STANDALONE

FINANCIAL RESULTS

2017-2018

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Laxmi Organic Industries Limited

Report on the Standalone Financial Statements:

We have audited the accompanying standalone Ind AS financial statements of Laxmi Organic Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of cash flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the 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 and presentation 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 accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained 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 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 accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report 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, statement of profit and loss including the statement of other comprehensive income, the statement of cash flows and the 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 Ind AS being Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
   (e) On the basis of written representations received from the directors as on March 31, 2018 and taken 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 B"; and
   (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, 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 financial statements -Refer Note 29 to the Standalone Ind AS Financial Statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

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ANNEXURE-A TO AUDITOR'S REPORT

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

(b) Fixed Assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.

(c) We have verified the title deeds of immovable properties forming part of property, plant and equipment produced before us by the management and in respect of title deeds which were in possession of the bankers due to charge created, we have seen the documents of deposit of title deeds with the bankers.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the period. The discrepancies noticed between the book stock and the physical stock were not material and they have been properly dealt with in the books of accounts.

(iii) The Company has not granted any loan secured or unsecured to any company, firm, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Therefore clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of Companies (Auditors Report) Order, 2016 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 with respect to loans, investments, guarantees and security given.

(v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.

(vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

(vii) (a) The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities during the year. There are no dues which are outstanding for a period more than six months from the date they become payable except for ` 10,800/- pertaining to works contact tax. The same is being since paid by the Company.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Goods and Service Tax, Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute except as detailed herein below

Name of the Statute	Nature of the dues	Amount (` in Mn)	Period to which it relates	Forum where Dispute is pending
Income Tax Act, 1961	Additions during assessments	0.15	AY 2012-13	CIT-Appeal
Income Tax Act, 1961	Additions during assessments	2.29	AY 2013-14	CIT-Appeal

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in payment of dues to the Financial Institution or Banks. Further, the Company has not obtained any borrowings by way of debentures.

(ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year. Therefore clause 3(ix) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The managerial remuneration has been paid / provided 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 hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by Ind AS 24 – Related Party Disclosures of the Companies (Indian Accounting Standards) Rules, 2015.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

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ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls 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 Laxmi Organic 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 ('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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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, 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 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.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

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BALANCE SHEET AS AT MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		Note No.	As At March 31, 2018	As At March 31, 2017	April 1, 2016
	ASSETS				
1	**Non-current assets**				
	(a) Property, plant and equipment	3	2,726.23	1,948.38	2,063.56
	(b) Capital work-in-progress		299.54	481.50	329.31
	(c) Other intangible assets	3	1.14	2.20	2.55
	(d) Financial assets				
	(i) Investments	4.1	42.51	89.35	83.40
	(ii) Trade Receivable	4.2	-	-	-
	(iii) Loans	4.3	91.05	84.47	81.54
	(iv) Others	4.5	1.22	1.38	5.61
	(e) Other non-current assets	5	191.62	202.01	106.15
			3,353.31	**2,809.31**	**2,672.13**
2	**Current assets**				
	(a) Inventories	7	1,228.30	636.87	1,081.25
	(b) Financial assets				
	(i) Investments	4.1	161.24	138.50	150.19
	(ii) Trade receivables	4.2	2,889.13	2,145.33	1,496.35
	(iii) Cash and cash equivalents	4.4	71.21	145.43	105.34
	(iv) Loans	4.3	2.71	1.58	99.94
	(v) Others	4.5	17.66	11.01	2.83
	(c) Other current assets	5	624.74	259.94	265.05
	(d) Assets held-for-sale	6	72.97	-	-
			5,067.96	**3,338.65**	**3,200.95**
	Total Assets		**8,421.27**	**6,147.95**	**5,873.08**
	EQUITY & LIABILITIES				
	Equity				
	Equity Share capital	8	100.09	100.09	100.05
	Other Equity	9	3,696.18	2,940.26	2,244.51
			3,796.27	**3,040.35**	**2,344.56**
	Liabilities				
1	**Non-current liabilities**				
	(a) Financial liabilities	10			
	(i) Borrowings	10.1	531.01	421.64	705.61
	(ii) Other financial liabilities	10.2	-	-	-
	(b) Provisions	11	18.47	17.39	11.02
	(c) Deferred tax liabilities (net)	12	158.78	90.20	174.06
	(d) Other non-current liabilities	13	5.33	4.39	4.97
			713.59	**533.62**	**895.66**
2	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	14	1,179.95	371.84	970.11
	(ii) Trade payables	15	1,993.08	1,584.15	1,231.86
	(iii) Other financial liabilities	10.2	510.82	402.00	362.46
	(b) Provisions	11	10.49	8.68	8.24
	(c) Current Tax Liabilities (net)	16	160.09	100.81	-
	(d) Other current liabilities	13	56.98	106.51	60.18
			3,911.41	**2,573.99**	**2,632.85**
	Total Equity and Liabilities		**8,421.27**	**6,147.95**	**5,873.07**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Reg. No.106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		Note No.	Year ended March 2018	Year ended March 2017
I)	**INCOME:**			
	Revenue from operations (gross)	17	12,867.64	10,742.94
	Other income	18	38.28	22.27
	Total Income (I)		**12,905.92**	**10,765.21**
II)	**EXPENSES:**			
	Cost of raw materials consumed	19	6,590.90	5,711.61
	Purchase of traded goods	20	2,222.11	1,061.08
	Changes in inventories of Finished Goods,Work in progress and Stock in Trade	21	(10.18)	52.62
	Excise Duty		175.51	664.01
	Employee benefits expense	22	482.70	397.93
	Finance cost	23	85.32	106.43
	Depreciation & amortisation	24	288.14	272.66
	Other expenses	25	1,937.18	1,692.38
	Total expenses (II)		**11,771.68**	**9,958.72**
	Profit before tax (I-II)		**1,134.24**	**806.49**
	Tax expense	26	**366.97**	**98.72**
	1. Current tax		298.39	182.59
	2. Deferred tax liability / (asset)		68.58	-83.87
	Profit for the period from continuing operations		**767.27**	**707.77**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss Reameasurement of the net defined benefit (net of tax)		3.11	0.03
	Total other comprehensive income, net of tax		**3.11**	**0.03**
	Total comprehensive income for the year		**770.38**	**707.80**
	Earnings per equity share (nominal value of share `10/- each)			
	Basic (`)	27	76.66	70.72
	Diluted (`)		76.66	70.72

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Reg. No.106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		2017-18		2016-17	
A	**Cash flow from operating activities**				
	Profit / (Loss) before extraordinary items and tax		**1,134.24**		**806.49**
	Adjustments for:				
	Depreciation and amortisation expense	288.14		272.66	
	(Profit) / loss on sale / write off of assets	(0.14)		0.03	
	Finance costs	85.32		106.43	
	Interest income	(18.88)		(21.00)	
	Guarantee Commission	(0.58)		(0.48)	
	Amortisation of upfront fees	0.68		0.87	
	Provision for doubtful debts/Write off	0.36		24.11	
	Sundry balances written back	(8.29)		-	
	Net unrealised exchange (gain) / loss	(22.75)	323.86	(3.12)	379.50
	Operating profit / (loss) before working capital changes		**1,458.11**		**1,185.99**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(591.43)		444.38	
	Trade receivables	(744.16)		(679.80)	
	Financial Assets	(13.46)		99.74	
	Other Assets	(394.14)		(22.73)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Financial Liabilities	526.05		401.66	
	Non Financial Liabilties	(48.57)		134.11	
	Provisions	6.00	(1,259.70)	18.88	396.24
	Cash generated from operations		**198.41**		**1,582.23**
	Net income tax (paid) / refunds		(200.06)		(150.68)
	Net cash flow from / (used in) operating activities (A)		**(1.65)**		**1,431.55**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Capital expenditure on Property Pant and Equipment	(883.73)		(310.04)	
	Proceeds from sale of Property Pant and Equipment	0.90		0.68	
	Movement in Other Bank Balances	50.88		(59.89)	
	Purchase of long-term investments				
	- Joint ventures	-		(5.95)	
	Interest received	18.14		12.39	
	Net cash flow from / (used in) investing activities (B)		**(813.80)**		**(362.81)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity shares	-		0.04	
	Proceeds from Long term borrowings	400.00		-	
	Repayment of Long term borrowings	(289.48)		(366.82)	
	Net Proceeds from Short term borrowings	808.11		(598.27)	
	Finance costs	(85.91)		(111.45)	
	Dividends paid	(12.01)		(10.01)	
	Tax on dividend	(2.45)		(2.04)	
	Net cash flow from / (used in) financing activities (C)		**818.27**		**(1,088.54)**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**2.82**		**(19.81)**
	Cash and cash equivalents at the beginning of the year		36.89		56.69
	Cash and cash equivalents at the end of the year		**13.55**		**36.89**

	2017-18	2016-17
Components of Cash and Cash Equivalents		
Cash on Hand	2.49	1.21
Balances with Bank	11.06	35.68
Total Balance	**13.55**	**36.89**

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

(iii) Figure in brackets denote outflows

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements.

In terms of our report attached.

