with equal focus on both.The two Segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors which is the Chief Operating Decision Maker (CODM).

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax. Accordingly, finance costs / income, non – operating expenses and exceptional items are not allocated to individual segment.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, intangibles, non-current investments, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

The reporting segments of the Company are as below:

Tyre: This covers the sale of tyre, tubes, flaps etc. The Company operates its tyre business under the name. 'Birla Tyres'

Cement: This covers the sale of cement. The Company operates its cement business under the name. 'Birla Shakti Cement'.

Unallocated: Unallocated items include expenses / results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Company, non-current investment, current taxes, deferred taxes and certain financial assets and liabilities, not allocated to the operating segments.

Summary of the segmental information for the year ended and as of 31 March 2018 is as follows:

Particulars	Tyre	Cement	Unallocated	Total
Segment Revenue				
Revenue	1,453.04	2,251.23	0.30	3,704.57
	1,453.04	**2,251.23**	**0.30**	**3,704.57**
Segment Results [Profit/(Loss) before interest and tax]	(128.93)	127.50	29.70	28.27
Finance cost				(418.57)
Exceptional items (refer note 30)				(75.22)
Profit/(Loss) Before Tax				**(465.52)**
Segment Assets	2,017.02	1,993.13	1,703.41	5,713.56
Segment Liabilities	852.67	504.42	3,582.77	4,939.86
Segment Capital Expenditure	75.43	41.71	422.29	539.43
Segment Depreciation and amortisation	39.04	84.63	4.56	128.23
Non cash expenditure other than depreciation and amortisation included in segment expense				38.02

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Summary of the segmental information for the year ended and as of 31 March 2017 is as follows:

Particulars	Tyre	Cement	Unallocated	Total
Segment Revenue				
Revenue	1,660.59	2,466.61	10.22	4,137.42
	1,660.59	**2,466.61**	**10.22**	**4,137.42**
Segment Results [Profit/(Loss) before interest and tax]	(66.16)	91.75	(30.85)	(5.26)
Finance cost				(270.20)
Exceptional items (refer note 30)				121.35
Profit/(Loss) Before Tax				**(154.11)**
Segment Assets	2,000.29	2,060.89	1,232.85	5,294.03
Segment Liabilities	704.82	414.56	3,328.38	4,447.76
Segment Capital Expenditure	230.42	59.94	6.41	296.77
Segment Depreciation and amortisation	31.27	89.15	2.63	123.05
Non cash expenditure other than depreciation and amortisation included in segment expense	22.59	2.56	6.05	31.20

Summary of the segment assets and liabilities as at 1 April 2016 is as follows:

Particulars	Tyre	Cement	Unallocated	Total
Segment Assets	1,911.68	2,037.68	3,318.81	7,268.18
Segment Liabilities	765.77	409.23	5,098.31	6,273.31

Geographical information

(a) Revenue from external customers:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
India	3,539.48	3,944.92
Others	165.09	192.50
	3,704.57	**4,137.42**

42. Related party transactions

	Related Party	Relationship	Outstanding as at 31st March 2018	Outstanding as at 31st March 2017	Outstanding as at 1 April 2016	Payable/ receivable/ others	Nature of Transaction	2017-2018	2016-2017
(A)	MSK Travels and Tours Ltd	II (vi)	1.43	0.01	0.58	Payable	Expenditure-Other Services	13.83	14.26
(B)	Cavendish Industries Limited (**)	II (i)	-	-	1,350.35	Receivable	Sale of Assets & Raw Material	-	21.25
			-	-	700.05	Investment in Shares	Land Augmentation Income	-	162.00
			-	-	63.41	Payable	Severance Charges	-	12.86
(C)	Cygnet Industries Ltd	II (i)	386.25	529.29	-	Receivable-Loan	Interest Income	62.82	41.48
			43.42	28.52	-	Receivable-Interest	Sale of Trading Goods	-	10.22
			430.05	30.05	-	Investment in shares	Management Service Income	5.04	2.85
							Rent Received	0.17	0.12
							Reimbursement of Expenses	3.12	0.87
							Acquisition of shares	400.00	30.00

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

	Related Party	Relationship	Outstanding as at 31st March 2018	Outstanding as at 31st March 2017	Outstanding as at 1 April 2016	Payable/ receivable/ others	Nature of Transaction	2017-2018	2016-2017
							Loan Received	701.82	43.16
							Loan Given	944.20	558.22
							Buisness Advance Given	38.00	-
							Buisness Advance Received	38.00	-
							Interest Received	41.64	8.81
							Purchase of Machinery	0.01	-
(D)	Gondkhari Coal Mining Limited	II (ii)	6.17	6.15	6.15	Receivable-loan	Advance Given	0.32	0.02
			0.62	0.62	0.62	Receivable-Interest			
			0.32	0.02	-	Receivable - Advance			
			-	0.02	0.02	Investment in shares			
(E)	Manjushree Khaitan (Whole Time Director)	I (iii)	-	-	-		Expenditure-Remuneration	2.95	1.75
			23.73	-	-	Payable- Loan	Loan Received	23.73	-
(F)	Tridib Kumar Das (Whole -time Director/CFO)	I (iii)	-	-	-		Expenditure-Reimbursement	0.00*	0.01
			-	-	-		Expenditure-Remuneration	4.80	4.14
(G)	Basant Kumar Birla	I (iii)	-	-	-		Expenditure-Reimbursement	0.02	0.02
(H)	Jikyeong Kang (#)	I (iii)	-	-	-		Director Sitting fees	-	-
(I)	Amitabha Ghosh	I (iii)	-	-	-		Director Sitting fees	0.15	0.14
(J)	Kashi Prasad Khandelwal	I (iii)	-	-	-		Director Sitting fees	0.15	0.13
(K)	Vinay Sah (@)	I (iii)	-	-	-		Director Sitting fees	0.11	0.05
(L)	Sudip Banerjee	I (iii)	-	-	-		Director Sitting fees	0.11	0.10
(M)	Lee Seow Chuan	I (iii)	-	-	-		Director Sitting fees	0.12	0.08
(N)	Siddhartha Mohanty (##)	I (iii)	-	-	-		Director Sitting fees	0.01	-
(O)	Gautam Ganguli (CS)	I (iii)	0.00*	0.00*	-	Expenditure-Reimbursement	Expenditure-Remuneration	3.04	2.44
							Expenditure-Reimbursement	0.06	0.09
(P)	B.K. Birla Group of Companies Provident Fund Institution.	II (v)	0.15	0.01	-	Payable	Provident Fund Contribution	1.90	1.83
(Q)	Birla Industries Provident Fund Institution.	II (v)	0.24	0.21	0.11	Payable	Provident Fund Contribution	2.69	2.04

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

	Related Party	Relationship	Outstanding as at 31st March 2018	Outstanding as at 31st March 2017	Outstanding as at 1 April 2016	Payable/ receivable/ others	Nature of Transaction	2017-2018	2016-2017
(R)	KICM Gratuity Fund	II (v)	3.02	3.71	6.57	Receivable	Reimbursement Claimed from KICM Gratuity Fund on account of payment made to employees on retirement.	14.90	10.31
(S)	Kesoram Superannuation Fund	II (v)	-	-	-	Payable	Superannuation Contribution	0.08	0.10
(T)	Aditya Marketing & Mfg Ltd	II (vi)	0.00*	-	-	Receivable	Rent Received	0.00*	0.00*
							Rent Paid	0.00*	0.00*
							Other Services	-	0.00*
(U)	Arbela Trading and Services Private Limited (###)	II (vi)	-	-	-				
(V)	Usinara Trading and Services Private Limited (####)	II (vi)	-	-	-				
(W)	Jay Shree Tea & Industries Limited	II (vi)	2.73	4.26	3.17	Investment in Shares	Dividend Received	0.02	0.04
(X)	Manav Investment & Trading Co Ltd & its subsidiaries (#####)	II (ii)	0.04	-	-	Receivable	Upkeep,Rent,Electricity, Generator facility	0.00*	-
			0.73	-	-	Payable	Tour & Travel Services	0.02	-
			0.00*	-	-	Receivable	Rent Receivable	0.00*	-
(Y)	Pilani Investments and Industries Corporation Limited (######)	II (ii)	-	-	-			-	

*Amount is below the rounding off norm adopted by the Company.

**Ceased to be related party w.e.f 14.04.2016 and hence outstanding as on 31.03.2017 and 31.03.2018 has not been disclosed.

#Joined 10.01.2018

##Joined 10.02.2018

###wef 13.02.2018

####wef 13.02.2018

@uptil 24.01.2018

#####wef 28.03.2018

######uptil 27.03.2018

I	(a) a person or a close member of that person's family is related if that person:
	(i) has control or joint control over the reporting entity
	(ii) has significant influence over the reporting entity
	(iii) is a KMP of KIL or parent of KIL
II	(b) an entity is related to a reporting entity if:
	(i) the entity and the reporting entity are members of the same group (each parent, subsidiary and fellow subsidiary)

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a group of which the other entity is a member)
(iii) Both entities are joint ventures of the same third party
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) An entity, or any member of a group of which is a part, provides KMP services to the reporting entity or to the parent of the reporting entity

Disclosure pursuant to Section 186(4) of The Companies Act 2013, regarding loans given, Investment made and Guarantee given are mentioned in the respective notes of Non Current Investments (refer note 6), and Non Current Loans and Advances (refer note 7) and Guarantees (refer note 33(a)).

Also refer note 34(b) relating to commitments as on 31.03.2018 in respect of Cygnet Industries Ltd amounting to Rs. 550 crs (Previous year : 50 crore) for borrowing / financing obligation.

43. First time adoption of Ind AS

Transition to Ind AS

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

The accounting policies set out in Note 2, have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

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

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

The Company has elected to treat fair value as deemed cost for certain items of its property,plant and equipment.

A.1.2 Decommissioning liability

Ind AS 101 permits a first-time adopter to measure the decommissioning liability as at the date of transition to Ind AS in accordance with Ind AS 37. Liability is to be recognized by discounting the estimated amount to be recognised to fulfill the decommissioning liability. Accumulated depreciation on the amount which would have been added to the cost of the assets needs to be calculated till the date of transition with the adjustment to retained earnings.

Accordingly, the Company has elected to apply the above exemption while computing the decommissioning liability related to certain assets of the Company.

A.1.3 Leases

The Company applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the bais of facts and circumstances existing at that date.

A.1.4 Investments in subsidiaries, joint ventures and associates

Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries, joint ventures and associates at deemed cost. The deemed cost of such an investment could be either (a) its fair value at the date of transition; or (b) previous GAAP carrying amount at that date. The option may be exercised individually and separately for each item of investment.

Accordingly, the Company has opted to measure its investments in subsidiaries and joint venture at previous GAAP carrying amount as its deemed cost.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

A.1.5 Past business combinations

Ind AS 101 permits a first-time adopter, not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind AS).

Accordingly, the Company has elected not to apply Ind As 103 Business combination restrospectively to past business combinations that occurred before the transition date.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

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

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;
- Impairment of financial assets based on expected credit loss model.
- Decommissioning liability related to certain items of property, plant and equipment.
- Fair value of certain items of property, plant and equipment to consider as deemed cost as on the transition date.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exits at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

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

(1) Reconciliation of total equity

Particulars	Notes	Amount as at 31 March 17	Amount as at April 2016
Equity as per previous GAAP		**294.87**	**403.09**
Re-measurements on transition to Ind AS			
Fair valuation as deemed cost for Property, Plant and Equipment	1	599.34	613.43
Fair valuation of equity instruments	2	65.88	59.06
Fair valuation of derivatives	2	(1.19)	19.03
Borrowings using effective interest rate method	2	(10.95)	7.23
Re-classification of Optionally convertible redeemable preference shares	3	(90.00)	(90.00)
Others	4	(11.68)	(16.97)
Balance of equity as on 1 April 2016 as per Ind AS adjustments before tax impact on adjustments		**846.27**	**994.87**
Deferred tax impact on the above		-	-
Balance of Equity as per Ind AS		**846.27**	**994.87**

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(2) Reconciliation of total comprehensive income

Particulars	Notes	2016 - 2017
Net Profit as per previous GAAP		**(124.16)**
Re-measurements on transition to Ind AS		
Impact of additional depreciation on fair valuation of building at the transition date	1	(14.07)
Impact on account of recognising borrowings using effective interest rate method	2	(17.65)
Impact of fair valuation of derivatives	2	(20.09)
Impact of reversal of foreign exchange translation losses taken to Foreign currency monetary items translation difference account (FCMITDA)	6	15.91
Others	4,5	3.62
Tax impact on above adjustments	7	1.57
Net Profit as per Ind AS		**(154.87)**
Other comprehensive income/(loss) (net of tax)	5,8	6.27
Total comprehensive income/(loss) as per Ind AS		**(148.60)**

(3) Reconciliation of statement of cash flows

Particulars	Notes	Amount as per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	9,10 and 11	124.98	(6.31)	118.67
Net cash generated from/(used in) investing activities	9	1,785.51	18.62	1,804.13
Net cash generated from/(used in) financing activities	10 and 11(b)	(2,177.29)	51.59	(2,125.70)
Net increase/(decrease) in cash and cash equivalents		**(266.80)**	**63.90**	**(202.90)**
Cash and cash equivalents as at 1 April 2016	11	443.50	(215.14)	228.36
Cash and cash equivalents as at 31 March 2017	11	176.70	(151.24)	25.46

Notes to reconciliation of total equity and total comprehensive income

(1) Property, plant and equipment

(a) On transition to Ind AS, the Company has treated fair value as deemed cost for certain items of property, plant and equipment resulting in an increase in carrying value as compared to the previous GAAP. The consequential impact of additional depreciation on fair value increase is recognised in the statement of profit and loss.

(b) On transition to Ind AS, the Company has applied the exemption available in Ind AS 101 while determining decommissioning obligation for certain items of property, plant and equipment. The consequential impact of additional depreciation on recognition of the decommissioning obligation is recognised in the statement of profit and loss.

(2) Financial Instruments

(a) In accordance with Ind AS 109 "Financial Instruments", investments in equity instruments (other than in subsidiaries and joint ventures) have been recognised at fair value at each reporting date through other comprehensive income.

Consequently, on sale of such investments, profit or loss recognised in the statement of profit and loss under the previous GAAP have been reversed as the fair value changes are recognised through other comprehensive income.

(b) In accordance with Ind AS 109 "Financial Instruments", premium payable on redemption, transaction costs on issue of debentures and raising of loans are required to be considered as effective finance costs and recognised in the statement of profit and loss using the effective interest rate.

Consequently, premium on redemption/discounts on issue and transaction costs recognised directly in equity or amortised using a different approach under the previous GAAP has been reversed and are now recognised through the statement of profit and loss using the effective interest rate.

(c) In accordance with Ind AS 109 "Financial Instruments", all derivative financial instruments are recognised at fair value as at each reporting date through the statement of profit and loss except where designated in a hedging relationship.

Notes forming part of Financial Statements

(d) In accordance with Ind AS 109, "Financial Instruments", the company is required to apply expected credit loss model for recognising the allowance for credit losses. As a result the allowance for doubtful debts has been created in the books of accounts.

(3) Re-classification of Optionally convertible redeemable preference shares

Under Ind AS, Optionally convertible redeemable preference shares have been re-classified from equity to liability based on its substance and the fact that the Company does not have an unconditional right to avoid making payments on the instrument as per the contractual terms. The same would be repaid on the redemption date, unless the holder opts to convert them into equity instrument. Hence, there is a conversion option embedded in the instrument. However, the yield provided on the instrument is not less than the market rate of interest, hence the value of the conversion option is considered as zero and the entire amount has been classified as liability.

(4) Others

Provisions where impact of time value of money is material have been discounted in accordance with the provisions of Ind AS 37.

(5) Employee benefits

(a) In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the previous GAAP.

(b) Interest expense/income on the net defined benefit liability/asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the previous GAAP.

(6) Impact of reversal of foreign currency monetary items translation difference account (FCMITDA)

In accordance with Ind AS 101 a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The Company has chosen not to avail the optional exemption and as a result of the same, balance has been reclassified from FCMITDA to retained earnings as at the opening balance sheet date. Subsequent to the transition date, the loan was repaid and the balance was transferred to the statement of profit and loss under the previous GAAP.

(7) Deferred Taxes

In accordance with Ind AS 12, "Income Taxes", the Company on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences , i.e. profit and loss approach. The tax impacts as above primarily represent deferred tax consequences arising out of Ind AS re-measurement changes. As the Company has carry forward business losses and unabsorbed depreciation against which the Company will be able to set-off the related deferred tax liabilities which have arisen on such remeasurement, the Company has recognised deferred tax assets to the extent of the said liabilities.

(8) Other comprehensive Income

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in other comprehensive income include re-measurement gains or losses on defined benefit plans and fair value changes of equity investments. The concept of other comprehensive income did not exist under the previous GAAP.

(9) Stores and spares reclassified as property, plant and equipment

In accordance with Ind AS 16 Property, plant and equipments , the Company has capitalised certain items of stores and spares which meet the definition or property, plant and equipment as at opening balance sheet date, however as at 31 March 2017, as per revised AS 10 Property, plant and equipment under previous GAAP, the Company's policy was same.

(10) Reclassification of financial liability

Under IGAAP the Company had certain deposits from sales promoters, agent, brokers etc. as borrowings, however the same have been considered as 'other financial liabilities' as per Ind AS 109, hence the movement for the same havee been reclassified from cash flow from financing activities to operating activities. Certain other financing arrangements earlier treated as trade payables have been reclassified to short term borrowings.

(11) Other bank balances and bank overdraft

(a) Other bank balances comprising, deposit with original maturity for more than 3 months but less than 12 months and unpaid dividends were considered as part of cash and cash equivalents under IGAAP, however under Ind AS, the same have been excluded and are being considered for determining cash flow from operating activities.

(b) In accordance with Ind AS 7, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents, under IGAAP the same were treated as borrowings.

Notes forming part of Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

44. The Loan to Cygnet Industries Ltd, a wholly owned subsidiary company, was given after complying with the provisions of section 186(4) of the Companies Act, 2013. The loan was given in accordance with the terms and conditions agreed between the parties and is to be used by the recipient in the normal course of business. The loan is repayable on demand. The Rate of Interest on the loan is 10.50% p.a.

45. Asset acquisition

The Company has acquired assets and liabilities related to the undertakings viz. Spun Pipes & Foundries and Hindustan Heavy Chemicals for a cash consideration of Rs. 422 crores, from Camden Industries Limited a domestic Company, through slump sale route. The above acquisition has been accounted as an asset acquisition.

The Company has identified and recognised the individual identifiable assets acquired. The Company has allocated the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values on the date of purchase.

46. Research and development expenditure

The Company has incurred Rs. 7.41 Crore (2016-17: Rs.7.60 Crore) on account of Research and Development expenses which has been charged to Statement of Profit and Loss. Capital Expenditure relating to Research & Development amounting to Rs. 2.01 crore (2016-17: Rs 3.72 crs) has been included in property, plant and equipment.

Unit	31-Mar-18		31-Mar-17	
	Capital	Revenue	Capital	Revenue
Vasavadatta Cement	0.02	3.65	0.11	3.88
Kesoram Cement	-	1.34	0.12	1.34
Birla Tyre	1.99	2.42	3.49	2.38
	2.01	**7.41**	**3.72**	**7.60**

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Manjushree Khaitan
Executive Vice-Chairperson

Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Place: Kolkata
Date : 11th May 2018

Gautam Ganguli
Company Secretary

Consolidated Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF KESORAM INDUSTRIES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Kesoram Industries Limited (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Groups are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 1,314.41 crores as at March 31, 2018, total revenues of Rs. 293.42 crores and net cash inflows amounting to Rs. 26.27 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

(b) In the case of one joint venture the financial statements as at March 31, 2018 are not available. The investment in this company has been fully impaired as at March 31, 2018, the Group's share of profit/(loss) of the joint venture have not been included in the consolidated Ind AS financial statements.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

(c) The comparative financial statements for the year ended March 31, 2017 in respect of one subsidiary, and the related transition date opening balance sheet as at April 01, 2016, prepared in accordance with the Ind AS and included in these consolidated Ind AS financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of the subsidiary, made in these consolidated Ind AS financial statements, is based solely on the reports of the other auditors.

(d) The comparative financial information of the Group for the year ended March 31, 2017 included in these consolidated Ind AS financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended 31 March 2017 dated April 28, 2017 expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiary, company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India,

none of the directors of the Group companies, incorporated in India is disqualified as on March 31 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note -35.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and there was no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company incorporated in India.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
Firm Registration Number: 302009E

Abhijit Bandyopadhyay
(*Partner)*
(Membership Number 054785)

Place:Kolkata
Date:May 11, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Kesoram Industries Limited (hereinafter referred to as "Parent") and its subsidiary company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, which are companies incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management

and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
Firm Registration Number: 302009E

Abhijit Bandyopadhyay
(*Partner)*
(Membership Number 054785)

Place:Kolkata
Date:May 11, 2018

Consolidated Balance Sheet

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	31st March, 2018	31st March, 2017	1st April, 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	2,889.51	2,542.95	2,014.48
(b) Capital work-in-progress		789.85	729.96	574.51
(c) Other intangible assets	4	0.56	0.60	0.89
(d) Equity accounted investments	5	-	-	-
(e) Financial assets				
(i) Investments	6	720.02	71.22	64.61
(ii) Loans	7	-	0.00*	13.45
(iii) Other financial assets	8	24.66	12.98	10.33
(f) Income tax asset (net)		59.99	45.82	44.67
(g) Other non-current assets	9	92.08	403.17	258.52
Total non-current assets		**4,576.67**	**3,806.70**	**2,981.46**
(2) Current assets				
a) Inventories	10	458.01	466.56	536.99
(b) Financial assets				
(i) Trade receivables	11	572.92	526.68	534.29
(ii) Cash and cash equivalents	12	76.18	153.36	351.83
(iii) Other bank balances	13	31.46	24.40	91.67
(iv) Loans	7	6.38	7.12	8.59
(v) Other financial assets	8	183.67	37.94	1,876.91
(c) Other current assets	9	262.99	310.32	186.35
		1,591.61	**1,526.38**	**3,586.63**
Assets classified as held for sale	14	-	-	700.05
Total current assets		**1,591.61**	**1,526.38**	**4,286.68**
Total assets		**6,168.28**	**5,333.08**	**7,268.14**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15 (a)	137.34	117.27	117.27
(b) Other equity	15 (b)	390.10	680.39	877.60
Total equity		**527.44**	**797.66**	**994.87**
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	2,738.93	2,137.23	3,211.54
(ii) Other financial liabilities	17	249.98	240.63	248.27
(b) Provisions	18	16.56	17.83	11.92
(c) Deferred tax liabilities (net)	19	-	-	-
(d) Other non-current liabilities	20	2.02	1.64	1.46
Total non-current liabilities		**3,007.49**	**2,397.33**	**3,473.19**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	1,241.03	1,071.72	1,245.85
(ii) Trade payables	21	719.86	537.92	592.45
(iii) Other financial liabilities	17	240.60	221.14	677.12
(b) Provisions	18	174.68	86.67	71.44
(c) Income tax liabilities (net)		53.72	55.33	53.66
(d) Other current liabilities	20	203.46	165.31	159.56
Total current liabilities		**2,633.35**	**2,138.09**	**2,800.08**
Total liabilities		**5,640.84**	**4,535.42**	**6,273.27**
Total equity and liabilities		**6,168.28**	**5,333.08**	**7,268.14**
Notes forming part of the Financial Statements	1 - 44			

* Amount is below the rounding off norm adopted by the Group

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director & Chief Financial Officer

Manjushree Khaitan
Executive Vice-Chairperson

Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

Consolidated Statements of Profit and Loss

(All amounts in Rupees Crores, unless otherwise stated)

Particulars		Notes	2017-2018	2016-2017
I	Revenue from operations	22	3,995.81	4,325.81
II	Other income	23	159.49	62.66
III	**Total Income (I+II)**		**4,155.30**	**4,388.47**
IV	Expenses:			
	(a) Cost of materials consumed	24	1,145.60	1,060.46
	(b) Purchases of stock-in-trade		145.35	209.64
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	26.20	125.85
	(d) Excise duty on sale of goods		122.64	484.18
	(e) Employee benefit expense	26	411.27	377.22
	(f) Depreciation and amortisation expense	27	146.10	136.22
	(g) Finance costs	28	443.02	283.47
	(h) Other expenses	29	2,218.75	2,073.06
	Total Expenses		**4,658.93**	**4,750.10**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		**(503.63)**	**(361.63)**
VI	Exceptional Items	30	(75.93)	111.67
VII	**Profit/(Loss) before tax (V+VI)**		**(579.56)**	**(249.96)**
VIII	Tax expense:	31		
	(1) Current tax charge / (credit)		-	2.33
	(2) Deferred tax charge / (credit)		(2.00)	(10.20)
IX	**Profit/(Loss) for the year (VII-VIII)**		**(577.56)**	**(242.09)**
X	Other comprehensive income			
	Items that will not be reclassified to Profit or Loss			
	Remeasurement of post-employment benefit plans		(7.16)	(2.94)
	Fair value changes of investments in equity shares		(76.18)	7.88
	Income tax relating to items that will not be reclassified to the statement of Profit and Loss		(2.00)	(1.57)
	Total other comprehensive income/(loss)		**(85.34)**	**3.37**
XI	**Total comprehensive income/(loss) for the year (IX+X)**		**(662.90)**	**(238.72)**
XII	**Earnings per share**	**32**		
	Basic (Rs.)		(46.93)	(20.64)
	Diluted (Rs.)		(46.93)	(20.64)
XIII	**Notes forming part of the Financial Statements**	1 - 44		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Manjushree Khaitan
Executive Vice-Chairperson

Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

Consolidated Cash Flow Statement

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before tax	(579.56)	(249.96)
Adjustments for:		
Depreciation and amortisation	146.10	136.22
Advance/deposits written off	1.37	3.78
Provision for bad and doubtful debts (written back)	(5.07)	(9.94)
Provision for Warranty	4.43	11.91
Provision for decommissioning obligation	0.75	0.68
Provision for diminution in value of investments	-	0.02
Provision for doubtful advances	34.51	-
Provision for contingencies	18.41	-
Exchange loss/(gain) on derivatives instruments	(0.49)	-
Finance costs	443.02	283.47
Exchange loss/(gain) on foreign currency fluctuation	(1.17)	(10.47)
Exceptional Items	41.36	(121.35)
Loss on sale of property, plant and equipment (Net)	4.46	2.03
Liabilities/Provision no longer required written back	(17.44)	(36.91)
Interest income	(135.29)	(17.19)
Dividend income from long term investment (other than trade)	(0.07)	(0.08)
Operating profit/(loss) before working capital changes	**(44.68)**	**(7.79)**
Changes in Working Capital:		
Increase / (decrease) in Non Current /Current financial and other liabilities/provisions	254.95	(22.51)
(Increase) / decrease in Non Current /Current financial and other assets	(26.17)	(8.06)
(Increase) / decrease in inventories	8.55	119.32
Cash Generated from Operations	**192.65**	**80.96**
Direct Taxes paid (net of refunds)	(15.78)	(1.89)
Net cash generated from operating activities	**176.87**	**79.07**
B. Cash flow from Investing Activities:		
Purchase of property, plant and equipment/Capital Advance given	(661.70)	(358.06)
Proceeds from sale of property, plant and equipment	1.98	1.90
Proceeds from sale of undertaking	-	1,427.16
Refund of capital advance	256.71	-
Purchase of Non-Current Investments	(725.74)	(0.06)
Proceeds from sale of Non Current Investments	0.62	1.31
Proceeds from assets held for sale	-	700.05
Interest received	136.21	19.69
Deposit made with bank	-	(0.01)
Dividend income from long term investment (other than trade)	0.07	0.08
Net cash (used in)/generated from investing activities	**(991.85)**	**1,792.06**
C. Cash flow from Financing Activities		
Proceeds from Issue of Equity Shares	219.99	-
Proceeds from Issue of share warrants	82.69	-
Dividends paid	-	(0.29)
Finance cost paid	(481.51)	(376.08)

Consolidated Cash Flow Statement (contd.)

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31 March, 2018	31 March, 2017
Proceeds from		
- Long term borrowings	1,188.15	950.00
- Short term borrowings	3,758.02	4,105.38
Repayment of		
- Long term borrowings	(448.51)	(2,461.14)
- Short term borrowings	(3,656.77)	(4,334.83)
Net cash (used)/generated in financing activities	**662.06**	**(2,116.96)**
Net decrease in cash and cash equivalents	(152.92)	(245.83)
Cash and cash equivalents at the beginning of the year	153.36	351.83
Less: Cash credits at the beginning of the year	(145.00)	(123.47)
Adjusted cash & cash equivalents at the beginning of the year	8.36	228.36
Cash and cash equivalents on acquisition of undertaking	0.04	25.83
Adjusted cash & cash equivalents at the end of the year	**(144.52)**	**8.36**
Particulars	**31 March, 2018**	**31 March, 2017**
Cash and Cash Equivalents comprise :		
Cash on hand	0.15	0.05
Cheques on hand	19.14	21.95
Balances with banks on current account	21.28	114.71
Balances with banks on Cash Credit Accounts	29.61	16.65
Others		
In post office saving bank account	0.00*	0.00*
Deposit with original maturity less than three months	6.00	-
Cash credits at the end of the year	(220.70)	(145.00)
	(144.52)	**8.36**

* Amount is below the rounding off norm adopted by the Group

Notes:

1. The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
2. During the year, the Group alloted 75,00,000 Equity Shares of face value Rs.10 each to IndusInd Bank Ltd by converting the existing 7,50,000 Optionally Convertible Preference Shares of Rs.100 each at the stipulated price of Rs.120 per Equity Share on account of conversion option excersied by IndusInd Bank Ltd.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Manjushree Khaitan
Executive Vice-Chairperson

Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

Consolidated Statement of Changes in Equity

(All amounts in Rupees Crores, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
As at 01 April 2016		117.27
Changes during the year	15 (a)	-
As at 31 March 2017		**117.27**
Changes during the year	15 (a)	20.07
As at 31 March 2018		**137.34**

B. Other equity

Particulars	Notes	Share warrants	Securities Premium	Capital reserve - Development grant / subsidy	Capital reserve - amalgamation reserve	Capital reserve - business combination	Capital Redemption Reserve	General reserve	Others ^ ^	Retained earnings	FVOCI - equity instruments	Total other equity
Balance at 01 April 2017		**-**	**424.72**	**0.40**	**2.91**	**41.51**	**3.59**	**224.00**	**7.31**	**(78.13)**	**54.08**	**680.39**
Profit/(Loss) for the year		-	-	-	-	-	-	-	-	(577.56)	-	**(577.56)**
Other comprehensive income/ (expense) [net of tax]		-	-	-	-	-	-	-	-	(7.16)	(78.18)	**(85.34)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(584.72)**	**(78.18)**	**(662.90)**
Issue of equity shares and warrants		82.69	289.92	-	-	-	-	-	-	-	-	**372.61**
Transfer in equity ^	15 (b)	-	-	-	-	-	-	-	-	0.62	(0.62)	**-**
Balance as at 31 March 2018		**82.69**	**714.64**	**0.40**	**2.91**	**41.51**	**3.59**	**224.00**	**7.31**	**(662.23)**	**(24.72)**	**390.10**

Particulars	Notes	Share warrants	Securities Premium	Capital reserve - Development grant / subsidy	Capital reserve - amalgamation reserve	Capital reserve - business combination	Capital Redemption Reserve	General reserve	Others ^ ^	Retained earnings	FVOCI - equity instruments	Total other equity
Balance at 01 April 2016		**-**	**424.72**	**0.40**	**2.91**	**-**	**3.59**	**224.00**	**7.31**	**165.87**	**48.80**	**877.60**
Profit/(Loss) for the year		-	-	-	-	-	-	-	-	(242.09)	-	**(242.09)**
Other comprehensive income/ (expense) [net of tax]		-	-	-	-	-	-	-	-	(2.94)	6.31	**3.37**
Addition in equity		-	-	-	-	41.51	-	-	-	-	-	**41.51**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**41.51**	**-**	**-**	**-**	**(245.03)**	**6.31**	**(197.21)**
Transfer in equity ^	15 (b)	-	-	-	-	-	-	-	-	1.03	(1.03)	**-**
Balance at 31 March 2017		**-**	**424.72**	**0.40**	**2.91**	**41.51**	**3.59**	**224.00**	**7.31**	**(78.13)**	**54.08**	**680.39**

^ represents gain on sale of shares transferred from Fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings.