As per our report of even date

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Reg. No.106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

A Equity Share Capital

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of Shares	`	Number of Shares	`	Number of Shares	`
Subscribed and Fully Paid up Capital						
Equity shares of INR 10 each						
Opening Balance	10,009,081	100.09	10,005,081	100.05	10,005,081	100.05
Changes in equity share capital during the year	-	-	4,000	0.04	-	-
Closing Balance	**10,009,081**	**100.09**	**10,009,081**	**100.09**	**10,005,081**	**100.05**

B Other Equity

Particulars	Retained Earnings	Capital Reserve	Security Premium Reserve	General Reserve	Employee Stock Option	Total
INDAS balance as at April 1, 2016	**1,369.85**	**5.50**	**500.08**	**368.05**	**1.02**	**2,244.49**
Profit for the year	707.77					707.77
Dividend Paid	(10.01)					(10.01)
Dividend Distribution Tax	(2.04)					(2.04)
Re-measurement of net defined benefit plans	0.03					0.03
On issue of equity shares under ESOP			1.02		(1.02)	-
Balance as at 31 March 2017	**2,065.61**	**5.50**	**501.10**	**368.05**	**-**	**2,940.25**
Profit for the year	767.27					767.27
Dividend Paid	(12.01)					(12.01)
Dividend Distribution Tax	(2.45)					(2.45)
Re-measurement of net defined benefit plans	3.11					3.11
Balance as at 31 March 2018	**2,821.52**	**5.50**	**501.10**	**368.05**	**-**	**3,696.18**

As per our report of even date

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Reg. No.106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

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Company Secretary

Mumbai, Dated : June 20, 2018

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

1 Corporate Information :

Laxmi Organic Industries Limited (LOIL) is the Goenka Group's flagship company, established in 1989 and is in the business on specialty chemicals. The Company primarily manufactures Ethyl Acetate, Acetic Acid and Diketene Derivative Products (DDP). DDP is a specialty chemical group, the technology and business of which has been acquired by LOIL from Clariant Chemicals India Limited. LOIL is currently the only manufacturer of DDP in India.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 20, 2018.

2 Significant Accounting Policies :

2.1. Basis of preparation of Financial Statements:

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 ('Act') (to the extent notified).

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first set of financial statements that the Company has prepared in accordance with Ind AS.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

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

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest Million, except otherwise indicated.

2.2 Use of estimates :

The preparation of the financial statememts in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates,judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the finacial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

2.3 Summary of significant accounting policies :

a) Current and non-current classification :

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading
- It is expected to be realised within 12 months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

- A liability is treated as current when :
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Property, plant and equipment (PPE) :

i Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

ii Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

iii Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

iv Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

v An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

vii The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

viii The Property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 " First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.

c) Leased Assets :

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies

Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

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

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

d) Intangible assets :

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Depreciation methods, estimated useful lives and residual value :

Depreciation on all assets of the Company is charged on Written down Value over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 except in case of Property Pant and Equipment of Distillery unit at Satara which is calculated on straight line method on a pro-rata basis calculated as per usefullife of assets mentioned in Schedule II to the Companies Act, 2013.

Lease hold land is amortized over the period of Lease.

f) Borrowing costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

g) Impairment of Non-financial Assets :

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

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

The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

h) Inventories :

Items of inventories are valued lower of cost or estimated net realisable value as given below.

i Raw Materials and Packing Materials :

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Excise duty and Value Added Tax, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method.

ii Work in process :

Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

iii Finished Goods & semifinished goods :

Finished Goods & semifinished goods are valued at lower of cost and net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition. Excise duty is considered as cost for finished goods, wherever applicable.

iv Stores and Spares :

Stores and spare parts are valued at lower of purchase costs are determined on Weighted Average method and net realisble value.

v Traded Goods :

Traded Goods are valued at lower of purchase cost and net realisble value.

i) Cash and cash equivalents :

Cash and cash equivalents comprise cash on hand and demand deposits with banks, which are short-term, highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

j) Equity investment :

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

k) Foreign Currency Translation :

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items, which are carried at historical cost denominated in a foreign currency, are reported using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

l) Provisions, Contingent Liabilities and Contingent Assets :

i Provisions :

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.

ii Contingent liabilities :

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

iii Contingent Assets :

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

m) Onerous contracts :

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

n) Employee Share – based payment plans ('ESOP') :

The Company accounts for the benefits of Employee share based payment plan in accordance with IND AS 102 "Share Based Payments" except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in IND AS 101 first time adoption.

o) Fair Value Measurement :

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above."

p) Financial instruments :

A Financial assets :

i Initial recognition and measurement :

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

ii Subsequent measurement :

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income)."

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test :** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test :** 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.

  A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.
- **Business model test :** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test :** 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.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. All other financial asset is measured at fair value through profit or loss. All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

iii Derecognition of financial instruments :

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv Impairment of financial assets :

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B Financial liabilities :

i Initial recognition and measurement :

"All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

ii Subsequent measurement :

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii Loans and borrowings :

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iv Financial guarantee contracts :

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

v Derecognition :

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

C Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

D Derivative financial instruments and hedge accounting :

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

q) Revenue Recognition :

i 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, regardless of when the payment is being made. 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.

ii Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods.

iii In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

iv The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

v Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.

vi Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

vii For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

viii Dividend income is accounted when the right to receive the same is established, which is generally when shareholders approve the dividend.

ix Financial guarantee income: Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

r) Employee benefits :

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The

Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits :

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

s) Taxes :

Tax expenses comprise Current Tax and Deferred Tax.:

i Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii Deferred Tax :

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity."

iii MAT Credit :

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

t) Leases :

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Operating lease :

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Finance leases :

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

u) Research and Development :

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

v) Earnings Per Share :

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

w) Dividend Distribution :

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

x) Trade Payables & Trade Receivables :

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

y) Government Grants :

Government grants 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 the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.
- Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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3. Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block

A. Property, plant and equipment

(` in Mn)

PARTICULARS	Land covered under finance lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equip-ments	Compu-ters	Air Condi-tioner	Vehicles	Storage terminal	Windmill	Tangible Total	Intangible -Technical Know-how & Non Compete Fees
Cost													
As at 1st April 2016 (refer note iii)	29.06	230.24	204.54	1,541.80	13.83	2.44	4.99	0.91	13.37	0.07	**22.31**	**2,063.56**	**2.55**
Additions	0.30	11.58	-	125.85	0.20	0.75	0.83	0.09	17.06	-	**-**	**156.66**	**1.19**
Disposals/Adjustments	-	-	-	-	-	1.67	-	-	2.90	-	**-**	**4.57**	**-**
As at 31st March 2017	**29.36**	**241.82**	**204.54**	**1,667.65**	**14.03**	**1.52**	**5.82**	**1.00**	**27.53**	**0.07**	**22.31**	**2,215.65**	**3.74**
Additions	-	100.03	23.12	879.54	23.18	7.65	2.55	0.41	29.04	-	-	1,065.52	0.17
Disposals/Adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.14**	**-**	**-**	**3.14**	**-**
As at 31st March 2018	**29.36**	**341.85**	**227.66**	**2,547.19**	**37.21**	**9.17**	**8.37**	**1.41**	**53.43**	**0.07**	**22.31**	**3,278.03**	**3.91**
Depreciation													**-**
Charge for the Year	0.77	24.33	9.94	221.85	3.71	1.16	2.46	0.33	4.13	-	**2.45**	**271.13**	**1.53**
Disposals/Adjustments	-	-	-	-	-	1.56	-	-	2.30	-	-	3.86	-
As at 31st March 2017	**0.77**	**24.33**	**9.94**	**221.85**	**3.71**	**-0.40**	**2.46**	**0.33**	**1.83**	**-**	**2.45**	**267.27**	**1.53**
Charge for the Year	0.76	24.58	12.06	225.68	5.87	2.41	2.35	0.31	10.71	-	2.18	286.91	1.24
Disposals/Adjustments	-	-	-	-	-	-	-	-	2.37	-	-	2.37	-
As at 31st March 2018	**1.53**	**48.91**	**22.00**	**447.54**	**9.58**	**2.01**	**4.81**	**0.64**	**10.17**	**-**	**4.62**	**551.81**	**2.77**
NET BLOCK													**-**
As at 31st March 2017	**28.58**	**217.49**	**194.60**	**1,445.79**	**10.32**	**1.92**	**3.36**	**0.67**	**25.70**	**0.07**	**19.87**	**1,948.38**	**2.20**
As at 31st March 2018	**27.82**	**292.94**	**205.66**	**2,099.66**	**27.63**	**7.16**	**3.56**	**0.77**	**43.26**	**0.07**	**17.69**	**2,726.23**	**1.14**

Note:

i) The company had entered into BOT agreement with Jarandeshwar SSK Ltd, Satara, Maharashtra to put up Distillery Plant (35 KLPD) on land acquired on lease basis from them. As per agreement the company is entitled to operate the Distillery till February-2023 and thereafter to transfer the Distillery to Jarandeshwar SSK Ltd at depreciated value. There is a dispute with regards to the title and the lease agreement which is subjudice before the Debt Recovery Appellate Tribunal (DRAT) on account of action by the Lessor's Bankers. The Company, however has a physical possession of the Distillery Plant and is operating presently.

The Gross Block under each of the heads of Fixed Assets relating to the aforesaid BOT agreement is as follows:-

(` in Mn)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Factory Building	13.83	13.83	13.83
Plant & Machinery	116.22	116.22	116.22
Furniture & Fixture	0.16	0.16	0.16
Office Equipment	0.02	0.02	0.02
Computers	0.07	0.07	0.07
Total	**130.30**	**130.30**	**130.30**

iii. For Property, plant and equipment existing as on April 1, 2016 i.e. date of transition to Ind AS, the company has used Previous GAAP carrying value as deemed cost as permitted by Ind As 101 -First time adoption. Accordingly, the Net WDV as per previous GAAP as on April 1, 2016 has been considered as Gross Block under Ind AS. The accumulated depreciation so netted off as on April 1, 2016, is as below:

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(` in Mn)

Particulers	Land covered under finance lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Air Condi-tioner	Vehicles	Storage terminal	Windmill	Tangible Total	Intangible
Gross block	31.71	384.76	236.86	2,955.27	50.85	10.43	33.25	8	40.13	1.39	**121.83**	**3,874.35**	**17.61**
Less : Accumulated depreciation	2.65	154.53	32.32	1,409.06	37.03	8.00	28.26	7	26.77	1.32	**99.52**	**1,806.42**	**15.06**
Less : IND As impact	-	-	-	4.40	-	-	-	-	-	-	**-**	**4.40**	**-**
Net block	**29.06**	**230.23**	**204.54**	**1,541.81**	**13.82**	**2.43**	**4.99**	**0.91**	**13.36**	**0.07**	**22.31**	**2,063.53**	**2.55**

iv) Under Previous GAAP, the Company has exercised the option under para 46(A) of Accounting Standard- 11 “The Effects of Changes in Foreign Exchanges Rates”. Exchange differences for ` 6.43/- million (loss) (Previous Year: ` 11.28 /- million profit) arising on long term foreign currency loan for acquiring property Pant and Equipment at rates different from those at which these were initially recorded, have been added to the cost of Property Pant and Equipment and shall be depreciated over the balance life of Property Pant and Equipment. Depreciation has been provided for the year under report.