^ ^ refer note 15 (b).

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director & Chief Financial Officer

Manjushree Khaitan
Executive Vice-Chairperson

Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

Consolidated Notes to Financial Statements

1. Group Information

The Consolidated financial statements comprises of the financial statements of Kesoram Industries Limited (the Holding Company) its joint venture and its subsidiary (collectively referred to as 'the Group'). The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements".

The consolidated financial statements as at 31 March 2018 present the financial position of the Group.

The consolidated financial statements for the year ended 31 March 2018 were approved by the Board of Directors and authorised for issue on 11th May 2018.

2. Summary of significant accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Group adopted Ind AS from 1 April 2017.

Up to the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is 1 April 2016. Details of the exceptions and optional exemptions availed by the Group and principal adjustments along with related reconciliations are detailed in Note 42 (First-time Adoption).

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

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.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entity controlled by the Group i.e. its subsidiary. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangement that are consolidated using the equity method of consolidation, as applicable.

Control is achieved when the Group is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiary and joint arrangement acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries and joint arrangements to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.3 Business combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the consolidated statement of profit and loss.

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Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional proportion acquired is adjusted in equity. The amount of non-controlling interests in the acquiree is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholder's equity.

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- identifies and recognises the individual identifiable assets acquired
- allocates the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

2.4 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

2.5 Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

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2.6 Property, plant and equipment

a) Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation /settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

b) Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

c) Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.18 below] incurred during construction/installation period relating to items or projects in progress.

d) Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of profit and loss.

e) Depreciation methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of assets	Estimated useful life (in years)
Buildings	3-60 years
Plant and Equipment	1-40 Years
Furniture and Fixtures	1-16 Years
Office Equipment	1-20 years
Vehicles	8-10 Years
Railway Siding	15 Years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

2.7 Intangible assets

Intangible property, plant and equipment are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

Class of assets	Estimated useful life (in years)
Software	3 Years

2.8 Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other

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assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Lease

Lease under which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.10 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Group. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

2.11 Financial Instruments

Financial assets and financial liabilities are recognised when the Group 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 and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

ii) Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

iii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model 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.

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iv) Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

v) Impairment of financial assets

The Group assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Group recognises loss allowance for expected credit losses on financial asset.

For trade receivables only, the Group 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.

vi) De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities and equity instruments

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Equity instruments

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

iii) Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

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iv) De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

v) Derivative financial instruments

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

vi) Offsetting financial instruments

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

2.12 Employee Benefits

i) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

ii) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

iii) Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

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2.13 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

2.14 Provision and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

i) Provision for restoration and environmental costs

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

ii) Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to five years.

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

2.15 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset

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(or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

2.16 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.17 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) Sales of goods

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It includes excise duty and excludes value added tax/sales tax/Goods and Service tax . It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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The estimated liability for sales related unfulfilled obligations is deferred to the time when those obligations are expected to be discharged. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence.

ii) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

iii) Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

iv) Rental income

Rental income from investment properties and subletting of properties is recognised on a time proportion basis over the term of the relevant leases.

2.18 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.19 Foreign currency transactions and translations

i) Functional and presentation currency

The consolidated financial statements of the Group are presented in Indian rupees (INR), which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

Transactions and balances

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses arising out of fluctuations in the exchange rates are recognised in the statement of profit and loss in the period in which they arise.

2.20 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

2.21 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

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(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors has been identified as the chief operating decision maker. Refer note 40 for segment information presented. The company accounts for intersegment sales and transfers at cost.

2.23 Use of estimates and critical accounting judgements

In preparation of the consolidated financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.24 Standards issued but not effective

Ind AS 115:- Revenue from contracts with customers

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

Ind AS 21:- Foreign currency transactions and advance consideration

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Company expects this change to impact its accounting for revenue contracts involving advance payments in foreign currency.

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).

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(All amounts in Rupees Crores, unless otherwise stated)

3. Property, plant and equipment

	GROSS BLOCK - AT COST					DEPRECIATION				NET BLOCK
Particulars	As at 1-Apr-17	Additions during the Year	Acquired through business combination	Deletion during the Year	As at 31-Mar-18	Upto 1-Apr-17	Provided during the Year	Deletion during the Year	Upto 31-Mar-18	As at 31-Mar-18
Land :										
- Freehold	568.89	419.58	-	-	988.47	-	-	-	-	988.47
- Leasehold	2.63	-	-	-	2.63	0.05	0.06	-	0.11	2.52
Buildings	520.30	25.45	-	-	545.75	26.25	27.09	-	53.34	492.41
Plant and Equipments	1,532.29	50.58	-	5.92	1,576.95	101.25	110.64	0.88	211.01	1,365.94
Furniture and Fixtures	11.71	0.39	-	0.33	11.77	1.46	1.45	0.07	2.84	8.93
Office Equipment	7.96	0.59	-	0.18	8.37	2.12	1.88	0.10	3.90	4.47
Vehicles	20.05	2.08	-	1.34	20.79	2.78	3.09	0.33	5.54	15.25
Railway Siding	14.40		-	0.05	14.35	1.47	1.46	-	2.93	11.42
Bearer plant	0.10	-	-	-	0.10	-	-	-	-	0.10
Total	**2,678.33**	**498.67**	**-**	**7.82**	**3,169.18**	**135.38**	**145.67**	**1.38**	**279.67**	**2,889.51**

	GROSS BLOCK - AT COST					DEPRECIATION				NET BLOCK
Particulars	Deemed Lost as at 1-Apr-16	Additions during the Year	Acquired through business combination ^	Deletion during the Year	As at 31-Mar-17	Upto 1-Apr-16	Provided during the Year	Deletion during the Year	Upto 31-Mar-17	As at 31-Mar-17
Land :										
- Freehold	432.29	-	136.60	-	568.89	-	-	-	-	568.89
- Leasehold	0.29	-	2.34	-	2.63	-	0.05	-	0.05	2.58
Buildings	345.01	14.49	160.80	-	520.30	-	26.25	-	26.25	494.05
Plant and Equipments	1,194.75	158.21	182.66	3.33	1,532.29	-	101.37	0.12	101.25	1,431.04
Furniture and Fixtures	9.55	0.82	1.34	0.00 *	11.71	-	1.46	0.00 *	1.46	10.25
Office Equipment	4.70	3.04	0.29	0.07	7.96	-	2.14	0.02	2.12	5.84
Vehicles	13.39	7.16	0.22	0.72	20.05	-	2.86	0.08	2.78	17.27
Railway Siding	14.40	-	-	-	14.40	-	1.47	-	1.47	12.93
Bearer plant	0.10	-	-	-	0.10	-		-	-	0.10
Total	**2,014.48**	**183.72**	**484.25**	**4.12**	**2,678.33**	**-**	**135.60**	**0.22**	**135.38**	**2,542.95**

^ Represents addition of property, plant and equipment pursuant to acquisition of Cygnet Industries Limited (refer note 43a).

* Amount is below the rounding off norm adopted by the Group.

(i) Refer note 16 for Property, plant and equipment pledged as security.

(ii) Contractual obligations

Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) The above balances include:

		31-Mar-18	31-Mar-17	1-Apr-16
(i)	Jointly owned:-			
	- Furniture and Fixtures and Office Equipments	-	-	1.12
	- Plant and Equipment	-	-	0.03
(ii)	Cost of assets lying with third parties	1.71	2.09	-

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(All amounts in Rupees Crores, unless otherwise stated)

4. Intangible Asset

	GROSS BLOCK - AT COST					DEPRECIATION				NET BLOCK
Particulars	As at 1-Apr-17	Additions during the Year	Acquired through business combination	Deletion during the Year	As at 31-Mar-18	Upto 1-Apr-17	Provided during the Year	Deletion during the Year	Upto 31-Mar-18	As at 31-Mar-18
Software	1.22	0.39	-	-	1.61	0.62	0.43	-	1.05	0.56
	1.22	**0.39**	**-**	**-**	**1.61**	**0.62**	**0.43**	**-**	**1.05**	**0.56**

	GROSS BLOCK - AT COST					DEPRECIATION				NET BLOCK
Particulars	Deemed lost as at 1-Apr-16	Additions during the Year	Acquired through business combination ^	Deletion during the Year	As at 31-Mar-17	Upto 1-Apr-16	Provided during the Year	Deletion during the Year	Upto 31-Mar-17	As at 31-Mar-17
Software	0.89	0.34	-	0.01	1.22	-	0.62	-	0.62	0.60
	0.89	**0.34**	**-**	**0.01**	**1.22**	**-**	**0.62**	**-**	**0.62**	**0.60**

^ Represents addition of property, plant and equipment pursuant to acquisition of Cygnet Industries Limited (refer note 43 a)

5. Equity accounted investments

Joint venture

(i) The Group holds 45.46% of the total equity share capital and voting rights in Gondhkari Coal Mining Limited. The decisions in respect of activities which significantly affect the risks and rewards of these respective entities, however require an unanimous consent of all the shareholders. These entities have therefore been accounted for as joint ventures.

(ii) The Group has no material joint venture as at 31 March 2018. The summarised financial information in respect of the Group's immaterial joint venture that is accounted for using the equity method is as below:

Particulars	31 March 2018	31 March 2017	01 April 2016
Carrying value of the Group's interest in joint venture:	-	-	-

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Group's share of profit/(loss) in joint venture	-	-
Group's share of other comprehensive income in joint venture	-	-
Group's share of total comprehensive income in joint venture	**-**	**-**

(iii) Share of unrecognised losses in respect of equity accounted joint venture amounted to Rs. 0.17 crore for the year ended 31 March 2018 (2016-17: Rs. 0.01 crore). Cumulative shares of unrecognised losses in respect of equity accounted joint ventures as at 31 March 2018 is Rs. 0.55 crore (31 March 2017: Rs. 0.38 crore and 1 April 2016: Rs. 0.36 crore).

(iv) The Group has fully impaired its equity accounted joint ventures in the previous year.

Financial Assets

6. Investments

Particulars	Face value	31 March 2018	31 March 2017	01 April 2016
A. Investments carried at fair value through other comprehensive income:				
Investments in Equity shares				
(i) Quoted				
496,100 (31 March, 2017: 496,100, 1 April, 2016: 496,100) shares of HGI Industries Ltd. $	10	0.00 *	0.00 *	0.00 *
317,745 (31 March, 2017: 388,116, 1 April, 2016: 388,116) shares of Jay Shree Tea & Industries Limited	5	2.73	4.26	3.17

* Amount is below the rounding off norm adopted by the Group

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(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Face value	31 March 2018	31 March 2017	01 April 2016
4,996,986 (31 March, 2017: 4,996,986, 1 April, 2016: 4,996,986) shares of Kesoram Textile Mills Limited #	2	23.38	22.37	22.37
NIL (31 March, 2017: NIL , 1 April, 2016: 233,423) shares of Manjushree Plantations Limited	10	-	-	0.01
44,750 (31 March, 2017: 44,750, 1 April, 2016 : 44,750) shares of Vidula Chemicals & Manufacturing Industries Ltd	10	-	-	-
22,85,278 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Aditya Birla Capital Ltd.	10	33.35	-	-
27,46,100 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Century Textiles & Industries Ltd.	10	313.77	-	-
16,32,342 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Grasim Industries Ltd.	2	171.54	-	-
53,586 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Hindalco Industries Ltd.	1	1.15	-	-
16,32,342 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Aditya Birla Fashion and Retail Ltd.	10	48.18	-	-
81,268 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Ultratech Cement Ltd.	10	32.10	-	-
4,15,680 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Century Enka Ltd.	10	12.53	-	-
8,00,000 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Mangalam Cement Ltd.	10	25.70	-	-
6,53,462 (31 March, 2017: Nil, 1 April, 2016: Nil) shares of Mangalam Timber Products Ltd.	10	1.46	-	-
		665.89	**26.63**	**25.55**
(ii) Unquoted				
30,000 (31 March, 2017: 30,000, 1 April, 2016: 30,000) shares of Birla Buildings Ltd	10	47.76	40.98	34.17
10,000 (31 March, 2017: 10,000, 1 April, 2016: 10,000) shares of Coromandel Stampings & Stones Ltd $	10	0.00 *	0.00 *	0.00 *
143,000 (31 March, 2017: 143,000, 1 April, 2016: 143,000) shares of Kesoram Insurance Broking Services Ltd	10	0.95	1.36	1.36
10,455 (31 March, 2017: 10,455, 1 April, 2016: 10,455) shares of Calcutta Stock Exchange Association Ltd	1	-	-	-
NIL (31 March, 2017: NIL, 1 April, 2016: 119) shares of Essel Mining & Industries Ltd	10	-	-	1.19
10 (31 March, 2017: 10, 1 April, 2016: 10) shares of Meghdoot Co-operative Housing Society Ltd $	100	0.00 *	0.00 *	0.00 *
7,231 (31 March, 2017: 7,231, 1 April, 2016: 7,231) shares of Padmavati Investment Ltd	10	3.28	1.95	1.95
18,800 (31 March, 2017: 18,800, 1 April, 2016 : 18,800) shares of Vasavadatta Services Ltd	10	0.26	0.29	0.29
NIL (31 March, 2017: NIL, 1 April, 2016: 21,693) shares of JPM Merchandise Agencies Ltd	10	-	-	0.10
		52.25	**44.58**	**39.06**

* Amount is below the rounding off norm adopted by the Group

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(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Face value	31 March 2018	31 March 2017	01 April 2016
B. Investments carried at amortised cost:				
NSC savings certificate		0.01	0.01	-
		0.01	**0.01**	-
C. **Investments carried at fair value through profit and loss (FVTPL):**				
Investments in Mutual Funds				
(i) Quoted				
9,697.829 (31 March, 2017: Nil, 1 April, 2016: Nil) Units of Axis Liquid Fund - Direct Growth	1,000	1.87	-	-
		1.87	**-**	**-**
Total Investments		**720.02**	**71.22**	**64.61**

(i) The carrying value and market value of quoted and unquoted investments are as below:

(a) **Quoted**			
Carrying value	667.76	26.63	25.55
Market value	667.76	26.63	25.55
(b) **Unquoted**			
Carrying value	52.25	44.58	39.06

market values in cases of some quoted investments are not available, hence the fair value has been considered as market values in such cases.