The Company has availed exemption under para D13AA, and 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.

v) Details of Additions made during te year w.r.t Research and Development

Particulars	2017-18	2016-17
Non Factory Building	23.12	-
Plant and Machinery	28.39	0.04
Computers	0.83	-
Office Equipment	1.56	-
Furniture and Fixtures	4.39	-
Intangibles	**0.15**	**-**
Total	**58.44**	**0.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

(` in Mn)

4 Financial Assets	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.1 A Investments in Subsidiaries, Joint Ventures and Associates (Unquoted at cost)						
i) Equity Instrument of Subsidiaries						
Laxmi Organic Industries BV of Euro 100 each (180 shares (March 31, 2017: 180 Shares, April 1, 2016: 180 Shares))	1.26	1.26	1.26	-	-	-
Laxmi Petrochem Middle East FZE of AED 1,000 each (34 shares (March 31, 2017: 34 Shares, April 1, 2016: 34 Shares))	1.10	1.10	1.10	-	-	-
Cellbion Lifesicence Pvt. Ltd. of Rs 10 each (10,000 shares (March 31, 2017: 10,000 Shares, April 1, 2016: 10,000 Shares))	39.95	39.95	39.95	-	-	-
Laxmi Lifescience Pvt. Ltd. of Rs 10 each (10,000 shares (March 31, 2017: 10,000 Shares, April 1, 2016: 10,000 Shares))	0.10	0.10	0.10	-	-	-
Viva Lifescience Pvt. Ltd. of Rs 10 each (10,000 shares (March 31, 2017: 10,000 Shares, April 1, 2016: 10,000 Shares))	0.10	0.10	0.10	-	-	-
ii) Investments in of Joint Ventures - Jointly controlled Entities						
40,65,947 (As at 31 Mar 2016 : 34,70,930) shares of Rs 10 each fully paid up in Suvas holding limited	-	46.84	40.89	-	-	-
iii) 4% Cumulative Reedemable Preference Shares						
Laxmi Organic Industries BV of Euro 20,00,000 each (1 share (March 31, 2017: 1 Share, April 1, 2016: 1 Share))	-	-	-	161.24	138.50	150.19
Total	**42.51**	**89.35**	**83.40**	**161.24**	**138.50**	**150.19**

a) Laxmi Organic Industries (Europe) BV has issued One Cumulative Preference Share to Laxmi Organic Industries Limited @ 20,00,000 Euro Reedemable on August 28, 2018. The above preference Shares carry dividend coupon rate of 4%.

b) Movement on account of INDAS Adjustment

(` in Mn)

Particulars	Investment as per IGAAP	Fair Value of Interest Free Loans	Investment as per INDAS
Cellbion Life Science Private Limited:			
As at April 1, 2016	0.10	39.85	39.95
As at March 31, 2017	0.10	39.85	39.95
As at March 31, 2018	0.10	39.85	39.95

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.2 Trade Receivables						
(Unsecured, at amortised cost)						
i) Considered good	-	-	-	2,889.13	2,145.33	1,496.35
ii) Considered doubtful	-	-	-	4.02	11.28	6.30
Less: Allowance for Life Time Credit Loss	-	-	-	(3.46)	(11.07)	(6.02)
				2,889.69	**2,145.54**	**1,496.63**
Less:- Allowance for Expected Credit Loss	-	-	-	(0.56)	(0.20)	(0.27)
Total	-	-	-	**2,889.13**	**2,145.33**	**1,496.35**

Expected Credit Loss Note

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date which is calculated on overdue amounts at every year end.

a) Movement in Allowance for Credit Loss

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balance at the beginning of the period	11.28	6.29	-
Addition during the year	-	4.98	6.29
Reversal during the year	(7.26)	-	-
Provision at the end of the period	**4.02**	**11.28**	**6.29**

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.3 Loans and Advances (at amortised cost)						
(Unsecured, Considered good)						
i) Security Deposit	29.10	29.49	32.75	-	-	-
ii) Loans to Related Party	61.95	54.98	48.79	-	-	99.94
iii) Other receivable from related party	-	-	-	2.71	1.58	-
	91.05	**84.47**	**81.54**	**2.71**	**1.58**	**99.94**
Details of Related Party:						
Celbion LifeSciences Private Limited	61.95	54.98	48.79	-	-	-
Laxmi Petrochem Middle East (FZE)	-	-	-	2.71	-	99.94
Saideep traders	-	-	-	-	1.58	-

(` in Mn)

	Non- Current As at March 31, 2018	Non- Current As at March 31, 2017	Non- Current As at April 1, 2016	Current As at March 31, 2018	Current As at March 31, 2017	Current As at April 1, 2016
4.4 Cash and Bank Balances						
A Cash and cash equivalents						
i) Balances with banks	-	-	-	11.06	35.68	55.02
ii) Cash on hand	-	-	-	2.49	1.21	1.67
Total	**-**	**-**	**-**	**13.55**	**36.89**	**56.69**
B Other bank balances						
i) Fixed Deposit as margin for BG issued	-	-	-	57.66	108.54	48.65
Total	-	-	-	**57.66**	**108.54**	**48.65**
Grand Total	-	-	-	**71.21**	**145.43**	**105.34**

	Non- Current As at March 31, 2018	Non- Current As at March 31, 2017	Non- Current As at April 1, 2016	Current As at March 31, 2018	Current As at March 31, 2017	Current As at April 1, 2016
4.5 Other Financial Assets						
(Unsecured considered good unless otherwise stated)						
i) Advance to Staff	1.22	1.38	2.34	6.75	1.29	1.59
ii) Interest accrued receivable						
From related parties	-	-	-	9.24	9.21	-
From Banks	-	-	-	0.24	0.51	1.11
From others	-	-	-	0.98	-	-
iii) Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	-	-	3.27	-	-	-
iv) Insurance Claim Receivable	-	-	-	0.45	-	0.13
	1.22	**1.38**	**5.61**	**17.66**	**11.01**	**2.83**

	Non- Current As at March 31, 2018	Non- Current As at March 31, 2017	Non- Current As at April 1, 2016	Current As at March 31, 2018	Current As at March 31, 2017	Current As at April 1, 2016
5. Other Assets						
i) Capital Advance	87.69	51.12	28.79	-	-	-
ii) Prepaid expenses	0.25	0.28	0.76	14.68	17.34	16.75
iii) Prepaid Upfront fees	0.80	1.48	2.36			
iv) Prepaid Rent	5.26	-	-			
v) Prepaid taxes (net of provisions)	37.62	76.67	7.77	-	-	-
vi) Balance with Government Authorities	57.57	72.46	66.47	225.49	68.91	150.06
vii) Advance to Suppliers						
- Considered good	-	-	-	343.34	154.94	66.37
- Considered doubtful	-	-	-	27.72	27.72	11.83
	-	-	-	371.06	182.66	78.20
Less: Impairment of doubtful advances	-	-	-	27.72	27.72	11.83
	-	-	-	343.34	154.94	66.37

(` in Mn)

viii)	Export Incentive receivable	-		-	13.21	14.60	2.33
ix)	Export Licenses on hand				27.99	4.12	27.65
x)	Other Receivables	-	-	-	0.03	0.03	1.89
xi)	Advance Gratuity	2.43	-	-	-	-	-
	Total	**191.62**	**202.01**	**106.15**	**624.74**	**259.94**	**265.05**

	As at			As at		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
	Non- Current			**Current**		
6. Assets held-for-sale						
i) Equity Instruments of Joint Venture Suvas Holding of Rs 10 each (65,21,932 shares (March 31, 2017: 40,65,947 Shares, April 1, 2016: 34,70,930 Shares))	-	-	-	72.97	-	-
Total	**-**	**-**	**-**	**72.97**	**-**	**-**

(a) Company has entered into share purchase agreement dated June 5, 2017 to sell 65,21,932 equity shares of Suhas Holding Limited to Ravi Goenka and Rajeev Goenka (12,24,991 and 36,74,974 Shares respectively). The consideration for the shares is ` 10 per equity share which is arrived based on the valuation report of shares dated January 31,2017. However, the aforesaid transfer is pending as on March 31, 2018 on account of approval / clearance from the lenders of Suhas Holdings Limited.

(b) Details Of Loans Given, Investments Made And Guarantee Given Covered U/S 186 (4) Of The Companies Act, 2013:

The following is the details as of March 31, 2018 of the Loans, Investments and Guarantees have been given by the Company to the Subsidiary Companies and Joint Venture Company:

Sr. No.	Name of Party	Nature	Purpose	2017-18	2016-17	2015-16
1	Suvas Holdings Limited - JV	Investment	Equity contribution pursuant to JV Agreement	24.56	-	-
2	Suvas Holdings Limited - JV	Corporate Guarantee	Addition Guarantee for addition equity contribution as above	26.02	-	-
3	Laxmi Organic Industries (Europe) B.V.- WOS	Investments	Infusion of Preference share capital	-	-	150.19
4	Laxmi Organic Industries (Europe) B.V.- WOS	Corporate Guarantee	To secure the payment of money for the goods to be purchased by WOS from Eastmen Chemicals B.V.	-	69.25	112.64
5	Laxmi Petrochem Middle Ease FZE- WOS	Loan	To support business operations of WOS	-	-	99.94

a) Movement on account of INDAS Adjustment

Particulars	Investment as per IGAAP	Fair Value of financial guarantee	Investment as per INDAS
Suvas Holding:			
As at April 1, 2016	34.71	6.18	40.89
As at March 31, 2017	40.66	6.18	46.84
As at March 31, 2018	65.22	7.75	72.97

(` in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
	Current		
7. Inventories			
(at lower of cost and net realisable value)			
a) Raw material	963.68	381.85	764.94
b) Work-in-progress	42.82	30.31	34.25
c) Finished goods	121.89	143.30	205.46
d) Consumable Stores and spares	71.83	63.28	58.96
e) Fuels and consumables	18.46	10.43	14.35
f) Packing Material	6.05	4.90	3.05
g) Trading	3.57	2.80	0.24
	1,228.30	**636.87**	**1,081.25**

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
8. Equity Share capital			
i) Authorised shares :			
2,10,00,000 (March 31, 2017 : 2,10,00,000; April 1, 2016 : 2,10,00,000) Equity Shares of ` 10/- each	210.00	210.00	210.00
Total	**210.00**	**210.00**	**210.00**
ii) Issued and subscribed and paid-up shares :			
1,00,09,081 (March 31, 2017 : 1,00,09,081; April 1, 2016 : 1,00,05,081) Equity Shares of ` 10/- each	100.09	100.09	100.05
Total paid-up share capital	**100.09**	**100.09**	**100.05**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Number	Amount	Number	Amount	Number	Amount
Balance, beginning of the period	10,009,081	100.09	10,005,081	100.05	10,005,081	100.05
Issued during the period	-	-	4,000	0.04	-	-
Balance, end of the period	**10,009,081**	**100.09**	**10,009,081**	**100.09**	**10,005,081**	**100.05**

b) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ` 10/- each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of

Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

c) Details of shares held by each shareholder holding more than 5% shares:

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of shares	%	Number of shares	%	Number of shares	-
Shri V.D. Goenka	5	0.00%	895,526	8.95%	1,685,739	16.85%
Shri Ravi Goenka	5	0.00%	3,807,540	38.04%	1,399,510	13.99%
Shri Rajeev Goenka	5	0.00%	965,183	9.64%	1,323,000	13.22%
Smt. Manisha R. Goenka	5	0.00%	788,010	7.87%	788,010	7.88%
Smt. Aditi Goenka	5	0.00%	730,000	7.29%	730,000	7.30%
Miss Avantika Goenka	-	0.00%	-	0.00%	1,260,000	12.59%
Ravi Goenka Trustee of Yellow Stone Trust	8,037,224	80.30%	-	0.00%	-	0.00%
International Finance Corporation (Washington D.C.)	1,005,802	10.05%	1,005,802	10.05%	1,005,802	10.05%

(` in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
9. Other Equity			
i) Retained Earnings	2,821.52	2,065.61	1,369.85
ii) Employee Stock Option	-	-	1.02
iii) General Reserve	368.05	368.05	368.05
iv) Security Premium Reserve	501.10	501.10	500.08
v) Capital Reserve	5.50	5.50	5.50
	3,696.18	**2,940.26**	**2,244.51**

Note on creation of Reserves :

i) The Capital Reserve is special capital incentive, a government grant, received by the Company for setting up of a Unit in backward area. There are no condition to be satisfied and the Capital Reserve is retained as such.

ii) The General Reserve is created to comply with The Companies (Transfer of Profit and Reserve rules 1975).

iii) Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

iv) Employee Stock Option Scheme

a) The Nomination and Remuneration Committee (NRC) of the Board at its meeting held on 29 January 2015 has granted 3,000 options to one of the directors of the Company under Employee Stock Option Scheme 2014. Each Option is convertible into one equity share of ` 10/- each of the Company at a price of ` 10/- per share, being the exercise price determined by the NRC. The options granted would be vested over a period of one year from the date of the grant.

In February 2016, 1000 options were, further, granted to the director which were to vest simultaneously with the original options. The fair value of these options are considered same as that of the original options. Therefore, the options are valued at same price.

b) The Company, based on the valuation carried out by an Independent Valuer, has considered fair market value at ` 264/- per share. Accordingly, the Company has accounted the ESOP Compensation Cost on Intrinsic value Method as per the Guidance Note “Employee Share based Payments”.

The total deferred compensation cost of ` 10,16,000/- as determined with the aforesaid Guidance Note was amortised over the vesting period. The impact of the same on its earning per share is disclosed separately, in accordance with Aounting Standard-20 on Earnings Per

Share.

c) Employee stock options details during the period and as at Balance Sheet date is as follows:

Particulars	During the year ended 31 March 2018		During the year ended 31 March 2017	
	Options (Numbers)	Weighted average exercise price per option (`)	Options (Numbers)	Weighted average exercise price per option (`)
Option outstanding at the beginning of the year:	-	-	4,000	10
Granted during the year:	-	-	-	
Vested during the year:	-	-	-	
Exercised during the year:	-	-	4,000	10
Lapsed during the year:	-	-	-	
Options outstanding at the end of the year:	-	-	-	
Balance exercisable	-	-	-	-
Intrinsic Value		-	-	264

The Valuer has used Discounted Cash Flow Method for valuation of options.

d) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	March 31, 2017
Profit / (Loss) (as reported)	707.77
Add / (Less): stock based employee compensation (intrinsic value)	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued	-
Net Profit / (Loss) (proforma)	707.77
Basic earnings per share (as reported)	70.72
Basic earnings per share (proforma)	70.72
Diluted earnings per share (as reported)	70.72
Diluted earnings per share (proforma)	70.72

e) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Risk Free Interest Rate	7.80%	7.80%
Options	1000	1000
Expected Annual Volatility of Shares	0.01%	0.01%
Grant date	03/02/2016	03/02/2016
Vesting date	31/03/2016	31/03/2016
Fair value of share price	` 255	` 255
Exercise price	` 10	` 10

(` in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
10. Financial Liabilities (at amortised cost)						
10.1 Long term Borrowings						
a) Term loans :						
Rupee Term Loan from Bank	311.11	-	23.07	88.89	-	3.08
Foreign Currency Loan from Bank	-	-	74.96	-	73.27	149.91
Foreign Currency Loan from Multi Lateral Agency (I.F.C.)	195.13	324.19	464.33	130.09	129.68	132.67

(` in Mn)

Rupee Term Loan from NBFC	-	63.81	93.57	-	11.05	8.03
(b) Vehicle loans :						
Vehicle Loans - Other than Bank	2.72	0.35	1.61	1.09	1.37	1.99
(c) Government Grant	22.05	33.29	48.07	11.24	14.78	17.32
				231.31	**230.15**	**313.00**
Less: Disclosed in Other Current Financial Liabilities	-	-	-	(231.31)	(230.15)	(313.00)
	531.01	**421.64**	**705.61**			
The break-up of above:						
Secured	508.96	388.35	657.54	220.07	215.36	295.68
Unsecured	22.04	33.29	48.07	11.24	14.78	17.32
	531.01	**421.64**	**705.61**	**231.31**	**230.14**	**313.00**

Notes:

i) Term loan as at April 1, 2016 includes loan guaranteed by directors of the Company amounting to ` 98.03 million.

ii) **Rupee Term Loan :**

Security Rupee Term Loan (HDFC Bank Ltd) and Foreign Currency loan from banks (Citi Bank NA, Jersey) & Multi Lateral Agency (I.F.C., Washington DC)

a) First pari passu charge on all present and future movable and immovable Property Plant and Equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2 MIDC, B-3/1/2 Mahad Industrial Area, Dist Raigad Maharashtra.

b) First Charge on all Assets of Diketene Project situated at B/2/2,B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area, District. Raigad Collateral: Second pari passu charge on entire current assets of the Company.

iii) **Repayment Schedule Foreign Currency Term loans from banks (Citi Bank NA, Jersey):** 15 equal quarterly installments in Foreign Currency will start from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.

iv) **Repayment of Foreign Currency Loan from Multi Lateral Agency (I.F.C.):**

10 half yearly installments from December 2015. Interest rate is six months Libor plus 400 bps.

v) **Rupee Term loans from banks (HDFC Bank Ltd):**

Tenure of Loan : Max 60 Months Repayment : 18 Equal Quaterly Installments after a moratorium period of 6 months from the date of 1st disbursement Interest : Linked with HDFC Bank 1 Year MCLR + 35 bps.

vii) There are multiple Interest free sales tax loans which are repayable in five installments from their due date. The Company has outstanding of ` 33.29/- million as at March 31, 2018 (Previous Year ` 48.07/- million). The first installment date was May 2009 and last terminal date is May 2023.

viii) Vehicle loans are secured against the same vehicle for which loan is taken. Charge on the Vehicle taken during the year is yet be registered.

ix) **Maturity Profile of Long term Borrowings:**

(` in Mn)

Particulars	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Instalment payable within one year	231.31	230.14	313.00
Instalment payable between 1 to 2 years	228.87	153.73	232.85
Instalment payable between 2 to 5 years	298.90	264.68	427.92
Instalment payable beyond 5 years	3.24	3.24	44.84
Total	**762.32**	**651.79**	**1,018.61**

(` in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
10.2 Other Financial Liabilities (at amortised cost)						
i) Current maturity of long term borrowings	-	-	-	231.31	230.15	313.00
ii) Advance received sale of Investments(**)				56.60	-	-
iii) Payable for Capital Goods	-	-	-	69.23	62.22	20.54
iv) Interest accrued and not due	-	-	-	9.49	7.87	8.50
v) Interest accrued and due to Bank(*)				2.51	4.73	9.12
vi) Deposit received	-	-	-	10.20	11.00	10.80
vii) Staff Salary and other Payable				131.41	86.03	0.50
viii) Amount payable on hedging transactions				0.07	0.00	0.00
Total	**-**	**-**	**-**	**510.82**	**402.00**	**362.46**

(*) Interest accrued and due as at March 31, is debited by bank in first week of April.

(**) Refer Note 6(a) for Advance received for sale of investment.

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
11 Provisions						
i) Provision for employee benefits :						
Leave Encashment	18.47	17.39	11.02	4.26	3.45	3.15
Gratuity	-	-	-	-	0.42	1.07
ii) Provision for Sales Return	-	-	-	6.23	4.81	4.02
Total	**18.47**	**17.39**	**11.02**	**10.49**	**8.68**	**8.24**

(a) Disclosure under IND AS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Provision for Sales Return

As at	Opening Balance	Addition during the period	Utilised during the year	Closing Balance
March 31, 2018	4.81	17.17	15.75	6.23
March 31, 2017	4.02	21.04	20.25	4.81

(b) Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits- Gratuity.