$ cost of these equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

7. Loans

Particulars	31 March 2018	31 March 2017	01 April 2016
A. Non-current			
Unsecured, considered good			
(a)Loan to related parties	7.11	6.79	6.77
Less: Allowance for credit loss	(7.11)	(6.79)	(6.77)
(b)Loan to employees	-	0.00 *	0.01
(c)Loan to others	-	-	13.44
	-	**0.00 ***	**13.45**
B. Current			
Unsecured, considered good			
(a)Loan to employees	2.38	3.12	3.03
(b)Loan to others	4.00	4.00	5.56
	6.38	**7.12**	**8.59**

* Amount is below the rounding off norm adopted by the Group

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

8. **Other financial assets**

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-current			
Deposit with original maturity for more than 12 months ^	11.33	0.06	-
Security deposits	13.11	12.92	10.33
Interest accrued on deposits	0.22	0.00*	-
	24.66	**12.98**	**10.33**
Current			
Security deposits	3.46	18.29	12.62
Derivative asset	0.49	-	19.03
Balance with body corpoartes	172.83	10.63	1,286.94
Less: Allowances for doubtful advances	0.00*	-	-
Receivable from body corporate for sale of undertaking	-	-	541.14
Interest accrued on deposits	0.13	0.13	0.22
Others	6.76	8.89	16.96
	183.67	**37.94**	**1,876.91**

^ The balance represents the deposits pledged for DSRA for secured borrowings.

9. **Other assets**

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-Current			
Capital advances	39.49	357.96	227.52
Balance with statutory/government authorities	50.91	43.54	30.38
Prepaid expenses	1.19	1.05	-
Others	0.49	0.62	0.62
	92.08	**403.17**	**258.52**
Current			
Balance with statutory/government authorities	109.48	128.03	97.44
Less: Allowances for doubtful advances	-	(6.74)	(6.74)
Prepaid expenses	7.10	6.35	5.83
Advance to vendors	121.98	144.74	98.50
Less: Allowances for doubtful advances	(16.12)	(14.88)	(17.83)
Others	63.18	52.82	9.15
Less: Allowances for doubtful advances	(22.63)	-	-
	262.99	**310.32**	**186.35**

* Amount is below the rounding off norm adopted by the Group

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

10. Inventories

Particulars	31 March 2018	31 March 2017	01 April 2016
Raw materials	96.91	90.74	68.30
Work-in-progress	62.86	65.21	54.54
Finished goods	173.71	197.75	309.38
Stock-in-trade	-	0.12	-
Stores and spare parts	124.53	112.74	104.77
	458.01	**466.56**	**536.99**
Included above, goods-in-transit:			
Raw materials	14.33	16.17	1.83
Finished goods	11.37	3.44	4.24
Stores and spare parts	8.90	9.27	6.19
	34.60	**28.88**	**12.26**

The Group has made provision of Rs. 1.60 Crore (31 March 2017: Reversal of Rs. 22.19 Crore) for writing down the value of inventories towards slow moving, non-moving and obselete inventory.

11. Trade receivables

Particulars	31 March 2018	31 March 2017	01 April 2016
Current			
Trade Receivables			
(a) Secured, considered good	237.22	171.72	178.22
(b) Unsecured, considered good	335.70	354.96	356.07
(c) Doubtful	172.25	177.32	185.95
	745.17	**704.00**	**720.24**
Allowance for doubtful debts	(172.25)	(177.32)	(185.95)
	572.92	**526.68**	**534.29**

12. Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	01 April 2016
Cash and cash equivalents			
Cash on hand	0.15	0.05	0.04
Cheques on hand	19.14	21.95	37.20
Balances with bank			
On Current accounts	21.28	114.71	311.70
On Cash Credit Accounts	29.61	16.65	2.89
Others			
Deposit with original maturity less than three months	6.00	-	-
In post office saving bank account	0.00*	0.00*	
	76.18	**153.36**	**351.83**

* Amount is below the rounding off norm adopted by the Group

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

13. Other bank balances

Particulars	31 March 2018	31 March 2017	01 April 2016
Deposit with original maturity for more than three months but less than twelve months	31.14	23.79	90.77
On unpaid dividend accounts	0.32	0.61	0.90
	31.46	**24.40**	**91.67**

(a) Deposit more than three months includes:-	31 March, 2018	31 March, 2017	01 April, 2016
- Deposits pledged with the sales tax authorities	0.74	0.74	0.00*
- Held as lien by bank against bank guarantees	2.02	2.02	0.75

(b) Depoits more than 3 months includes Rs 23.71 crore (31 March 2017: Rs 22.69 crore 1 April 2016: Nil) placed as fixed deposits in an escrow account.

(c) Other bank balances as of 31 March 2018, 31 March, 2017 and 1 April, 2016 include restricted bank balances of Rs.0.32 crore, Rs 0.61 crore and Rs 0.90 crore respectively. The restrictions are primarily on account of bank balances held in unclaimed dividends accounts.

14. Assets classified as held for sale

Particulars	31 March 2018	31 March 2017	01 April 2016
Investment in Cavendish Industries Limited	-	-	700.05
	-	**-**	**700.05**

The Group had transferred its automotive tyre manufacturing facility at Laksar, District Haridwar, Uttarakhand, as a going concern on slump sale basis, to Cavendish Industries Limited (Cavendish), a subsidiary whose more than 90% of the share capital was held by the Group.

Pursuant to the execution of a binding term sheet dated 12 September, 2015, between the Group, the subsidiary and the JK Tyre Group, it was agreed that the Group would transfer its interest in such subsidiary to the JK Tyre Group at a consideration based on Enterprise Value (EV) of Rs. 2,195 crore. Subsequently, the Group had entered into a Share Purchase Agreement dated 28 October, 2015, with the subsidiary and the JK Tyre Group to transfer its interest in the said subsidiary to JK Group. The above mentioned transaction was concluded in April, 2016 and the net consideration received has been used to partially retire the Group's portfolio of long term borrowings after adjusting Rs. 25.15 crore which has since been written off on account of EV adjustment.

15. Equity share capital and other equity

15 (a): Equity share capital

Authorised equity share capital

Particulars	31 March 2018	31 March 2017	01 April 2016
55,00,00,000 Equity Shares of Rs. 10 each	550.00	550.00	550.00
	550.00	**550.00**	**550.00**

Issued, subscribed and paid-up equity share capital

Particulars	31 March 2018	31 March 2017	01 April 2016
13,73,40,079 Equity Shares of Rs. 10 each fully paid up (31 March 2017: 11,72,68,650 Equity Shares of Rs. 10 each fully paid up) (1 April 2016: 11,72,68,650 Equity Shares of Rs. 10 each fully paid up)	137.34	117.27	117.27

* Amount is below the rounding off norm adopted by the Group

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(All amounts in Rupees Crores, unless otherwise stated)

(i) Movement in equity share capital

Particulars	31 March 2018	31 March 2017	01 April 2016
Opening balance	117.27	117.27	117.27
Conversion of optionally convertible preference shares (A)	7.50	-	-
Issued during the year (B)	12.57	-	-
Closing balance	**137.34**	**117.27**	**117.27**

A. The Parent alloted 75,00,000 Equity Shares of face value Rs.10 each to IndusInd Bank by conversion of the existing 7,50,000 Optionally Convertible Preference Shares of Rs.100 each at the stipulated price of Rs.120 per Equity Share on account of conversion option excersied by IndusInd Bank.

B. During the quarter, the Parent alloted 12,571,429 Equity Shares of face value Rs.10 each to a promoter group entity at the stipulated price of Rs.175 per Equity Share.

Terms and rights attached to equity shares

The Group has equity shares having a par value of Rs. 10 per share. All equity shareholders are entitled to one vote per share. The Group declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in the proportion to their shareholdings.

(ii) Details of shareholders holding more than 5% shares in the Group

Shareholder	31 March 2018		31 March 2017		01 April 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Pilani Investments and Industries Corporation Limited	27,338,750	19.91%	27,338,750	23.31%	27,338,750	23.31%
Manav Investment & Trading Co. Ltd	28,709,679	20.90%	16,138,250	13.76%	16,138,250	13.76%
	56,048,429	**40.81%**	**43,477,000**	**37.07%**	**43,477,000**	**37.07%**

15 (b). Other Equity

Particulars	31 March 2018	31 March 2017	01 April 2016
Share warrants#	82.69	-	-
Securities Premium	714.64	424.72	424.72
Capital reserve			-
(a) Development grant/subsidy	0.40	0.40	0.40
(b) Amalgamation reserve	2.91	2.91	2.91
(c) Capital reserve arising on business combination	41.51	41.51	-
Capital redemption reserve	3.59	3.59	3.59
General reserve	224.00	224.00	224.00
Fair value through other comprehensive income (FVOCI)- equity instruments	(24.72)	54.08	48.80
Others	7.31	7.31	7.31
Retained earnings	(662.23)	(78.13)	165.87
Total reserves and surplus	**390.10**	**680.39**	**877.60**

During the year, the holding Company issued and allotted 52,50,000 share warrants at a price of Rs. 175/- (face value: Rs. 10 and premium: Rs. 165) per warrant to a promoter group entity on preferential basis under section 42 and 62(1)(c) of the Companies Act, 2013 and other relevant SEBI ICDR Regulations. The Company has received 90% of the subscription amount against the said warrants totalling Rs. 82.69 crores. These warrants are convertible within a period of 18 (Eighteen) months from date of allotment of the warrants, subject to payment of the balance 10% of the issue price. The remaining amount was subsequently received and the warrants have been converted on 6 April 2018.

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(All amounts in Rupees Crores, unless otherwise stated)

(i) Securities Premium

Particulars	31 March 2018	31 March 2017
Opening balance	424.72	424.72
Increase/(decrease) during the year	289.92	-
Closing balance	**714.64**	**424.72**

(ii) Capital reserve

(a) Development grant/subsidy

Particulars	31 March 2018	31 March 2017
Opening balance	0.40	0.40
Increase/(decrease) during the year	-	-
Closing balance	**0.40**	**0.40**

(b) Amalgamation reserve

Particulars	31 March 2018	31 March 2017
Opening balance	2.91	2.91
Increase/(decrease) during the year	-	-
Closing balance	**2.91**	**2.91**

(c) Capital reserve arising on business combination

Particulars	31 March 2018	31 March 2017
Opening balance	41.51	-
Increase/(decrease) during the year	-	41.51
Closing balance	**41.51**	**41.51**

(iii) Capital redemption reserve

Particulars	31 March 2018	31 March 2017
Opening balance	3.59	3.59
Increase/(decrease) during the year	-	-
Closing balance	**3.59**	**3.59**

(iv) General reserve

Particulars	31 March 2018	31 March 2017
Opening balance	224.00	224.00
Increase/(decrease) during the year	-	-
Closing balance	**224.00**	**224.00**

(v) Fair value through other comprehensive income (FVOCI)- equity instruments

Particulars	31 March 2018	31 March 2017
Opening balance	54.08	48.80
Change in fair value of FVOCI equity instruments	(76.18)	7.88
Deferred tax	(2.00)	(1.57)
Transfer to equity	(0.62)	(1.03)
Closing balance	**(24.72)**	**54.08**

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(All amounts in Rupees Crores, unless otherwise stated)

(vi) Other reserves

Particulars	31 March 2018	31 March 2017
Opening balance	7.31	7.31
Increase/(decrease) during the year	-	-
Closing balance	**7.31**	**7.31**

(vii) Retained earning

Particulars	31 March 2018	31 March 2017
Opening balance	(78.13)	165.87
Net profit/(loss) for the year	(577.56)	(242.09)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(7.16)	(2.94)
Transfer to equity	0.62	1.03
Closing balance	**(662.23)**	**(78.13)**

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(ii) Capital reserve

(a) Certain grants of capital nature had been credited to Capital Reserve

(b) The Company has recognised profit on account of amalgamation in capital reserve.

(c) Capital reserve arising on business combination being gain on bargain purchase recognised directly in capital reserve. (refer note 43(a))

(iii) Capital redemption reserve

Capital redemption reserve was created on account of reinstatement of certain investments and spares at cost.

(iv) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

(v) Fair value through other comprehensive income (FVOCI)- equity instruments

The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

(vi) Other reserves

Others primarily include:

(a) Amounts appropriated out of profit or loss for doubtful debts and contingencies.

(b) Share buyback reserve has been created as per the Companies Act, 1956.

(c) Reserve which has arisen on forfeiture of shares.

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(All amounts in Rupees Crores, unless otherwise stated)

Financial Liabilities

16. Borrowings (measured at amortised cost)

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-Current			
(a) Secured:			
Debentures			
Nil (31 March 2017: Nil, 1 April, 2016: 2000) Redeemable Non-Convertible Debentures [Refer Note (a) below]	-	-	199.67
Term Loans:			
From Bank			
Indian rupee loan [Refer Note (b) below]	2,611.28	2,029.01	2,410.60
Foreign currency loan [Refer Note (c) below]	-	-	231.42
From others			
Indian rupee loan [Refer Note (d) below]	182.35	96.36	833.13
(b) Unsecured:			
Nil (31 March 2017: 7,50,000, 1 April, 2016 : 7,50,000) Optionally convertible redeemable preference shares of Rs. 100 each fully paid up [Refer note (f) below]	-	88.29	84.98
From Bank			
Indian rupee loan [Refer Note (e) below]	52.02	-	-
	2,845.65	**2,213.66**	**3,759.80**
Less: Current maturities of long term borrowings (Refer Note 17)	(118.75)	(88.29)	(558.66)
Add: Interest accrued on long term borrowings	12.03	11.86	10.40
	2,738.93	**2,137.23**	**3,211.54**
Current			
(a) Secured:			
Working Capital Loan			
From Bank [Refer note (g) below]			
Indian rupee loan	120.77	-	-
Overdraft / Cash Credit	220.70	145.00	123.47
Working capital demand loan	568.31	531.36	579.00
Packing credit loan	30.05	25.94	142.46
Foreign currency loan	53.27	85.31	22.99
(b) Unsecured:			
Term Loan			
From Bank			
Indian rupee loan	109.25	148.79	343.10
Packing credit loan	25.00	25.94	-
Foreign currency loan	85.54	106.04	26.29
From others			
Director	23.73	-	-
	1,236.62	**1,068.38**	**1,237.31**
Add: Interest accrued on short term borrowings	4.41	3.34	8.54
	1,241.03	**1,071.72**	**1,245.85**

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(All amounts in Rupees Crores, unless otherwise stated)

Net debt reconciliation

This section sets out an analaysis of debt and the movements in net debt for the current period

Particulars	31 March 2018	31 March 2017
Cash and cash equivalents	76.18	153.36
Non-current borrowings	(2,738.93)	(2,137.23)
Current borrowings	(1,241.03)	(1,071.72)
Total	**(3,903.78)**	**(3,055.59)**

	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April 2017	153.36	(2,137.23)	(1,071.72)	(3,055.59)
Cash flows	(152.88)	(739.64)	(101.25)	(993.77)
Change in cash credit considered as cash and cash equivalent for statement of cash flows	75.70	-	(75.70)	-
Interest expenses	-	(311.98)	(109.29)	(421.27)
Interest paid	-	340.68	119.08	459.76
Changes in current maturities of long-term debt and interest accrued on them	-	19.12	-	19.12
TDS on interest accrued (not included in borrowings)	-	0.12	-	0.12
Non-cash movements:				
Optionally convertible redeemable preference shares converted to equity shares during the year	-	90.00	-	90.00
Foreign exchange adjustment	-	-	(2.15)	(2.15)
Net debt as at 31 March 2018	**76.18**	**(2,738.93)**	**(1,241.03)**	**(3,903.78)**

(a) Debentures

	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
10.50% Non Convertible Debentures	-	-	199.67	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the Holding Company.	Repayment at the end of 5 years from the allotment date of 28th August, 2014. Interest payable quarterly @ 10.50% p.a.
	-	**-**	**199.67**		

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(All amounts in Rupees Crores, unless otherwise stated)