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to ` 20 lacs (previous year ` 10 lacs). The Company’s gratuity liability is entirely funded and leave encashment is non-funded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

(` in Mn)

	Particulars	As on March 31, 2018	As on March 31, 2017
a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	23.44	19.73
	Current Service Cost	3.56	2.95
	Interest Cost	1.59	1.48
	Actuarial (Gain) /Loss-Other Comprehensive Income	(3.11)	(0.03)
	Past Service Cost	1.90	0.00
	Benefits paid	(1.21)	(0.68)
	Defined Benefit obligation at the year end	**26.17**	**23.45**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	23.02	18.66
	Investment Income	1.56	1.40
	Employer Contribution	5.22	3.65
	Benefits Paid	(1.21)	(0.68)
	Fair Value of Plan Assets at the year end	**28.59**	**23.03**
c)	**Reconciliation of fair value of assets and obligations**		
	Present value of Defined Benefit obligation	26.17	23.45
	Fair Value of Plan Assets	28.59	23.03
	Net Asset / (Liability)	**2.42**	**(0.42)**
d)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	In Income Statement	5.48	3.03
	In Other Comprehensive Income	(3.11)	(0.03)
	Total Expenses Recognized during the period	**2.37**	**3.00**
e)	**Actuarial (Gain)/Loss- Other Comprehensive Income**	**(3.11)**	**(0.03)**
f)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	(2.43)	-
	Short-term provisions	-	0.42
		(2.43)	**0.42**

ii) Actuarial Assumptions

Particulars	As on March 31, 2018	As on March 31, 2017
Discount rate (per annum)	6.80%	7.50%
Salary growth rate (per annum)	5%	5%
Attriation rate	7%	7%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attriation Rate	Mortality Rate
Changes in Assumption				
March 31, 2018 (%)	1%	1%	50%	10%
March 31, 2017 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2018 (Rs in Million)	24.56	27.87	26.63	26.18
March 31, 2017 (Rs in Million)	22.13	25.01	23.81	23.45
Decrease in assumption				
March 31, 2018 (Rs in Million)	27.98	24.57	25.42	26.16
March 31, 2017 (Rs in Million)	24.91	22.02	22.84	23.44

(c) Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

i) **Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

ii) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availabilty of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

iii) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

iv) **Demographic Risk**: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

v) **Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of `. 20,00,000).

vi) **Asset Liability Mismatching or Market Risk:** The duration of the liabilty is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

vii) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Note: The above is a standard list of risk exposures in providing the gratuity benefit. The Company is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

(` in Mn)

	March 31, 2018	March 31, 2017	April 1, 2016
12. Deferred Tax Liability			
a) Deferred Tax Liability on account of :			
i) Property Plant & Equipment	202.41	135.52	206.37
	202.41	**135.52**	**206.37**
b) Deferred Tax Asset on account of :			
i) Minimum Alternate Tax	24.59	24.59	24.59
ii) Provision for doubtful advances and debts	11.10	13.50	2.18
iii) Tax disallowances	7.94	7.21	4.91
iv) Preliminary expenses	-	0.02	0.63
	43.63	**45.32**	**32.31**
Deferred Tax Liability, net	**158.78**	**90.20**	**174.06**

(` in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
13 Other Liabilities						
i) Duties and Taxes payable	-	-	-	24.85	72.24	43.70
ii) Advance from customers	-	-	-	31.52	33.60	10.70
iii) Guarantee Liability	5.33	4.39	4.97	0.61	0.58	0.48
iv) Other Payables	-	-	-	-	0.09	5.30
Total	**5.33**	**4.39**	**4.97**	**56.98**	**106.51**	**60.18**

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
14. Short Term Borrowings (at amortised cost)			
From Banks			
Cash Credit	866.41	365.34	930.69
Buyers Credit	307.04	-	-
From Others			
From Directors	6.50	6.50	39.42
Total	**1,179.95**	**371.84**	**970.11**
Secured	1,173.45	365.34	930.69
Unsecured	6.50	6.50	39.42

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
15. Trade Payables (at amortised cost)			
i) Trade payables - Micro, small and medium enterprises	5.25	16.02	15.14
ii) Trade payables - Others	1,987.83	1,568.13	1,216.72
Total	**1,993.08**	**1,584.15**	**1,231.86**

a) Amounts due to Micro, Small and Medium Enterprises

Details of Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly disclosed hereunder.

The information given below regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the Company. This is relied upon by the auditors.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Principal amount due	5.25	16.02	15.14
Interest due on above	-	0.02	0.53
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006			
- Principal amount paid beyond appointed day	23.40	38.46	43.70
- Interest paid thereon	-	-	-
Amount of interest due and payable for the period of delay	0.27	0.39	-
Amount of interest accrued and remaining unpaid as at year end	1.30	1.03	0.64
Amount of further interest remaining due and payable in the succeeding year	-	-	-

(` in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
16. Current Tax Liabilities (net)			
Current Tax Liabilities (net of taxes paid)	160.09	100.81	-
Total	**160.09**	**100.81**	**-**

	Year ended March 31, 2018	Year ended March 31, 2017
17. Revenue from Operations		
i) Sale of Products		
Chemicals	10,481.12	9,595.22
Others	2,327.81	1,111.43
Less: Sales Return	(17.17)	(21.04)
	12,791.76	**10,685.61**
ii) Other Operating Revenue		
Export Incentives	54.68	42.19
Income from DEPB purchase at discount	16.14	9.77
Insurance claim received	5.06	5.36
	75.88	**57.32**
Total	**12,867.64**	**10,742.93**

	Year ended March 31, 2018	Year ended March 31, 2017
18. Other Income		
i) Interest Income on Financial Asset	18.88	21.00
ii) Income from Brokerage	-	0.03
iii) Guarantee Commission	0.58	0.48
iv) Interest on Income Tax Refund	0.67	0.76
v) Sundry balances written back	8.29	-
vi) Profit on Sale of Property Plant & Equipment	0.14	-
vii) Miscellaneous Income	9.72	-
Total	**38.28**	**22.27**

	Year ended March 31, 2018	Year ended March 31, 2017
19. Cost of Materials Consumed		
Opening Stock of Raw Material	381.85	764.94
Add : Purchases	7,172.73	5,328.52
	7,554.58	6,093.46
Less : Closing Stock of Raw Material	(963.68)	(381.85)
Cost of Material Consumed	**6,590.90**	**5,711.61**

	Year ended March 31, 2018	Year ended March 31, 2017
20. Purchase of Stock in trade		
i) Chemicals and Other Purchases	1,124.07	553.02
ii) Coal	1,098.04	508.06
Total	**2,222.11**	**1,061.08**

(` in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
21. Changes in inventories of Finished Goods,Work in progress and Stock in Trade		
WIP Inventory at the beginning of the year	30.31	34.25
WIP Inventory at the end of the year	42.82	30.31
	(12.51)	3.94
FG Inventory at the beginning of the year	143.30	205.46
FG Inventory at the end of the year	121.89	143.30
	21.41	62.16
FG Inventory of Traded Goods at the beginning of the year	2.80	0.24
FG Inventory of Traded Goods at the end of the year	3.57	2.80
	(0.77)	(2.56)
(Increase) / Decrease in Excise Duty on Finished Goods		
Closing Stock	-	-18.31
Less Stock at comensment	18.31	29.23
	18.31	10.92
	(10.18)	**52.62**

	Year ended March 31, 2018	Year ended March 31, 2017
22. Employee benefit expenses		
i) Salaries, wages and bonus	334.49	251.62
ii) Contribution to Employees gratuity, leave encashment and Other Funds	21.74	23.92
iii) Director's Remuneration	115.85	114.42
iv) Staff Welfare Expenses	10.62	7.97
Total	**482.70**	**397.93**

	Year ended March 31, 2018	Year ended March 31, 2017
23. Finance Costs:		
i) Interest on Financial Liabilities at amortised cost	73.93	93.50
ii) Interest on Direct Taxes	7.64	0.01
iii) Interest on Indirect Taxes	0.23	0.10
iv) Other borrowing costs	2.84	11.95
v) Amortisation of Upfront Fees	0.68	0.87
Total	**85.32**	**106.43**

	Year ended March 31, 2018	Year ended March 31, 2017
24. Depreciation & amortization		
i) Depreciation	286.91	271.13
ii) Amortisation	1.24	1.53
Total	**288.14**	**272.66**

(` in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
25. Other expenses		
Power & Fuels	817.32	695.55
Consumption of Consumables Stores and Spares	114.45	66.29
Consumption of Packing Materials	84.64	102.86
Water Charges	32.02	25.74
Labour Charges	40.33	34.53
Inward Freight Charges	34.21	27.24
Outward Export Freight Charges	221.89	177.44
Clearing and Forwading Expenses	9.21	13.46
Repairs and Maintainance		
Buildings	12.39	12.83
Machineries	38.74	19.38
Others	35.44	21.70
Transportation Charges	149.66	141.98
Consignment Exp	1.43	8.74
Commission	42.01	23.16
Advertisement	0.51	0.58
Director's Sitting Fees	0.82	0.99
Books and Periodicals	0.18	0.15
Business Promotion Expenses	11.34	10.58
Commission to Non-Executive Director	3.65	2.60
Computer Maintenance	6.57	5.86
Conveyance Expenses	-	1.03
Donation	2.88	0.59
CSR Expenditure	5.88	3.33
General Expenses	5.29	2.81
Inspection charges	0.46	1.50
Insurance Charges	19.12	18.24
Membership & Subscription	27.22	10.93
Postage & Telegram	2.15	1.72
Professional and Legal Expenses	80.49	55.16
Printing & Stationery	3.22	2.98
Rent	15.26	3.75
Rates and Taxes	9.86	10.83
Security Service Charges	9.27	8.92
Travelling Expenses	26.05	30.60
Telephone Expenses	5.13	5.17
Vehicle Expenses	15.52	11.63
Auditors' remuneration	1.71	1.32
Bank Charges	19.18	21.42
Provision for Advance/Doubtful debt	-	20.94
Expected credit loss	0.36	-0.07
Sundry Balance w/off	-	3.24
Exchange Loss	20.46	63.25
Other Expenses	5.66	17.77
Loss on Sale of Asset	-	0.03
Sales Tax	5.20	0.14
Local Body Tax paid	-	3.45
Service Tax Credit Not Availed	-	0.04
Total	**1,937.18**	**1,692.38**