(b) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
Axis Bank Ltd.	-	-	399.51	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the Holding Company.	Repayment in quarterly instalments after a 27 month moratorium period from the date of first disbursement in the following manner:(a) First 10 instalments of Rs 33 crore each; (b) Next 2 instalments of Rs 35 crore each. Interest Payable monthly @ Base rate plus 1% p.a.
Axis Bank Ltd.	1,258.92	1,252.63	1,166.98	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur).Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 6 months MCLR plus 1.75% p.a.
Bank of Baroda	-	-	74.99	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Holding Company.	Repayable by four equal annual instalment commencing from 24 months after first disbursement. Interest is payable monthly @ base rate + 1.75% + term premium of 0.15%
ICICI Bank Ltd.	-	-	149.99	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Holding Company.	Repayable in 20 equal quarterly instalments commencing from the 27th month from the date of disbursement. Interest is payable monthly @ base rate plus 2.7% p.a. with annual reset.
ICICI Bank Ltd.	198.53	198.23	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 28 equal quarterly instalments commencing from the 39th month from the date of disbursement. Interest is payable monthly @ base rate plus 1.40% per annum with annual reset.
	1,457.45	1,450.86	1,791.47	Carried over	

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
	1,457.45	1,450.86	1,791.47	Brought forward	
Punjab National Bank	-	-	40.00	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Holding Company.	Repayable in twenty quarterly instalments starting from June 2012 distributed as first sixteen instalments of Rs. 16.25 Crore each and balance four instalments of Rs. 10 Crore each. Interest is payable monthly @ base rate plus 1.5% p.a. plus term premium.
State Bank of India	-	-	124.97	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Holding Company.	Repayable in 12 quarterly instalments commencing from the quarter ending February, 2014 distributed as 11 instalments of Rs. 41.67 Crore each and the last instalment of Rs. 41.63 Crore in November, 2016. Interest is payable monthly @ base rate plus 2% p.a.
The South Indian Bank Ltd.	-	-	92.49	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Holding Company.	Repayment commencing after a moratorium of 12 months in 6 quarterly instalments of Rs 1.5 Crore each, next 4 quarterly instalments of Rs 3 Crore each, next 17 quarterly instalments of Rs 4.39 Crore each and last instalment of Rs 4.37 Crore thereafter. Interest is payable @ base rate plus 2.50% p.a. with annual reset.
The South Indian Bank Ltd.	-	-	41.00	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Holding Company.	Repayment commencing after a moratorium of 12 month in 6 quarterly instalments of Rs 0.75 Crore each, next 4 quarterly instalments of Rs 1.5 Crore each , next 17 quarterly instalments of Rs 2.20 Crore each and last instalment of Rs 2.10 Crore thereafter. Interest is payable @ base rate plus 3% p.a. with annual reset.
	1,457.45	1,450.86	2,089.93	Carried over	

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
	1,457.45	1,450.86	2,089.93	Brought forward	
The South Indian Bank Ltd.		-	84.99	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Holding Company.	Repayment to be made in 28 quarterly instalments after the initial holiday period of 12 months. (First 6 quarters Rs 1.5 Crore each, next 4 quarters Rs 3 Crore each, next 17 quarters Rs 4.39 Crore each, last quarter Rs 4.37 Crore). Interest payable monthly @ base rate + 2%.
The South Indian Bank Ltd.	387.50	385.43	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.60% p.a.
The Karur Vysya Bank Ltd.	-	-	85.70	First pari passu charge on all movable and immovable property, plant and equipment (both present & future) of various units (excluding Corporate Office) of the Holding Company.	To be repaid in 28 Quarterly instalment after a moratorium period of one year. Interest is payable monthly @ base rate + 1.5%.
The South Indian Bank Ltd.	-	-	149.98	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of the various units of the Holding Company.	Repayment in 20 equal quarterly instalments of Rs 7.50 crore each after moratorium of 24 months from date of first disbursement. Interest payable monthly @ Base rate plus 2.50% p.a.
The Karur Vysya Bank Ltd.	96.87	96.36	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.05% p.a.
	1,941.82	1,932.65	2,410.60	Carried over	

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
	1,941.82	1,932.65	2,410.60	Brought forward	
The Lakshmi Vilas Bank Ltd.	96.87	96.36	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets of various units (excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur including Rayon assets) of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.15% p.a.
IndusInd Bank Ltd	92.34	-	-	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land).Second pari passu charge on all current assets of the Holding Company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments commencing from the 13th month from the date of disbursement. Interest is payable monthly @ 1year MCLR with annual reset.
IndusInd Bank Ltd	480.25	-	-	Second charge by way of hypothecation, upon all current assets of the company; present and future. Subservient charge, by way of hypothecation upon all movable property, plant and equipment of the company, present and future. First exclusive charge, by way of mortgage of land of 25.70 acres and building thereof located at Garden Reach Road, Metiaburz, Kolkata, West Bengal, held by M/s Kesoram Textile Mills Ltd.	20% of the loan amount to be repaid after 18 months from first disbursement; and balance 80% shall be repaid after 36 months of first disbursement. Interest rate is linked to 1 year MCLR (8.85% p.a. at the time of disbursement); interest is payable monthly.
	2,611.28	**2,029.01**	**2,410.60**		

(c) Repayment terms and nature of securities given for Foreign currency loans from banks are as follows:

Bank	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
IndusInd Bank Ltd	-	-	231.42	First Charge on certain Immovable property, plant and equipment (non-agricultural land) located at Solapur, Maharashtra, (yet to be created) and first pari passu charge on immovable property, plant and equipment of the Holding Company.	16 equal quarterly instalments after a moratorium period of 24 months. Interest payable @ Base Rate + 75 Basis Points.
	-	**-**	**231.42**		

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(d) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:

Financial Institution	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
HDFC Ltd	-	-	299.94	First pari passu charge on all movable and immovable property, plant and equipment (both present & future) of various units of the Holding Company.	Principal repayment shall have a moratorium of 8 calendar quarters from the date of first disbursement and thereafter repayment in 12 equal calendar quarters starting from the first calendar quarter after the end of the moratorium period. Interest payable at the end of calendar quarters @ HDFC CPLR - 5.25 %.
IFCI Ltd	-	-	117.85	First pari passu charge on all movable and immovable property, plant and equipment (both present & future) of various units of the Holding Company.	The loan shall be repaid in 28 structured quarterly instalments commencing from the fifteenth month from the date of first disbursement. Interest is payable monthly @ SBI base rate + 280 basis points.
IFCI Ltd	-	-	142.10	First pari passu charge on all moveable and immoveable property, plant and equipment (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the Holding Company.	Repayment in 19 equal quarterly instalments from 18th month from the date of first disbursement. Interest payable monthly @ benchmark rate plus 1.80% p.a.
L&T Infrastructure Finance Company Ltd	-	-	177.74	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) of various units of the Holding Company.	Repayable in 28 quarterly instalments with 6 quarters of Rs 3.75 Crore, 4 quarters of Rs 7.5 Crore and 18 quarters of Rs 10.97 Crore each. Interest is payable monthly @ L&T Infra plrs minus/plus spread
West Bengal Infrastructure Development Finance Corporation Ltd.	-	-	95.50	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second charge on all current assets (both present and future) of the various units of the Holding Company and second charge on Current Assets ranking Pari Passu with the existing and future charge of other term lenders.	Repayment over a period of 8 years (including 4 quarters of moratorium from the date of first disbursement) structured over 32 quarters. Interest payable monthly @ base rate of State Bank of India plus 2.80% p.a.
	-	-	833.13	Carried over	

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Financial Institution	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
	-	-	833.13	Brought forward	
West Bengal Infrastructure Development Finance Corporation Ltd.	96.76	96.36	-	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Divisions and land at Solapur).Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ Axis Bank Base Rate plus 0.75% p.a.
IIFL Wealth Finance Limited	85.59	-	-	Against pledge of specified securities (Equity shares).	Bullet repayment at the end of tenure (36 months). Interest rate is 9.95% p.a. (review at 12 months from date of disbursement) payable monthly.
	182.35	**96.36**	**833.13**		

(e) Repayment terms for unsecured indian rupee term loan from Financial institutions:

Financial Institution	31 March 2018	31 March 2017	01 April 2016	Nature of Security	Repayment Terms
IIFL Wealth Finance Limited	52.02	-	-	Unsecured	Bullet repayment at the end of tenure (36 months). Interest rate is 10.25% p.a. (review at 12 months from date of disbursement) payable monthly.
	52.02	**-**	**-**		

(f) Optionally convertible redeemable preference shares (OCRPS)

Yield (YTM) - The Yield on the Instrument to be minimum 12.50% p.a, on the Investment Amount. The Yield will Step Up by 0.50% p.a., over the prevailing Yield on the OCRPS for every notch of rating downgrade of the Instrument. The Yield will Step Down by 0.50% p.a., over the prevailing Yield on the OCRPS upgrade in rating of the Instrument to A- from the date of such upgrade in rating.

Annual Dividend – Cumulative annual dividend of 0.001% p.a. payable at annual rests, on the Face Value of Facility invested, throughout the tenure of the OCRPS.

(g) Repayment terms and nature of securities given for short term borrowings

1 Secured by way of hypothecation, first charge on current assets of the Company and second charge on movable and immovable property, plant and equipment, of the Holding company and immovable property, plant and equipment of the subsidiary. The charge on fixed assets of the subsidiary is under process of release.

2 Maximum amount of Commercial Paper outstanding at any point of time during the year was Rs. 325 crs (31 March 2017: Rs 50 crores)

3 The cash credit and working capital demand loans are repayable on demand.

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

17. Other financial liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-Current			
Security deposits	249.98	240.63	248.27
	249.98	**240.63**	**248.27**
Current			
Current maturities of long-term debt (Refer Note 16)	118.75	88.29	558.66
Current maturities of long-term Finance lease	-	-	0.67
Interest accrued but not due on borrowings	-	11.34	2.09
Interest accrued and due on borrowings	-	(0.00)*	2.14
Capital creditors	22.03	24.25	14.86
Retention & Earnest deposits	17.89	16.01	9.21
Other payables	48.95	55.48	66.34
Security deposits	32.61	22.93	22.20
Forward contract payable	-	2.18	-
Unpaid dividends	0.32	0.61	0.90
Unpaid matured deposits and interest accrued thereon	0.05	0.05	0.05
	240.60	**221.14**	**677.12**

18. Provisions

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-Current			
(a) Provision for employee benefits			
Provision for leave encashment (unfunded)	4.82	4.25	5.85
(b) Others			
Decommissioning obligations	7.50	6.75	6.07
Warranties	4.24	6.83	-
Total non-current provisions	**16.56**	**17.83**	**11.92**
Current			
(a) Provision for employee benefits			
Provision for gratuity (Refer Note 26) Net of advance Rs 3.14 crore (31st March 2017 Rs 0.14 crore , 1st April 2016 Rs 6.57 crore)	9.85	7.15	6.77
Provision for leave encashment (unfunded)	22.44	22.89	15.57
Others	0.38	-	3.32
(b) Others			**-**
Warranties	16.19	9.18	4.10
Provision for contingencies	100.09	30.00	30.00
Provision for disputed statutory dues	11.68	11.68	11.68
Others	14.05	5.77	-
Total current provisions	**174.68**	**86.67**	**71.44**

* Amount is below the rounding off norm adopted by the Group

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(i) Movement in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
As at 1 April 2017	16.01	6.75	30.00	11.68
Charged/(credited) to profit or loss:				
Additional provision recognised	13.62	-	70.09	-
Unused amounts reversed	-	-	-	-
Amounts used during the year	(9.63)	-	-	-
Unwinding of Discount	0.43	0.75	-	-
As at 31 March 2018	**20.43**	**7.50**	**100.09**	**11.68**

Movements in each class of provision during the previous year, are set out below:

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
As at 1 April 2016	4.10	6.07	30.00	11.68
Charged/(credited) to profit or loss:				
Additional provision recognised	15.60	-	-	-
Unused amounts reversed	-	-	-	-
Amounts used during the year	(4.10)	-	-	-
Unwinding of discount	0.41	0.68	-	-
As at 31 March 2017	**16.01**	**6.75**	**30.00**	**11.68**

19. Deferred tax liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Deferred Tax Liabilities			
Timing Difference - Property,plant and equipment	485.73	480.46	442.70
Timing Difference - Property,plant and equipment ^	-	8.63	-
Timing Difference - Investments	15.27	13.14	10.27
Others	0.42	(3.34)	12.12
Gross Deferred Tax Liability	**501.42**	**498.89**	**465.09**
Deferred Tax Assets			
Unabsorbed depreciation	108.63	105.60	96.44
Business losses	122.00	164.83	102.55
Items allowable for tax purpose on payment	22.03	21.82	24.23
Provisions	130.92	99.56	97.97
Others	117.84	107.08	143.90
Gross Deferred Tax Asset	**501.42**	**498.89**	**465.09**
Net Deferred Tax Liability	**-**	**-**	**-**

^ Represents addition pursuant to acquisition of Cygnet Industries Limited (refer note 43a)

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

20. Other liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-current			
Advance received from Employees	2.02	1.64	1.46
	2.02	**1.64**	**1.46**
Current			
Deferred revenue	17.49	21.99	-
Advance from customers	45.02	28.62	32.52
Statutory dues	140.69	114.36	106.80
Other payables	0.26	0.34	20.24
	203.46	**165.31**	**159.56**

21. Trade payables

Particulars	31 March 2018	31 March 2017	01 April 2016
Current			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 35)	2.40	0.73	0.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises			
(i) Acceptances	153.05	107.77	88.60
(ii) Others	554.00	408.78	495.89
(c) Employee benefits payable	10.41	20.64	7.21
	719.86	**537.92**	**592.45**

22. Revenue from operations

Particulars	2017 - 2018	2016 - 2017
Sale of Products	3,985.14	4,302.32
Other operating revenue	10.67	23.49
	3,995.81	**4,325.81**

Goods and Services Tax (GST) has been implemented with effect from 1st July 2017. Consequently, Central Excise, Value Added Tax (VAT),Service Tax etc. have been replaced by GST. GST, VAT,Service Tax etc. are not included in Revenue from Operations. However, excise duty was included in Revenue from Operations till 30th June, 2017. Hence, reported revenues for the period up to 30th June, 2017 are not comparable with those thereafter.

23. Other Income

Particulars	2017 - 2018	2016 - 2017
Interest income:		
On financial instruments measured at amortised cost	3.43	15.80
On income tax refund	2.00	1.39
On others	129.86	-
Liabilities no longer required written back	17.44	36.91
Insurance claims	0.27	1.99
Dividend income	0.07	0.08
Miscellaneous income	6.42	6.49
	159.49	**62.66**

During the year, interest income others represents interest and penalty charged on a vendor for non-fulfillment of contract for a period from inception to 31st March 2018.

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

24. Cost of Materials Consumed

Particulars	2017 - 2018	2016 - 2017
Raw Material Consumed		
Opening inventory	90.74	81.49
Add : Purchases	1,033.52	945.22
Less : Inventory at the end of the year	96.91	90.74
Add: Raising lime stone cost	118.25	124.49
	1,145.60	**1,060.46**

(a) Limestone raising cost include:

Particulars	2017 - 2018	2016 - 2017
Salaries, Wages, Bonus etc.	11.16	10.30
Contribution to Provident and other Funds	0.91	0.73
Contribution to Gratuity Fund (refer note 26)	0.48	0.11
Workmen and Staff welfare	0.39	0.53
Dead Rent, Royalty etc.	63.32	67.26
Power and Fuel	5.24	4.21
Stores and spares parts consumed	15.96	22.39
Machinery repairs	4.23	3.92
Other repairs	0.26	0.23
Rates and taxes	0.19	0.60
Insurance	0.07	-
Contractors-Transport	7.93	2.41
Miscellaneous	8.11	11.80
	118.25	**124.49**

25. Changes in stock of finished goods, work-in-progress and stock in trade

Particulars	2017 - 2018	2016 - 2017
Inventories at the beginning of the year		
- Work - in - progress	65.21	61.00
- Finished Goods	197.75	328.79
- Stock in trade	0.12	
Less: Inventories at the end of the year		
- Work - in - progress	62.86	65.21
- Finished Goods	173.71	197.75
- Stock in trade	-	0.12
Less: Transferred to Capital Jobs	0.31	0.86
	26.20	**125.85**

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

26. Employee benefits expense

Particulars	2017 - 2018	2016 - 2017
Salaries, wages and bonus	360.22	332.86
Contribution to provident fund	26.27	22.95
Contribution to superannuation fund	0.15	0.20
Contribution to labour welfare fund	0.08	0.15
Gratuity	5.35	3.65
Contribution under Employees State Insurance Scheme	1.90	1.33
Staff welfare expenses	17.30	16.08
Total employee benefits expense	**411.27**	**377.22**

During the year, the Group recognised an amount of Rs. 10.79 crore (2016-17: Rs. 8.34 crores) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	2017 - 2018	2016 - 2017
Short term employee benefits	10.65	8.26
Post employment benefits	0.14	0.02
Other long term employee benefits	-	0.06
Total employee benefits expense	**10.79**	**8.34**

(i) Compensated absences

The leave obligations cover the Group's liability for sick and earned leave.

(ii) Defined benefit plan

a) Gratuity

The Group operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Group or retirement, whichever is earlier. The benefits vest after five years of continuous service.

b) Provident fund

Provident fund for certain eligible employees is managed by the Group through the "B. K. Birla Group of Companies Provident Fund Institution" and " Birla Industries Provident Fund", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Group or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Group has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at 31 March 2018 and 31 March 2017 and 1 April 2016 respectively.

The details of fund and plan asset position are given below:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 01 April 2016	16.44	17.73	1.29
As at 31 March 2017	235.03	265.33	30.30
As at 31 March 2018	221.32	287.85	66.53

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

The plan assets have been primarily invested in government securities. Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	31 March 2018	31 March 2017	01 April 2016
Discount Rate (per annum)	8.55%	8.65%	8.75%
Expected Rate of Return on Plan Assets (per annum)	9.13%	9.50%	9.02%

The Group contributed Rs.26.27 Crore and Rs. 22.95 Crore during the year ended 31 March 2018 and 31 March 2017 respectively.

(iii) Defined contribution plan

Superannuation Fund: The Company has defined contribution superannuation plan for the benefit of its eligible employees. Employees who are members of the defined contribution superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trust is maintained for employees covered and entitled to benefits. The Company contributes 15% of the eligible employees' salary or Rs. 1 lakh, whichever is lower, in case of NPS participating employees and 15% of the basic salary in case of Non NPS participating eligible employees to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The Company contributed Rs.0.15 Crore and Rs. 0.20 Crore during the year ended 31 March 2018 and 31 March 2017 respectively.

(iv) Balance sheet recognition

a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2016	**93.88**	**80.54**	**13.34**
Acqusition adjustment ^	24.97	24.97	**-**
Current service cost	6.72	-	**6.72**
Interest expense/(income)	6.54	8.91	**(2.37)**
Total amount recognised in profit or loss	**38.23**	**33.88**	**4.35**
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	2.66	**(2.66)**
Actuarial (gain)/loss from change in demographic assumptions	-	-	**-**
Actuarial (gain)/loss from change in financial assumptions	2.86	-	**2.86**
Actuarial (gain)/loss from unexpected experience	2.74	-	**2.74**
Total amount recognised in other comprehensive income	**5.60**	**2.66**	**2.94**
Employer contributions/ premium paid	-	13.34	**(13.34)**
Benefit payments	12.11	12.11	**-**
Settlement Cost	25.57	-	**25.57**
Disposal/ Transfer of Asset	-	25.57	**(25.57)**
31 March 2017	**100.03**	**92.74**	**7.29**

^ Represents addition pursuant to acquisition of Cygnet Industries Limited (refer note 43(a))

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(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2017	**100.03**	**92.74**	**7.29**
Current service cost	6.03		6.03
Interest expense/(income)	7.05	7.25	(0.20)
Total amount recognised in profit or loss	**13.08**	**7.25**	**5.83**
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.75)	0.75
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(1.90)	-	(1.90)
Actuarial (gain)/loss from unexpected experience	8.31	-	8.31
Total amount recognised in other comprehensive income	**6.41**	**(0.75)**	**7.16**
Employer contributions/ premium paid	-	7.35	(7.35)
Benefit payments	19.40	19.40	-
Settlement Cost	-	-	-
Acquisition adjustment	0.73	0.67	0.06
31 March 2018	**100.85**	**87.86**	**12.99**

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Discount rate	7.75%	7.50%	8.00%
Salary growth rate	5.00%	5.00%	5.00%
Attrition rate	1.00%	1.00%	1.00%
Mortality rate	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE

(vi) Sensitivity analysis

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

	Impact on defined benefit obligation			
	31 March 2018		31 March 2017	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate **(-/+ 0.5%)**	97.08	104.85	95.77	104.25
% change compared to base due to sensitivity	-3.73%	3.98%	-4.26%	4.21%
Salary growth rate **(-/+ 0.5%)**	104.92	96.99	103.98	96.12
% change compared to base due to sensitivity	4.04%	-3.82%	3.94%	-3.91%
Attrition rate **(-/+ 0.5%)**	100.97	100.79	100.34	99.73
% change compared to base due to sensitivity	0.12%	-0.12%	0.30%	-0.30%
Life expectancy/ mortality rate **(-/+ 10%)**	101.41	100.29	100.80	99.20
% change compared to base due to sensitivity	0.56%	-0.20%	0.80%	-0.80%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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(vii) The major categories of plans assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

(viii) Risk exposure

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Group does not have any liberty to manage the funds provided to insurance companies. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

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 at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2018 is Rs. 21.66 crores. The weighted average duration of the defined benefit obligation is 13 years (31 March 2017 – 14 years).

27. Depreciation and amortisation expense

Particulars	2017 - 2018	2016 - 2017
Depreciation on tangible assets	145.67	135.60
Amortisation of intangible assets	0.43	0.62
	146.10	**136.22**

28. Finance cost

Particulars	2017 - 2018	2016 - 2017
Interest expenses	441.91	326.62
Other borrowing costs	2.67	9.84
Applicable net gain/loss on foreign currency transactions and translation	-	2.06
	444.58	**338.52**
Less: Interest capitalised	(1.56)	(55.05)
	443.02	**283.47**

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowing during the year, in this case is 10.50%, (31 March 2017: 10.04%)

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29. Other expenses

Particulars	2017 - 2018	2016 - 2017
Consumption of stores and spare parts	70.63	72.90
Power and fuel [refer Note (a) below]	727.98	642.71
Rent	24.56	41.78
Repairs and Maintenance [refer Note (b) below]		
Building	8.20	7.00
Plant and Machinery	55.34	47.07
Others	7.50	6.65
Insurance	8.02	7.99
Rates and Taxes	12.15	18.53
Job working charges	15.52	11.74
Brokerage and Discounts	21.23	21.40
Packing, Carriage and Shipping [refer Note (c) below]	845.54	875.39
Commission to selling agents	28.84	32.76
Sales Promotion	55.12	55.28
Directors' Fees	0.66	0.52
Debts/ Advances/ Deposits written off	1.37	3.78
Legal & Professional Expenses	95.60	49.62
Provision for doubtful debts	(5.07)	(9.94)
Provision for doubtful advances	34.51	-
Loss on property, plant and equipment sold/ discarded (net)	4.46	2.03
Payments to the auditor [refer Note (d) below]	3.98	3.61
Guarantee commission	12.86	0.30
Provision for contingencies	18.41	-
Commitment Charges	-	6.42
Loss On Claim - Warranty	24.34	39.71
Excise duty [refer Note (e) below]	(2.93)	(3.48)
Foreign currency translation loss (net)	(4.24)	(1.47)
Loss on derivatives	-	6.26
Miscellaneous expenses [refer Note (f) below]	154.17	134.50
	2,218.75	**2,073.06**

(a)	Power and Fuel includes consumption of stores and spares	579.13	525.30
(b)	Repair and Maintenance includes:		
	(i) Consumption of stores and spares parts	4.72	4.62
	(ii) Salaries and wages	32.92	26.07
(c)	Packing, carriage and shipping includes:		
	(i) Consumption of stores and spares parts	52.59	52.91
	(ii) Salaries and Wages	10.13	9.65
(d)	Details of auditors' remuneration and out-of-pocket expenses are as below:		
	Auditors remuneration and out-of-pocket expenses:		
	Audit Fees (including Limited Reviews)	2.73	2.59
	Tax Audit Fees	0.62	0.59
	Fees for issuing various certificates	0.61	0.37
	Reimbursement of Expenses	0.02	0.06
		3.98	3.61

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Particulars	2017 - 2018	2016 - 2017
(e) Represents excise duty related to the difference between the closing stock as at 30th June 2017 and opening stock of finished goods.		
(f) Miscellaneous expenses include		
(i) Consumption of stores and spares parts	3.40	4.57
(ii) Payment to cost auditor	0.09	0.05

30. Exceptional items

Particulars	2017 - 2018	2016 - 2017
Profit from sale of undertakings [Refer Note below]		121.35
Disputed indirect taxes	(41.36)	-
Voluntary retirement scheme	(34.57)	(9.68)
	(75.93)	**111.67**

Exceptional Item during the year relates to disputed indirect taxes against which a provision has been made pursuant to a court order on similar matter and based upon an opinion obtained from a counsel amounting to Rs 41.36 crores. It also includes Rs 34.57 crores relating to Voluntary Retirement Scheme floated by the Group.

Exceptional items during the previous year represents net income of Rs. 121.35 crores arising out of the transfer of the ownership of Cavendish Industries Ltd to the JK.Tyre Group in the first fortnight of April 2016 after adjusting Rs 44.89 crore estimated/ actual expenses related to such transfer.

31. Income tax expense

This note provides an analysis of the Group's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

Particulars	31 March 2018	31 March 2017
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	2.33
Total current tax expense	**-**	**2.33**
Deferred tax		
Decrease / (increase) in deferred tax assets	(4.53)	(35.38)
(Decrease) / increase in deferred tax liabilities	2.53	25.18
Total deferred tax expense/(benefit)	**(2.00)**	**(10.20)**
Income tax expense	**(2.00)**	**(7.87)**

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

Particulars	31 March 2018	31 March 2017
Profit before tax	**(579.56)**	**(249.96)**
Tax at the rate of 34.608% (2016-17 – 34.608%)	(200.58)	(86.49)
Deferred tax asset not recognised	203.14	83.57
Exempt income	(0.02)	(0.03)
Weighted deductions available in tax	(0.88)	(4.93)
Permanent differences	0.77	0.18
Rate difference	-	-
Others (including difference in tax rates)	(4.43)	(0.17)
Total income tax expense/(credit)	**(2.00)**	**(7.87)**

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(All amounts in Rupees Crores, unless otherwise stated)

(c) Tax losses

Particulars	31 March 2018	31 March 2017	01 April 2016
Unused tax losses for which no deferred tax has been recognised:			
Tax losses	887.49	458.97	387.97
Unabsorbed tax depreciation	962.97	822.47	667.39
Potential tax benefit @ 34.944% (2017-18 - 34.608%)	646.62	443.48	365.24
Minimum alternate tax (MAT) credit entitlement	38.29	38.29	38.29
Total	**684.91**	**481.77**	**403.53**

(a) Unabsorbed depreciation does not have any expiry period.

(b) Business losses have an expiry ranging from 2 to 8 years as at the reporting date.

(c) MAT credit entitlement has an expiry period of 7 to 13 years as at the reporting date.

32. Earnings per shares

Particulars		2017 - 2018	2016 - 2017
(i) Basic			
Number of equity shares at the beginning of the year		11,72,68,650	11,72,68,650
Number of equity shares at the end of the year		13,73,40,079	11,72,68,650
Weighted average number of equity shares outstanding during the year	(A)	12,30,77,652	11,72,68,650
Nominal value of each equity Share (Rs.)		10	10
Profit / (Loss) for the year (Rs. in crore)	(B)	(577.56)	(242.09)
Earnings per share (Basic) (Rs.)	(B/A)	(46.93)	(20.64)
(ii) Diluted			
Weighted average number of equity shares outstanding during the year (refer note (a) below)		12,49,63,953	12,47,68,650
Earnings per share (Diluted) (Rs.)		(46.93)	(20.64)

(a) In 2016 - 17 Conversion of Optionally Convertible Redeemable Preference Shares into 75,00,000 equity shares and in 2017 - 18 52,50,000 share warrants has been considered for calculation of diluted EPS.

33. Contingent liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
(a) Guarantees given -			
(i) to excise authorities	0.06	0.07	-
(ii) by Banks on behalf of subsidiary and others	5.40	5.40	5.40
(b) Claims against the Group not acknowledged as debts :			
(i) Rates, Taxes, Duties etc. demanded by various Authorities	480.72	538.60	584.34
(ii) Amount demanded by Provident Fund Authorities which is sub judice	-	0.87	0.87
(iii) Others	1.25	1.25	-
(c) **Income Tax matters**	14.55	18.57	17.83
	501.98	**564.76**	**608.44**

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

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(All amounts in Rupees Crores, unless otherwise stated)

34. Capital and other commitments

Particulars		31 March 2018	31 March 2017	01 April 2016
(a)	**Capital Commitments**			
	Estimated value of contracts in capital account remaining to be executed [net of advances Rs.14.72 crore (31 March 2017: Rs.24.91 crore, 1 April 2016 : Rs.26.81 crore)]	62.39	179.18	114.77
(b)	**Other Commitments**			
(i)	Export Commitments against purchase of imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India.	4.31	24.18	24.70
(ii)	Export Commitments against import under Advance License Scheme, of the Government of India.	61.27	62.63	-
(iii)	Borrowing / Financial obligation not provided for	-	50.00	-
	TOTAL	**127.97**	**315.99**	**139.47**

35. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.40	0.73	0.75
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

36. Non-cancellable operating leases

The Group leases various offices under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Particulars	31 March 2018	31 March 2017	01 April 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	1.84	1.95	2.00
Later than one year but not later than five years	0.77	2.60	2.98
Later than five years	-	-	1.48
	2.61	**4.55**	**6.46**

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(All amounts in Rupees Crores, unless otherwise stated)

Rental expense relating to operating leases

Particulars	31 March 2018	31 March 2017
Minimum lease payments	1.95	2.03
Total rental expense relating to operating leases	**1.95**	**2.03**

37. Capital management

(a) Risk management

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Group which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity.