Note:

(` in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
Payments to the auditors comprises (net of tax input credit, where applicable) :		
(a) To Statutory auditors		
For audit including consolidation	1.14	1.10
For limited review	0.28	0.15
For certification and other services	0.29	0.07
Total	**1.71**	**1.32**

26. Tax Expense

	Year ended March 31, 2018	Year ended March 31, 2017
a) Income tax expense in the statement of profit and loss consists of:		
Current Tax	298.39	182.59
Deferred tax	68.58	-83.87
Income tax recognised in statement of profit or loss	**366.97**	**98.72**

b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows :

		Year ended March 31, 2018	Year ended March 31, 2017
A Current Tax			
Profit Before tax		1,134.24	806.49
Enacted tax rates in India (%)		34.61%	34.61%
Computed expected tax expenses		392.54	279.11
Effect of non- deductible expenses		113.39	103.29
Effects of deductable Expenses		(137.95)	(73.95)
Non Taxable effects		(69.59)	(57.46)
Mat Credit Entitlement		-	(68.41)
Income tax expenses - Net	**A**	**298.39**	**182.59**
Tax liability as per Minimum Alternate Tax on book profits			
Minimum Alternate Tax rate		21.34%	21.34%
Computed tax liability on book profits		242.07	172.12
Tax effect on adjustments:			
1/5 portion of Opening IND AS Reserve as on March 31, 2017		(0.82)	-
Effect of non deductible expense		15.78	4.47
Minimum Alternate Tax on Book Profit	**B**	**257.03**	**176.59**
Higher of A or B		**298.39**	**182.59**

B Deferred Tax

Deferred tax assets / (liabilities) in relation to:

(` in Mn)

	Opening	Recognised in profit and loss	Recognised in O C I	Closing
Property Plant & Equipment	(206.37)	70.85	-	(135.52)
Minimum Alternate Tax	24.59	-	-	24.59
Provision for doubtful advances and debts	2.18	11.32	-	13.50
Tax disallowances	4.91	2.31	-	7.21
Preliminary expenses	0.63	(0.60)	-	0.02
As at March, 31, 2017	**(174.06)**	**83.87**	**-**	**(90.19)**
Property Plant & Equipment	(135.52)	(66.89)	-	(202.41)
Minimum Alternate Tax	24.59	-	-	24.59
Provision for doubtful advances and debts	13.50	(2.40)	-	11.10
Tax disallowances	7.21	0.73	-	7.94
Preliminary expenses	0.02	(0.02)	-	-
As at March, 31, 2018	**(90.19)**	**(68.58)**	**-**	**(158.78)**

27 Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit/(loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit / (Loss) as per Statement of Profit and Loss	767.27	707.77
Outstanding equity shares at period end	10,009,081	10,009,081
Weighted average Number of Shares outstanding during the period – Basic	10,009,081	10,007,854
Weighted average Number of Shares outstanding during the period - Diluted	10,009,081	10,007,854
Earnings per Share - Basic (`)	76.66	70.72
Earnings per Share - Diluted (`)	76.66	70.72

Reconciliation of weighted number of outstanding during the period:

	Year ended March 31, 2018	Year ended March 31, 2017
Nominal Value of Equity Shares (Rs per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	10,009,081	10,005,081
Add : Issue of Equity Shares	-	4,000
Total number of equity shares outstanding at the end of the period	**10,009,081**	**10,009,081**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	10,009,081	10,007,854
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	10,009,081	10,007,854

(` in Mn)

28. Details of research and development expenditure recognised as an expense

	Year ended March 31, 2018	Year ended March 31, 2017
Employee benefits expense	16.08	12.07
Legal & Professional fees	4.08	7.67
Other expenses	0.52	0.41
Depreciation and amortisation expense	5.18	10.61
Capital expenditure (Refer Note 3(v))	58.44	0.04
Total	**84.30**	**30.80**

29. Contingent liabilities and commitments (to the extent not provided for)

	As at March 31, 2018	As at March 31, 2017
i) Contingent liabilities		
a) Liabilities Disputed - Appeals filed with respect to :		
i) Disputed Excise/ Custom Matters in Appeals	-	16.43
ii) Income Tax on account of Disallowances /Additions and default of TDS	5.44	5.82
iii) VAT credits disallowed by the authorities against which the company has preferred appeals.	2.33	2.33
b) Guarantees:		
i) Given on behalf of WOS to their Vendors	106.64	164.41
ii) Furnished by banks on behalf of the Company	98.00	111.21
c) Other money for which the Company is contingently liable (give details)		
i) Standby letter of credit given on behalf of WOS	282.94	-
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	218.03	57.15
b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	770.96	1,022.19
iii) Letters of Credit	657.65	1,309.38

30 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company has taken office premises on leave and license basis which are cancellable contracts.

31 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company is engaged in 'chemicals business' and 'power generation' and it is the primary segment. During the year ended March 31, 2018 and March 31, 2017, the power generation business does not meet the criteria mentioned in para 13 of the Indian Accounting Standard "Operating Segment " (Ind AS 108) and hence the same is not seperately disclosed.

There are no Customers whose contribution is equal or more than 10% of the Turnover of the Company for the year ended March 31, 2018 and March 31, 2017.

32 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015.

Details are given in **Annexure -1**

33 Derivative Instruments and Unhedged Foreign Currency Exposure

Details on unhedged foreign currency exposures

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable (USD)	3,882,900	252.56	2,857,373	185.27	970,101	64.35
Trade Receivable (EURO)	-	-	280,239	19.41	190,016	14.27
Interest receivable (EURO)	-	-	-	-	25,682	1.93
Interest receivable (USD)	142,027	9.24	142,027	9.21	106,625	7.07
Loans and Advances Given (USD)	-	-	-	-	1,400,000	92.87
Loans and Advances Given (EURO)	39,800	3.22	-	-	15,000	1.13
Interest payable (USD)	85,541	5.56	110,249	7.15	38,575	2.90
Trade payable (USD)	8,933,351	581.06	14,013,301	908.60	1,292,634	85.74
Trade payable (EURO)	-	-		-	2,024	0.15
Borrowings (USD)	9,720,588	632.27	8,130,000	527.14	12,390,000	821.86

34 Significant accounting judgements, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainity about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements`

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

The Company is eligible for 100% tax holiday under section 80-IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the Company.

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

35 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018 together with the comparative period data as at and for the period ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including;

- Balance Sheet reconciliation for the year ended April 1, 2016 and March 31, 2017,
- Profit reconciliation for the period ended March 31, 2017 ,
- Equity Reconciliation as at April 1, 2016 and March 31, 2017,
- Notes explaning the changes from previous GAAP to Ind AS ,
- Exemption availed by the Company on first time adoption of Ind AS.

Details of the same is given vide **Statement "A"**

36 Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

37 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

(` in Mn)

	Carrying Value			Fair Value		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
a) Financial Assets						
Amortised Cost						
Loans	93.76	86.05	181.48	93.76	86.05	181.48
Others	18.87	12.39	8.44	18.87	12.39	8.44
Trade receivables	2,889.13	2,145.33	1,496.35	2,889.13	2,145.33	1,496.35
Cash and cash equivalents	71.21	145.43	105.34	71.21	145.43	105.34
Total Financial Assets	**3,072.97**	**2,389.20**	**1,791.61**	**3,072.97**	**2,389.20**	**1,791.61**
b) Financial Liabilities						
Amortised Cost						
Borrowings	1,942.27	1,023.64	1,988.72	1,942.27	1,023.64	1,988.72
Trade payables	1,993.08	1,584.15	1,231.86	1,993.08	1,584.15	1,231.86
Others	279.52	171.85	49.46	279.52	171.85	49.46
Total Financial Liabilities	**4,214.87**	**2,779.64**	**3,270.04**	**4,214.87**	**2,779.64**	**3,270.04**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

38 Fair Value Hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – 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).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2018, March 31, 2017 and April 1, 2016.

	Fair Value measurement using			
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at fair value:				
Forward Contracts	31-Mar-18		0.07	
Forward Contracts	31-Mar-17		19.80	
Forward Contracts	1-Apr-16		10.22	

39 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management, the Finance Committee and the Board of Directors. The Company has a Forex Risk Management policy under which all the forex hedging operations are done. The Company's policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function. The objective of financial risk management is to manage and control financial risk exposures within acceptable parameters, while optimising the return.

The Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

1) Market Risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

A) Foreign Currency Risk

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the company is attributable to company's operating activities and financing activities. In the operating activities, the company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the Net exposure based on a duly approved policy by the Board. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR). The Company's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in Rs. are as follows:

	Assets		Liabilities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD	4,067,481	2,999,400	26,473,794	22,253,550
EUR	374,874	936,680	-	-

Foreign Currency Sensitivity analysis:

The company is mainly exposed to USD and EURO fluctuations

The following table details the company's sensitivity to a 1% increase and decrease in the Rupee against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	As at March 31, 2018		As at March 31, 2017	
	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
	(` in mn)		(` in mn)	
USD	14.43	(14.43)	12.36	(12.36)
EUR	(0.30)	0.30	(0.64)	0.64

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 12 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative contract is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

	No of Contracts		Foreign Currency		INR	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD/ INR Buy forward	9	22	7.82	10.00	510.90	648.63
USD/ INR Sell forward	1	-	0.04	-	2.78	-
EUR/ INR Sell forward	4	-	1.00	-	83.46	-
EUR/ USD Buy forward	-	3	-	0.41	-	28.41
EUR/ INR Buy forward	-	1	-	0.25	-	17.04

Sensitivity on the above derivative contacts in respect of foreign currency exposure is insignificant

B) Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates.

The company manages its interest rate risk by having a agreed portfolio of fixed and variable rate loans and borrowings. Out of the total borrowings, the amount of fixed interest loan is ` 37.10 Mn and floating interest loan is ` 725.22 Mn (March 31, 2017: Fixed interest loan ` 124.65 Mn and Floating interest loan ` 527.14 Mn; April 1, 2016: Fixed interest loan ` 170.60 Mn and Floating interest loan ` 848.01 Mn) The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	2017-18		2016-17	
	Rupee loans interest rate decreases by 1.00 %	USD loans interest decreases by 0.15%	Rupee loans interest rate decreases by 1.00 %	USD loans interest decreases by 0.15%
Impact on Profit and Loss: Profit /(Loss)	4.00	0.49	-	0.79

C) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

To manage trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured.

(` in Mn)

	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Trade receivables *(Refer Note 4.2)*	2,889.13	2,145.33	1,496.35
Allowances for Credit Loss *(Refer Note 4.2 (a))*	4.02	11.28	6.29

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur.

D) Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility using money market instruments, bank overdrafts, bank loans and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director and , Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given, and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available to its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyse the Company's financial liabilities into relevant maturity companyings based on their contractual maturities:

(` in Mn)

	Within one year	Between 1 to 2 years	Between 2 to 5 years	Beyond 5 years	Total
As at March 31, 2018					
Borrowings*	231.31	228.87	298.90	3.24	762.32
Trade Payables	1,993.08	-	-	-	1,993.08
Other financial Liabilities	510.82	-	-	-	510.82
	2,735.22	**228.87**	**298.90**	**3.24**	**3,266.23**

(` in Mn)

As at March 31, 2017					
Borrowings*	230.15	153.73	264.68	3.24	651.80
Trade Payables	1,584.15	-	-	-	1,584.15
Other financial Liabilities	402.00	-	-	-	402.00
	2,216.30	**153.73**	**264.68**	**3.24**	**2,637.95**
As at April 1, 2016					
Borrowings*	313.00	232.85	427.92	44.84	1,018.61
Trade Payables	1,231.86	-	-	-	1,231.86
Other financial Liabilities	362.46	-	-	-	362.46
	1,907.32	**232.85**	**427.92**	**44.84**	**2,612.93**

* including Current Maturity of non current borrowing

40 Capital management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

	March 31, 2018	**March 31, 2017**	**"April 1, 2016"**
Gross Debt	762.31	651.79	1,018.61
Less:			
Cash and Cash Equivalent	71.21	145.43	105.34
Net debt (A)	**691.11**	**506.36**	**913.28**
Total Equity (B)	**3,796.27**	**3,040.35**	**2,344.56**
Gearing ratio (A/B)	**0.18**	**0.17**	**0.39**

41 The Board of Directors at their meeting held on June 20, 2018 has recommended dividend of ` 1.50 per equity share which is subject to shareholder approval at the Annual General Meeting. The total payment of this account on approval by the members would be ` 18.07 Mn (previous year ` 14.46 Mn) including dividend distribution tax thereon.

42 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

As per our report of even date

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Reg. No.106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

Annexure -1

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting, enterprise

A	**Subsidiaries**
1	Cellbion Lifesciences Pvt. Ltd.
2	Laxmi Lifesciences Pvt. Ltd.
3	Laxmi Organic Industries (Europe) BV
4	Laxmi Petrochem Middle East FZC
5	Viva Lifesciences Pvt Ltd.
6	Saideep Traders
B	**Associates and joint ventures of the reporting enterprise**
1	Suvas Holding Ltd.
C	**Key Management Personnel and**
1	Vasudeo Goenka
2	Ravi Goenka
4	Radhesh Welling
D	**Relatives of Key Management Personnel**
1	Rajeev Goenka
2	Aditi Goenka
3	Aryavrat Goenka
4	Avantika Goenka
5	Harshvardhan Goenka
6	Manisha Goenka
7	Niharika Goenka
8	Vimladevi Goenka
E	**Enterprises over which any person described in (C) is able to exercise control**
1	Amrutsagar Construction Pvt. Ltd.
2	Brady Investments Pvt. Ltd.
3	Crescent Oils Pvt. Ltd
4	Enersun Power Tech Pvt. Ltd.
5	International Knowledge Park Pvt. Ltd.
6	Laxmidevi Nathmal Goenka Charitable Trust
7	Maharashtra Aldehydes & Chemicals Ltd.
8	Merton Finance & Trading
9	Ojas Dye-Chem (India) Pvt. Ltd.
10	Pedestal Finance & Trading Pvt. Ltd.
11	Rajeev Goenka HUF
12	Ravi Goenka HUF
13	Sherry Exports Pvt. Ltd
14	Zenith Distibutors
15	Wintech Systems
16	Varadvinayak Multi Impex Pvt Ltd
17	Merton Finance & Trading Pvt. Ltd
18	Pedestal Finance & Trading Pvt. Ltd.
19	Ravi Goenka as a Trustee of Yellow Stone Trust

B The following are the transactions with related parties

Related party transactions

(` in Mn)

Related Parties Transactions	1	2	3	4	5	
	Entities where control exists	Associate & Joint Venture	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel	Entities where KMP / Relative of KMP exercise significant Influence	Total
Interest Paid	**1.62**	**-**	**-**	**-**	**-**	**1.62**
	-	-	(0.24)	(0.12)	-	(0.35)
Laxmi Organic Industries (Europe) BV	1.62	-	-	-	-	1.62
	-	-	-	-	-	-
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(0.05)	-	-	(0.05)
Ravi Goenka	-	-	-	-	-	-
	-	-	(0.19)	-	-	(0.19)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(0.12)	-	(0.12)
Interest Received	**0.78**	**-**	**-**	**-**	**-**	**0.78**
	(3.39)	-	-	-	-	
Laxmi Organic Industries (Europe) BV	0.78	-	-	-	-	0.78
	(1.00)	-	-	-	-	(1.00)
Laxmi Petrochem Middle East FZC	-	-	-	-	-	-
	(2.39)	-	-	-	-	(2.39)
Cellbion Lifesciences Pvt. Ltd.	69.73	-	-	-	-	69.73
	(61.87)	-	-	-	-	(61.87)
Rent, Commission and Other Expenses	**-**	**-**	**-**	**-**	**0.59**	**0.59**
	-	-	-	-	(1.49)	(1.49)
Merton Finance & Trading Pvt. Ltd	-	-	-	-	0.11	0.11
	-	-	-	-	(0.90)	(0.90)
Sherry Exports Pvt. Ltd.	-	-	-	-	0.48	0.48
	-	-	-	-	(0.48)	(0.48)
Donation	**-**	**-**	**-**	**-**	**1.60**	**1.60**
	-	-	-	-	(0.60)	(0.60)
Laxmidevi Nathmal Goenka Charitable Trust	-	-	-	-	0.10	0.10
	-	-	-	-	(0.50)	(0.50)
Laxmi Foundation	-	-	-	-	1.50	1.50
	-	-	-	-	(0.10)	(0.10)
Expenses Incurred on bahalf of	**-**	**-**	**-**	**-**	**1.07**	**1.07**
	-	-	-	-	(0.37)	(0.37)
Brady Investments Pvt. Ltd.	-	-	-	-	1.07	1.07
	-	-	-	-	(0.00)	(0.00)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	-	-
	-	-	-	-	(0.37)	(0.37)
Laxmi Petrochem Middle East FZC	2.71	-	-	-	-	2.71
	-	-	-	-	-	-
Expenses Recovered	**-**	**-**	**-**	**-**	**0.83**	**0.83**
	-	-	-	-	(0.28)	(0.28)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	0.83	0.83
	-	-	-	-	(0.22)	(0.22)
Zenith Disrtibuters						-
					(0.03)	(0.03)

(` in Mn)

Related Parties Transactions	1 Entities where control exists	2 Associate & Joint Venture	3 Key Manage-ment Personnel	4 Relatives of Key Manage-ment Personnel	5 Entities where KMP / Relative of KMP exercise significant Influence	Total
Sales	**1,282.10**	**-**	**-**	**-**	**28.54**	**1,310.64**
	(854.04)	-	-	-	(25.77)	(879.80)
Laxmi Organic Industries (Europe) BV	1,207.20	-	-	-	-	1,207.20
	(751.21)	-	-	-	-	(751.21)
Laxmi Petrochem Middle East FZC		-	-	-	-	-
	(102.83)	-	-	-	-	(102.83)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	28.54	28.54
	-	-	-	-	(25.77)	(25.77)
Purchases of goods	**122.08**	**-**	**-**	**-**	**5.06**	**127.14**
	(81.64)	-	-	-	(14.50)	(96.14)
Laxmi Petrochem Middle East FZC	45.11	-	-	-	-	45.11
	-	-	-	-	-	-
Saideep Traders	76.97	-	-	-	-	76.97
	(81.64)	-	-	-	-	(81.64)
Enersun Power Tech Pvt. Ltd.	-	-	-	-	-	-
	-	-	-	-	(14.50)	(14.50)
Sitting Fees	**-**	**-**	**0.14**	**0.08**	**-**	**0.22**
	-	-	(0.18)	(0.12)	-	(0.30)
Vasudeo Goenka	-	-	0.14	-	-	0.14
	-	-	(0.18)	-	-	(0.18)
Rajeev Goenka	-	-	-	0.08	-	0.08
	-	-	-	(0.12)	-	(0.12)
Salary	**-**	**-**	**-**	**3.91**	**-**	**3.91**
	-	-	-	(16.86)	-	(16.86)
Harshvardhan Goenka	-	-	-	3.91	-	3.91
	-	-	-	(16.86)	-	(16.86)
Directors Remuneration	**-**	**-**	**115.86**	**-**	**-**	**115.86**
	-	-	(114.42)	-	-	(114.42)
Ravi Goenka	-	-	80.49	-	-	80.49
	-	-	(76.19)	-	-	(76.19)
Radhesh Welling	-	-	35.37	-	-	35.37
	-	-	(38.23)	-	-	(38.23)
Loan / Deposit Taken	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(11.50)	(24.00)	-	(35.50)
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(4.00)	-	-	(4.00)
Ravi Goenka	-	-	-	-	-	-
	-	-	(7.50)	-	-	(7.50)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(24.00)	-	(24.00)
Loan / Advance Given	**-**	**-**	**-**	**-**	**-**	**-**
	(10.03)	-	-	-	-	(10.03)
Laxmi Petrochem Middle East FZC	-	-	-	-	-	-
	(8.45)	-	-	-	-	(8.45)
Saideep Traders	-					
	(1.58)					(1.58)