The Group's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

38. Fair value measurements

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Financial instruments by category

Particulars	31 March 2018			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	76.18	76.18	76.18
Other bank balances	-	-	31.46	31.46	31.46
Trade receivables	-	-	572.92	572.92	572.92
Derivative asset	0.49	-	-	0.49	0.49
Loans	-	-	6.38	6.38	6.38
Investments	1.87	718.14	0.01	720.02	720.02
Other financial assets	-	-	207.84	207.84	207.84
Total financial assets	**2.36**	**718.14**	**894.79**	**1,615.29**	**1,615.29**
Financial liabilities					
Borrowings	-	-	3,979.96	3,979.96	3,979.96
Trade and other payables	-	-	719.86	719.86	719.86
Other financial liabilities	-	-	490.58	490.58	490.58
Total financial liabilities	**-**	**-**	**5,190.40**	**5,190.40**	**5,190.40**

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(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31 March 2017			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	153.36	153.36	153.36
Other bank balances	-	-	24.40	24.40	24.40
Trade receivables	-	-	526.68	526.68	526.68
Loans	-	-	7.12	7.12	7.12
Investments	-	71.21	0.01	71.22	71.22
Other financial assets	-	-	50.92	50.92	50.92
Total financial assets	**-**	**71.21**	**762.49**	**833.70**	**833.70**
Financial liabilities					
Borrowings	-	-	3,208.95	3,208.95	3,210.12
Trade and other payables	-	-	537.92	537.92	537.92
Other financial liabilities	-	-	459.59	459.59	459.59
Derivatives	2.18	-	-	2.18	2.18
Total financial liabilities	**2.18**	**-**	**4,206.46**	**4,208.64**	**4,209.81**

Particulars	01 April 2016			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	351.83	351.83	351.83
Other bank balances	-	-	91.67	91.67	91.67
Trade receivables	-	-	534.29	534.29	534.29
Derivative asset	19.03	-	-	19.03	19.03
Loans	-	-	22.04	22.04	22.04
Investments	-	64.61	-	64.61	64.61
Other financial assets	-	-	1,868.21	1,868.21	1,868.21
Total financial assets	**19.03**	**64.61**	**2,868.04**	**2,951.68**	**2,951.68**
Financial liabilities					
Borrowings	-	-	4,457.40	4,457.40	4,458.50
Trade and other payables	-	-	592.45	592.45	592.45
Other financial liabilities	-	-	925.39	925.39	925.39
Total financial liabilities	**-**	**-**	**5,975.24**	**5,975.24**	**5,976.34**

(i) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Group's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

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Particulars	31 March 2018			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	644.38	-	75.63	**720.01**
Derivative financial asset	-	0.49	-	**0.49**
	644.38	**0.49**	**75.63**	**720.50**
Financial liabilities:				
Derivative financial liabilities	-	-	-	**-**
	-	**-**	**-**	**-**

Particulars	31 March 2017			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	4.26	-	66.95	**71.21**
Derivative financial asset	-	-	-	**-**
	4.26	**-**	**66.95**	**71.21**
Financial liabilities:				
Derivative financial liabilities	-	2.18	-	**2.18**
	-	**2.18**	**-**	**2.18**

Particulars	01 April 2016			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	3.17	-	61.44	**64.61**
Derivative financial asset	-	19.03	-	**19.03**
	3.17	**19.03**	**61.44**	**83.64**
Financial liabilities:				
Derivative financial liabilities	-	-	-	**-**
	-	**-**	**-**	**-**

(ii) Valuation technique used to determine fair value

(a) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(b) Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available the management has involved valuation experts to determine the fair value of the investments. Different valuation techniques have been used by the valuers for different investments. These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Group has chosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation. Cost of certain investments in equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(c) Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

(d) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.

(e) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

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39. Financial risk management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(A) Credit risk

The Group takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Maximum exposure to credit risk of the Group has been listed below:

Particulars	31 March 2018	31 March 2017	01 April 2016
Trade receivables	572.92	526.68	534.29
Loan	6.38	7.12	22.04
Other financial assets	208.33	50.92	1,887.24
Total	**787.63**	**584.72**	**2,443.57**

Other receivables as stated above are due from the parties under normal course of the business and as such the Group believes exposure to credit risk to be minimal.

i) Trade and other receivables

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade recievables are backed by security deposits. Export receivables are backed by letters of credit.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The Group's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at 31 March 2018, 31 March 2017 and 1 April 2016.

The Group is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2017 - 2018	2016 - 2017
Opening balance	177.32	185.95
Acquired in business combination	-	1.31
Charge/(Release) to statement of profit and loss	(5.07)	(9.94)
Utilised during the year	-	-
	172.25	**177.32**

(B) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

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

Contractual maturities of financial liabilities 31 March 2018	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	1,669.13	1,446.75	756.20	1,747.12	**5,619.20**
Other financial liabilities	121.85	-	-	249.98	**371.83**
Trade payables	719.86	-	-	-	**719.86**
Total non-derivative financial liabilities	**2,510.84**	**1,446.75**	**756.20**	**1,997.10**	**6,710.89**
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	**-**
Total derivative liabilities	**-**	**-**	**-**	**-**	**-**

Contractual maturities of financial liabilities 31 March 2017	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Non Convertible Debentures	-	-	-	-	**-**
Borrowings	1,320.74	637.85	712.66	2,117.02	**4,788.27**
Optionally Convertible Redeemable Preference Shares	107.39	-	-	-	**107.39**
Other financial liabilities	130.67	-	-	240.63	**371.30**
Trade payables	537.92	-	-	-	**537.92**
Total non-derivative financial liabilities	**2,096.72**	**637.85**	**712.66**	**2,357.65**	**5,804.88**
Derivatives (net settled)					
Foreign exchange forward contracts	2.18	-	-	-	**2.18**
Total derivative liabilities	**2.18**	**-**	**-**	**-**	**2.18**

Contractual maturities of financial liabilities 1 April 2016	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Non Convertible Debentures	-	-	200.00	-	**200.00**
Borrowings	2,206.13	1,685.43	950.85	1,554.35	**6,396.76**
Optionally Convertible Redeemable Preference Shares	-	107.39	-	-	**107.39**
Other financial liabilities	118.46	-	-	248.27	**366.73**
Trade payables	592.45	-	-	-	**592.45**
Total non-derivative financial liabilities	**2,917.04**	**1,792.82**	**1,150.85**	**1,802.62**	**7,663.33**
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	**-**
Total derivative liabilities	**-**			**-**	**-**

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(C) Market risk

(i) Foreign currency risk

The group deals with foreign currency loan, trade payables etc and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:-

As at 31 March 2018

	USD		EUR		GBP		JPY	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	2.66	173.68	-	-	-	-	-	-
Derivative Asset	-	-	-	-	-	-	-	-
Financial liabilities								
Trade payables	0.26	17.26	0.03	2.67	-	-	0.54	0.33
Borrowings	2.16	140.93	0.14	11.01	-	-	-	-
Derivative liability	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	**0.24**	**15.49**	**(0.17)**	**(13.68)**	**-**	**-**	**(0.54)**	**(0.33)**

As at 31 March 2017

	USD		EUR		GBP		JPY	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	2.66	172.80	0.00*	0.18	-	-	-	-
Derivative Asset	-	-	-	-	-	-	-	-
Financial liabilities								
Trade payables	0.14	9.36	0.04	2.85	-	-	3.14	1.82
Borrowings	4.51	292.45	0.21	14.24	-	-	1.45	0.87
Derivative liability	0.03	2.18	-	-	-	-	-	-
Net exposure to foreign currency risk	**(2.02)**	**(131.19)**	**(0.25)**	**(16.91)**	**-**	**-**	**(4.59)**	**(2.69)**

* Amount is below the rounding off norm adopted by the Group

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

As at 1 April 2016

	USD		EUR		GBP		JPY	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	3.06	202.59	-	-	-	-	-	-
Derivative Asset	0.29	19.03	-	-	-	-	-	-
Financial liabilities								
Trade payables	0.09	6.19	0.02	1.81	-	-	-	-
Borrowings	8.54	565.80	-	-	-	-	-	-
Derivative liability	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	**(5.28)**	**(350.37)**	**(0.02)**	**(1.81)**	**-**	**-**	**-**	**-**

Sensitivity

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

	Impact on profit before tax/equity	
	31 March 2018	31 March 2017
USD sensitivity		
INR/USD appreciates by 5% (31 March 2017 - 5%)@	(0.77)	6.56
INR/USD depreciates by 5% (31 March 2017 - 5%)@	0.77	(6.56)
EUR sensitivity		
INR/EUR appreciates by 5% (31 March 2017 - 5%)@	0.68	0.85
INR/EUR depreciates by 5% (31 March 2017 - 5%)@	(0.68)	(0.85)
JPY sensitivity		
INR/JPY appreciates by 5% (31 March 2017 - 5%)@	0.02	0.13
INR/JPY depreciates by 5% (31 March 2017 - 5%)@	(0.02)	(0.13)
GBP sensitivity		
INR/GBP appreciates by 5% (31 March 2017 - 5%)@	-	-
INR/ GBP depreciates by 5% (31 March 2017 - 5%)@	-	-

@ Holding all other variables constant

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the Group's borrowings at variable rate were mainly denominated in INR.

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

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Group's financial liabilities to interest rate risk is as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Variable rate borrowings	4,161.71	3,250.22	4,796.32
Fixed rate borrowings	23.73	108.16	290.00
Total borrowings	**4,185.44**	**3,358.38**	**5,086.32**

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

	Impact on profit before tax/equity	
	31 March 2018	31 March 2017
Interest expense rates – increase by 50 basis points (50 bps)#	(20.81)	(16.25)
Interest expense rates – decrease by 50 basis points (50 bps)#	20.81	16.25

Holding all other variables constant

(iii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. In general, these investments are not held for trading purposes.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Group's equity.

	Impact on equity		
	31 March 2018	31 March 2017	1-Apr-16
Share price - Increase 5%	36.00	3.56	3.23
Share price - Decrease 5%	(36.00)	(3.56)	(3.23)

40: Segment reporting

The Group's organizational structure and governance processes are designed to support effective management of Cement,Tyre and Rayon, TP and chemicals, the three business segments of the Group, with equal focus on all.The three Segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors which is the Chief Operating Decision Maker (CODM).

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax. Accordingly, finance costs / income, non – operating expenses and exceptional items are not allocated to individual segment.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, intangibles, non-current investments, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

The reporting segments of the Group are as below:

Tyre: This covers the sale of tyre, tubes, flaps etc. The Group operates its tyre business under the name, 'Birla Tyres'

Cement: This covers the sale of cement. The Group operates its cement business under the name, 'Birla Shakti Cement'.

Rayon, TP and chemicals : This covers sale of rayon, transparent paper and filament yarn. The Group operates this business under the name, 'Kesoram Rayon'.

Unallocated: Unallocated items include expenses / results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group, non-current investment, current taxes, deferred taxes and certain financial assets and liabilities, not allocated to the operating segments.

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Summary of the segmental information for the year ended and as of 31 March 2018 is as follows:

Particulars	Tyre	Cement	Rayon, TP and chemicals	Unallocated	Total
Segment Revenue					
Revenue	1,453.04	2,251.23	291.24	0.30	3,995.81
	1,453.04	**2,251.23**	**291.24**	**0.30**	**3,995.81**
Segment Results [Profit/(Loss) before interest and tax]	(128.93)	127.50	(26.66)	(35.18)	(63.27)
Finance cost					(440.36)
Exceptional items (refer note 30)			(0.71)		(75.93)
Profit/(Loss) Before Tax					**(579.56)**
Segment Assets	2,017.02	1,993.13	1,314.41	843.72	6,168.28
Segment Liabilities	852.67	504.42	700.91	3,582.85	5,640.85
Segment Capital Expenditure	75.43	41.71	19.81	422.29	559.24
Segment Depreciation and amortisation	39.04	84.63	17.87	4.56	146.10
Non cash expenditure other than depreciation and amortisation included in segment expense					36.48

Summary of the segmental information for the year ended and as of 31 March 2017 is as follows:

Particulars	Tyre	Cement	Rayon, TP and chemicals	Unallocated	Total
Segment Revenue					
Revenue	1,660.59	2,466.61	198.61	0.00*	4,325.81
	1,660.59	**2,466.61**	**198.61**	**0.00***	**4,325.81**
Segment Results [Profit/(Loss) before interest and tax]	(66.16)	91.75	(84.73)	(30.92)	(90.06)
Finance cost					(271.57)
Exceptional items (refer note 30)			2.53		111.67
Profit/(Loss) Before Tax					**(249.96)**
Segment Assets	2,000.29	2,060.89	626.93	644.97	5,333.08
Segment Liabilities	704.82	414.56	87.62	3,328.42	4,535.42
Segment Capital Expenditure	230.42	59.94	18.75	6.41	315.52
Segment Depreciation and amortisation	31.27	89.15	13.17	2.63	136.22
Non cash expenditure other than depreciation and amortisation included in segment expense	22.59	2.56	0.17	6.05	31.37

Summary of the segment assets and liabilities as at 1 April 2016 is as follows:

Particulars	Tyre	Cement	Unallocated	Total
Segment Assets	1,911.68	2,037.68	3,318.78	7,268.14
Segment Liabilities	765.77	409.23	5,098.27	6,273.27

* Amount is below the rounding off norm adopted by the Group

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

Geographical information

(a) Revenue from external customers:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
India	3,822.87	4,127.91
Others	172.94	197.90
	3,995.81	**4,325.81**

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

41. Related party transactions

	Related Party	Relationship	Outstanding as at 31st March 2018	Outstanding as at 31st March 2017	Outstanding as at 1 April 2016	Payable / receivable / others	Nature of Transaction	2017-2018	2016-2017
(A)	MSK Travels and Tours Ltd	II (vi)	1.43	0.01	0.58	Payable	Expenditure-Other Services	13.83	14.26
(B)	Cavendish Industries Limited (**)	II (i)	-	-	1,350.35	Receivable	Sale of Assets & Raw Material	-	21.25
			-	-	700.05	Investment in Shares	Land Augmentation Income	-	162.00
			-	-	63.41	Payable	Severance Charges	-	12.86
(D)	Gondkhari Coal Mining Limited	II (ii)	6.17	6.15	6.15	Receivable-loan	Advance Given	0.32	0.02
			0.62	0.62	0.62	Receivable-Interest			
			0.32	0.02	-	Receivable - Advance			
			-	0.02	0.02	Investment in shares			
(E)	Manjushree Khaitan (Whole Time Director)	I (iii)	-	-	-		Expenditure-Remuneration	2.95	1.75
			23.73	-	-	Payable- Loan	Loan Received	23.73	-
(F)	Tridib Kumar Das (Whole-time Director/ CFO)	I (iii)	-	-	-		Expenditure-Reimbursement	0.00*	0.01
			-	-	-		Expenditure-Remuneration	4.80	4.14
(G)	Basant Kumar Birla	I (iii)	-	-	-		Expenditure-Reimbursement	0.02	0.02
(H)	Jikyeong Kang (#)	I (iii)	-	-	-		Director Sitting fees	-	-
(I)	Amitabha Ghosh	I (iii)	-	-	-		Director Sitting fees	0.15	0.14
(J)	Kashi Prasad Khandelwal	I (iii)	-	-	-		Director Sitting fees	0.15	0.13
(K)	Vinay Sah (@)	I (iii)	-	-	-		Director Sitting fees	0.11	0.05
(L)	Sudip Banerjee	I (iii)	-	-	-		Director Sitting fees	0.11	0.10
(M)	Lee Seow Chuan	I (iii)	-	-	-		Director Sitting fees	0.12	0.08
(N)	Siddhartha Mohanty (##)	I (iii)	-	-	-		Director Sitting fees	0.01	-
(O)	Gautam Ganguli (CS)	I (iii)	0.00*	0.00*	-	Expenditure-Reimbursement	Expenditure-Remuneration	3.04	2.44
							Expenditure-Reimbursement	0.06	0.09
(P)	B.K. Birla Group of Companies Provident Fund Institution.	II (v)	0.16	0.01	-	Payable	Provident Fund Contribution	3.05	1.83
(Q)	Birla Industries Provident Fund Institution.	II (v)	1.69	0.21	0.11	Payable	Provident Fund Contribution	18.57	2.04
(R)	KICM Gratuity Fund	II (v)	4.43	3.71	6.57	Receivable	Reimbursement Claimed from KICM Gratuity Fund on account of payment made to employees on retirement.	20.78	10.31
(S)	Kesoram Superannuation Fund	II (v)	-	-	-	Payable	Superannuation Contribution	0.08	0.10
(T)	Aditya Marketing & Mfg Ltd	II (vi)	0.00*	-	-	Receivable	Rent Received	0.00*	0.00*
							Rent Paid	0.00*	0.00*
							Other Services	-	0.00*
(U)	Arbela Trading and Services Private Limited (###)	II (vi)	-	-	-				

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(All amounts in Rupees Crores, unless otherwise stated)

	Related Party	Relationship	Outstanding as at 31st March 2018	Outstanding as at 31st March 2017	Outstanding as at 1 April 2016	Payable / receivable / others	Nature of Transaction	2017-2018	2016-2017
(V)	Usinara Trading and Services Private Limited (####)	II (vi)	-	-	-				
(W)	Jay Shree Tea & Industries Limited	II (vi)	2.73	4.26	3.17	Investment in Shares	Dividend Received	0.02	0.04
(X)	Manav Investment & Trading Co Ltd & its subsidiaries (#####)	II (ii)	0.04	-	-	Receivable	Upkeep,Rent, Electricity, Generator facility	0.00*	-
			0.73	-	-	Payable	Tour & Travel Services	0.02	-
			0.00*	-	-	Receivable	Rent Receivable	0.00*	-
(Y)	Pilani Investments and Industries Corporation Limited (######)	II (ii)	-	-	-			-	
(Z)	S P Goswami (@@)	I (iii)				Payable	Reimbursement of travel expenses	0.03	-

* Amount is below the rounding off norm adopted by the Group

** Ceased to be related party w.e.f 14.04.2016 and hence outstanding as on 31.03.2017 and 31.03.2018 has not been disclosed.

Joined 10.01.2018

Joined 10.02.2018

wef 13.02.2018

wef 13.02.2018

@ uptil 24.01.2018

wef 28.03.2018

uptil 27.03.2018

@@ Ceased to be KMP since then.

I	(a) a person or a close member of that person's family is related if that person:
	(i) has control or joint control over the reporting entity
	(ii) has significant influence over the reporting entity
	(iii) is a KMP of KIL or parent of KIL
II	(b) an entity is related to a reporting entity if:
	(i) the entity and the reporting entity are members of the same group (each parent, subsidiary and fellow subsidiary)
	(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a group of which the other entity is a member)
	(iii) Both entities are joint ventures of the same third party
	(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party
	(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
	(vi) The entity is controlled or jointly controlled by a person identified in (a).
	(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
	(viii) An entity, or any member of a group of which is a part, provides KMP services to the reporting entity or to the parent of the reporting entity.

Consolidated Notes to Financial Statements

42. First time adoption of Ind AS

Transition to Ind AS

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

The accounting policies set out in Note 2, have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

In view of exemption available under previous GAAP, the Group did neither prepare any statutory consolidated financial statements nor report any consolidated financial information for the year ended 31 March, 2016. However for the purpose of presenting comparative information in these Consolidated Ind AS financial statements, Management has prepared Ind AS compliant transition date opening Balance Sheet as at 1 April, 2016 and included the same in these Consolidated Ind AS financial statements.

A. Exemptions and exceptions availed

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

A.1. Ind AS optional exemptions

A.1.1 Deemed cost

The Group has elected to treat fair value as deemed cost for certain items of its property,plant and equipment.

A.1.2 Decommissioning liability

Ind AS 101 permits a first-time adopter to measure the decommissioning liability as at the date of transition to Ind AS in accordance with Ind AS 37. Liability is to be recognized by discounting the estimated amount to be recognised to fulfill the decommissioning liability. Accumulated depreciation on the amount which would have been added to the cost of the assets needs to be calculated till the date of transition with the adjustment to retained earnings.

Accordingly, the Group has elected to apply the above exemption while computing the decommissioning liability related to certain assets of the Group.

A.1.3 Leases

The Group applied Appendix C of Ind AS 17 determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the bais of facts and circumstances existing at that date.

A.1.4 Investments in subsidiaries, joint ventures and associates

Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries, joint ventures and associates at deemed cost. The deemed cost of such an investment could be either (a) its fair value at the date of transition; or (b) previous GAAP carrying amount at that date. The option may be exercised individually and separately for each item of investment.

Accordingly, the Group has opted to measure its investments in subsidiaries and joint venture at previous GAAP carrying amount as its deemed cost.

A.1.5 Past business combinations

Ind AS 101 permits a first-time adopter, not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs).

Accordingly, the Group has elected not to apply Ind As 103 Business combination restrospectively to past business combinations that occurred before the transition date.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

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

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;
- Impairment of financial assets based on expected credit loss model.
- Decommissioning liability related to certain items of property, plant and equipment.
- Fair value of certain items of property, plant and equipment to consider as deemed cost as on the transition date.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exists at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

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

(1) Reconciliation of total equity

Particulars	Notes	Amount as at 31 March 17
Equity as per previous GAAP		188.58
Re-measurements on transition to Ind AS		
Fair valuation as deemed cost for Property, Plant and Equipment	1	602.00
Fair valuation of equity instruments	2	65.95
Fair valuation of derivatives	2	(1.19)
Borrowings using effective interest rate method	2	(10.95)
Re-classification of Optionally convertible redeemable preference shares	3	(90.00)
Capital reserve on business combination	4	50.15
Others	5	(8.77)
Balance of equity as on 1 April 2016 as per Ind AS adjustments before tax impact on adjustments		**795.77**
Deferred tax impact on the above	8	1.89
Balance of Equity as per Ind AS		**797.66**

(2) Reconciliation of total comprehensive income

Particulars	Notes	Amount as at 31 March 17
Net Profit as per Previous GAAP		(230.26)
Re-measurements on transition to Ind AS		
Impact of additional depreciation on fair valuation of building at the transition date	1	(9.69)
Impact on account of recognising borrowings using effective interest rate method	2	(17.59)
Impact of fair valuation of derivatives	6	(20.09)
Impact of reversal of foreign exchange translation losses taken to Foreign currency monetary items translation difference account (FCMITDA)	7	15.91
Others	5,6	9.43
Tax impact on above adjustments	8	10.20
Net Profit as per Ind AS		**(242.09)**
Other comprehensive income/(loss) (net of tax)	9	3.37
Total comprehensive income/(loss) as per Ind AS		**(238.72)**

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(3) Reconciliation of statement of cash flows

Particulars	Notes	Amount as per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	1,10,11 and 12	82.67	(3.60)	79.07
Net cash generated from/(used in) investing activities	1 and 10	1,776.15	15.91	1,792.06
Net cash generated from/(used in) financing activities	11 and 12 (b)	(2,150.39)	33.43	(2,116.96)
Net increase/(decrease) in cash and cash equivalents		**(291.57)**	**45.74**	**(245.83)**
Cash and cash equivalents as at 1 April 2016	12	443.50	(215.14)	228.36
Cash and cash equivalents on acquisition of subsidiaries		25.83	-	25.83
Cash and cash equivalents as at 31 March 2017	12	177.76	(169.40)	8.36

Notes to reconciliation of total equity and total comprehensive income

(1) Property, plant and equipment

(a) On transition to Ind AS, the Group has treated fair value as deemed cost for certain items of property, plant and equipment resulting in an increase in carrying value as compared to the previous GAAP. The consequential impact of additional depreciation on fair value increase is recognised in the statement of profit and loss.

(b) On transition to Ind AS, the Group has applied the exemption available in Ind AS 101 while determining decommissioning obligation for certain items of property, plant and equipment. The consequential impact of additional depreciation on recognition of the decommissioning obligation is recognised in the statement of profit and loss.

(c) In accordance with Ind AS 16 the Group has capitalised certain items of stores and spares and certain overhauling costs which meet the definition of property, plant and equipment in accordance with Ind AS 16.

Consequently these expenses were reduced from their respective heads, consumption of stores and spares and repairs and maintenance. Depreciation based on the useful lives of the same has been provided.

(2) Financial Instruments

(a) In accordance with Ind AS 109 "Financial Instruments", investments in equity instruments (other than in subsidiaries and joint ventures) have been recognised at fair value at each reporting date through other comprehensive income.

Consequently, on sale of such investments, profit or loss recognised in the statement of profit and loss under the previous GAAP have been reversed as the fair value changes are recognised through other comprehensive income.

(b) In accordance with Ind AS 109 "Financial Instruments", premium payable on redemption, transaction costs on issue of debentures and raising of loans are required to be considered as effective finance costs and recognised in the statement of profit and loss using the effective interest rate.

Consequently, premium on redemption/discounts on issue and transaction costs recognised directly in equity or amortised using a different approach under the previous GAAP has been reversed and are now recognised through the statement of profit and loss using the effective interest rate.

(c) In accordance with Ind AS 109 "Financial Instruments", all derivative financial instruments are recognised at fair value as at each reporting date through the statement of profit and loss except where designated in a hedging relationship.

(d) In accordance with Ind AS 109, "Financial Instruments", the Group is required to apply expected credit loss model for recognising the allowance for credit losses. As a result the allowance for doubtful debts has been created in the books of accounts.

(3) Re-classification of Optionally convertible redeemable preference shares

Under Ind AS, Optionally convertible redeemable preference shares have been re-classified from equity to liability based on its substance and the fact that the Group does not have an unconditional right to avoid making payments on the instrument as per the contractual terms. The same would be repaid on the redemption date, unless the holder opts to convert them into equity instrument. Hence, there is a conversion option embedded in the instrument. However, the yield provided on the instrument not less than the market rate of interest, hence the value of the conversion option is considered as zero and the entire amount has been classified as liability.

Consolidated Notes to Financial Statements

(4) Capital reserve on business combination

Under previous GAAP, Cygnet Industries Limited, a subsidiary of the Holding Company was acquired on 31 May 2016 (Refer Note 43 a) and consolidated on the basis of book values. However, under Ind AS 103, the same needs to be consolidated on the basis of fair values. This has resulted in a gain from bargain purchase accounted directly in capital reserve, which has resulted in increase in equity as at 31 March 2017.

(5) Others

Provisions where impact of time value of money is material have been discounted in accordance with the provisions of Ind AS 37.

(6) Employee benefits

(a) In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the previous GAAP.

(b) Interest expense/income on the net defined benefit liability/asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the previous GAAP.

(7) Impact of reversal of foreign currency monetary items translation difference account (FCMITDA)

In accordance with Ind AS 101 a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The Group has chosen not to avail the optional exemption and as a result of the same, balance has been reclassified from FCMITDA to retained earnings as at the opening Balance Sheet date. Subsequent to the transition date, the loan was repaid and the balance was transferred to the statement of profit and loss under the previous GAAP.

(8) Deferred Taxes

In accordance with Ind AS 12, "Income Taxes", the Group on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences , i.e. profit and loss approach. The tax impacts as above primarily represent deferred tax consequences arising out of Ind AS re-measurement changes. As the Group has carry forward business losses and unabsorbed depreciation against which the Group will be able to set-off the related deferred tax liabilities which have arisen on such remeasurement, the Group has recognised deferred tax assets to the extent of the said liabilities.

(9) Other comprehensive Income

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in other comprehensive income include re-measurement gains or losses on defined benefit plans and fair value changes of equity investments. The concept of other comprehensive Income did not exist under the previous GAAP.

(10) Stores and spares reclassified as property, plant and equipment

In accordance with Ind AS 16 the Group has capitalised certain items of stores and spares which meet the definition or property, plant and equipment in accordance with Ind AS 16.

Accordingly the movement in inventory of such items has been transferred from operating activities to investing activities.

(11) Relcassification of financial liability

Under IGAAP the Group had certain deposits from sales promoters, agent, brokers etc. as borrowings, however the same have been considered as 'other financial liabilities' as per Ind AS 109, hence the movement for the same havee been reclassified from cash flow from financing activities to operating activities.

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

(12) Other bank balances and bank overdraft

(a) Other bank balances comprising, deposit with original maturity for more than 3 months but less than 12 months and unpaid dividends were considered as part of cash and cash equivalents under IGAAP, however under Ind AS, the same have been excluded and are being considered for determining cash flow from operating activities.

(b) In accordance with Ind AS 7, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents, under IGAAP the same were treated as borrowings.

43(a). Business combination

On 31st May, 2016, Kesoram Industries Limited acquired 100% of the equity shares of Cygnet Industries Limited, a manufacturer of Rayon, transparent paper and chemicals and its manufacturing facility is located in Hoogly, West Bengal.

The holding Company had transferred the Company's Rayon and Transparent Paper Undertaking, ("the Rayon Undertaking") to Cygnet Industries Limited, an unlisted and unrelated entity through a slump sale. Cygnet, was however proposed to be converted into a wholly owned subsidiary, which was subject to the approval of the shareholder and occured on a later date than the disposal.

The acquisition was accounted for in the consolidated financials of the Company using acquisition method and accordingly, all the assets and liabilities were measured at their fair values and the purchase consideration was allocated to the net assets.

The fair value of the purchase consideration as on the date of acquisition was Rs. 30.05 crores. The recognised amount of identifiable assets acquired and liabilities assumed are as follows:

Particulars	Amount
Assets acquired	
Property, Plant and Equipment	510.80
Capital Work-in-progress	20.41
Other Non-current Assets	0.55
Current Assets	98.39
Liabilities assumed	
Non-current Liabilities	8.63
Current Liabilities	549.96
Net Identifiable Assets	**71.56**
Consideration for the above	30.05
Capital reserve arising on business combination	**41.51**

43(b). Asset acquisition

The Group has acquired assets and liabilities related to the undertakings viz. Spun Pipes & Foundries and Hindustan Heavy Chemicals for a cash consideration of Rs. 422 crores, from Camden Industries Limited a domestic Company, through slump sale route. The above acquisition has been accounted as an asset acquisition.

The Group has identified and recognised the individual identifiable assets acquired. The Group has allocated the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Consolidated Notes to Financial Statements

(All amounts in Rupees Crores, unless otherwise stated)

44. Statement of net assets, and profit or loss attributable to owners and non-controlling interest

Name of the entity	2017-18								2016-17							
	Net Assets	As a % of consolidated net assets	Net Profit / (Loss)	As a % of consolidated net Profit / (Loss)	Other comprehensive income	As a % of consolidated other comprehensive income	Total comprehensive income	As a % of consolidated total comprehensive income	Net Assets	As a % of consolidated net assets	Net Profit / (Loss)	As a % of consolidated net Profit / (Loss)	Other comprehensive income	As a % of consolidated other comprehensive income	Total comprehensive income	As a % of consolidated total comprehensive income
Holding Company																
Kesoram Industries Limited	773.70	146.68%	(463.51)	80.25%	(1.74)	2.04%	(465.25)	70.18%	846.27	106.10%	(154.87)	63.97%	6.27	186.13%	(148.60)	62.25%
Subsidiary																
Cygnet Industries Limited	183.79	34.85%	(114.05)	19.75%	(83.60)	97.96%	(197.65)	29.82%	(18.56)	-2.33%	(92.79)	38.33%	(2.90)	-86.13%	(95.69)	40.08%
Total Eliminations	(430.05)	-81.53%	-	0.00%	0.00	0.00%	0.00	0.00%	(30.05)	-3.77%	5.57	-2.30%	-	0.00%	5.57	-2.33%
Total	**527.44**	**100.00%**	**(577.56)**	**100.00%**	**(85.34)**	**100.00%**	**(662.90)**	**100.00%**	**797.66**	**100.00%**	**(242.09)**	**100.00%**	**3.37**	**100.00%**	**(238.72)**	**100.00%**

Note - Since there is no non-controlling interest in the subsidiary company, hence the disclosures are not applicable.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 11th May, 2018

For and on behalf of the Board of Directors

Basant Kumar Birla
Chairman

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Manjushree Khaitan
Executive Vice-Chairperson

Chander Kumar Jain
Whole-time Director

Amitabha Ghosh
Lee Seow Chuan
Kashi Prasad Khandelwal
Sudip Banerjee
Directors

Gautam Ganguli
Company Secretary

The Group Logo - *As represented by the 21th Century Atlas*

Atlas, the Titan - *Collective Strength*

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasizing the Group's tenacity, consistency, reliability and overall leadership.

The Sun - *Enlightenment and Growth*

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments - *Diversified Activities*

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe - *Global Vision*

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base - *Solid Foundations*

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

The Symmetry - *The Resilience, Versatility and Stability*

Seen in its entirety, each of the elements - Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

Strong Foundation **Sustained Growth** **Proven Leadership**

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