(` in Mn)

Related Parties Transactions	1	2	3	4	5	
	Entities where control exists	Associate & Joint Venture	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel	Entities where KMP / Relative of KMP exercise significant Influence	Total
Repayment of Advance Given	**-**	**-**	**-**	**-**	**-**	**-**
	(101.90)	-	-	-	-	(101.90)
Laxmi Petrochem Middle East FZC	-	-	-	-	-	-
	(101.90)	-	-	-	-	(101.90)
Loan / Deposit Repaid	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(37.06)	(31.39)	-	(68.45)
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(12.95)	-	-	(12.95)
Ravi Goenka	-	-	-	-	-	-
	-	-	(24.11)	-	-	(24.11)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(31.39)	-	(31.39)
Advance received sale of Investments	**-**	**-**	**19.10**	**37.50**	**-**	**56.60**
	-	-	-	-	-	-
Ravi Goenka	-	-	19.10	-	-	19.10
	-	-	-	-	-	-
Rajeev Goenka	-	-	-	37.50	-	37.50
	-	-	-	-	-	-
Equity Investment In JV	**22.75**	**24.56**	**-**	**-**	**-**	**47.31**
	-	(5.95)	-	-	-	(5.95)
Suvas Holding Ltd.		24.56	-	-	-	24.56
	-	(5.95)	-	-	-	(5.95)
Laxmi Organic Industries (Europe) BV				-	-	-
	-	-	-	-	-	-
Dividend Paid	**-**	**-**	**5.76**	**3.94**	**0.74**	**10.44**
	-	-	(4.61)	(2.59)	(0.61)	(7.81)
Vasudeo Goenka	-	-	1.19	-	-	1.19
	-	-	(0.90)	-	-	(0.90)
Ravi Goenka	-	-	4.57	-	-	4.57
	-	-	(3.71)	-	-	(3.71)
Mr. Rajeev Goenka	-	-	-	1.17	-	1.17
	-	-	-	(1.07)	-	(1.07)
Balance Payable As On 31.03.2018	**45.11**	**-**	**-**	**-**	**0.67**	**45.78**
	-	-	-	(8.38)	(20.26)	(28.64)
Laxmi Petrochem Middle East FZC	45.11	-	-	-	-	45.11
	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	-	-
	-	-	-	-	(5.21)	(5.21)
Enersun Power Tech Pvt. Ltd.	-	-	-	-	-	-
	-	-	-	-	(14.50)	(14.50)
Harshvardhan Goenka				-		
				(8.38)		
Balance Receivable As On 31.03.2018	**198.80**	**-**	**-**	**-**	**2.74**	**201.55**
	(220.72)	-	-	-	(12.62)	(233.34)
Laxmi Organic Industries (Europe) BV	24.43	-	-	-	-	24.43
	(62.63)	-	-	-	-	(62.63)
Cellbion Lifesciences Pvt. Ltd.	61.95	-	-	-	-	61.95
	(54.98)	-	-	-	-	(54.98)
Saideep Traders	76.29	-	-	-	-	76.29
	-	-	-	-	-	-
Laxmi Petrochem Middle East (FZE)	11.94	-	-	-	-	11.94
	(67.88)	-	-	-	-	(67.88)

Note: Figures in parenthesis are pertaining to previous year.

Statement A

Reconciliations to First time adoption

A Balance sheet reconciliation

(` in Mn)

Particulars		As at March 31, 2017	Ind As Adjust-ment	As at March 31, 2017	As at April 1, 2016	Ind As Adjust-ment	As at April 1, 2016
ASSETS		**Previous GAAP**		**Ind As**	**Previous GAAP**		**Ind As**
NON-CURRENT ASSETS							
a)	Property, plant and equipment	1,952.81	(4.40)	1,948.38	2,067.97	(4.40)	2,063.56
b)	Capital work-in-progress	481.50	-	481.50	329.31	-	329.31
c)	Other intangible assets	2.20	-	2.20	2.55	-	2.55
d)	Financial assets						
	(i) Investments	43.33	46.03	89.35	37.38	46.03	83.40
	(i) Trade Receivable	-	-	-	-	-	-
	(ii) Loans	118.13	(33.66)	84.47	121.39	(39.85)	81.54
	(ii) Others	1.38	-	1.38	5.61	-	5.61
e)	Other non-current assets	200.53	1.48	202.01	103.79	2.36	106.15
	TOTAL NON-CURRENT ASSETS	**2,799.86**	**9.46**	**2,809.31**	**2,668.00**	**4.14**	**2,672.13**
CURRENT ASSETS							
a)	Inventories	636.87	-	636.87	1,081.24	-	1,081.25
b)	Financial assets			-			-
	(i) Investments	138.50	-	138.50	150.19	-	150.19
	(ii) Trade receivables	2,145.53	(0.20)	2,145.33	1,496.62	(0.27)	1,496.35
	(iii) Cash and cash equivalents	145.43	-	145.43	105.33	-	105.34
	(iv) Loans	1.58	-	1.58	99.94	-	99.94
	(v) Others	11.01	-	11.01	2.83	-	2.83
c)	Other current assets	264.73	(4.80)	259.94	274.07	(9.03)	265.05
d)	Assets held-for-sale	-	-	-	-	-	-
	TOTAL CURRENT ASSETS	**3,343.65**	**(5.00)**	**3,338.65**	**3,210.23**	**(9.30)**	**3,200.94**
	TOTAL ASSETS	**6,143.50**	**4.45**	**6,147.95**	**5,878.23**	**(5.16)**	**5,873.07**
EQUITY AND LIABILITIES							
EQUITY							
(a)	Equity Share capital	100.09	-	100.09	100.05	-	100.05
(b)	Other Equity	2,939.19	1.06	2,940.26	2,238.39	6.10	2,244.51
	TOTAL EQUITY	**3,039.28**	**1.06**	**3,040.35**	**2,338.44**	**6.10**	**2,344.56**
LIABILITIES							
NON-CURRENT LIABILITIES							
(a)	Financial liabilities						
	(i) Borrowings	421.65	-	421.64	705.61	-	705.61
	(ii) Other financial liabilities			-			-
(b)	Provisions	17.39	-	17.39	11.02	-	11.02
(c)	Deferred tax liabilities (net)	91.78	(1.59)	90.20	175.68	(1.62)	174.06
(d)	Other non-current liabilities	-	4.97	4.39	-	5.45	4.97
	TOTAL NON-CURRENT LIABILITIES	**530.83**	**3.38**	**533.62**	**892.31**	**3.83**	**895.66**
CURRENT LIABILITIES							
(a)	Financial liabilities						
	(i) Borrowings	371.84	-	371.84	970.11	-	970.11
	(ii) Trade payables	1,588.91	(4.76)	1,584.15	1,238.94	(7.08)	1,231.86
	(iii) Other financial liabilities	401.99	-	402.00	362.47	-	362.46
(b)	Provisions	3.87	4.81	8.68	16.26	(8.02)	8.24
(c)	Liabilities for current tax (net)	100.81	-	100.81	-	-	-
(d)	Other current liabilities	105.97	(0.03)	106.51	59.70	-	60.18
	TOTAL CURRENT LIABILITIES	**2,573.39**	**0.01**	**2,573.99**	**2,647.48**	**(15.10)**	**2,632.86**
	TOTAL EQUITY AND LIABILITIES	**6,143.50**	**4.45**	**6,147.97**	**5,878.23**	**(5.16)**	**5,873.08**

B Equity Reconciliation

(` in Mn)

Particulars	As at March 31, 2017	As at April 1, 2016
Total equity / shareholders' funds under previous GAAP	**3,039.28**	**2,338.44**
Adjustments on account of IND AS:		
Allowances for Expected Credit loss	(0.20)	(0.27)
Foreign Exchange Effects	(0.00)	(1.95)
Provision for Sales Return	(25.06)	(4.02)
Prepaid Upfront fees	(2.92)	(2.04)
Interest income on Fair Value of Loans and Guarantee	7.40	0.73
Reversal of Proposed Dividend	-	12.05
Deferred Tax	1.59	1.62
Total IND AS Adjustments	**(19.18)**	**6.11**
Total equity under Ind AS	**3,020.10**	**2,344.54**

C Profit and Loss Reconciliation

Particulars	For year ended March 31, 2017	INDAS Adjustment	For year ended March 31, 2016
	Previous GAAP		**INDAS**
INCOME:			
Revenue from operations (gross)	10,743.73	(0.79)	10,742.94
Other income	15.60	6.67	22.27
Total Income (I)	**10,759.33**	**5.88**	**10,765.21**
EXPENSES:			
Cost of raw materials and components consumed	5,711.61	-	5,711.61
Purchase of traded goods	1,061.08	-	1,061.08
Changes in inventories of Finished Goods,Work in progress and Stock in Trade	52.61	0.00	52.62
Excise Duty	664.01	-	664.01
Employee benefits expense	397.91	0.02	397.93
Finance cost	105.56	0.86	106.43
Depreciation & amortisation	272.66	-	272.66
Other expenses	1,682.68	9.70	1,692.38
Total expenses (II)	**9,948.13**	**10.58**	**9,958.72**
Profit before tax (I-II)	**811.20**	**(4.70)**	**806.49**
Tax expense	**98.69**	**0.02**	**98.72**
1. Current tax	182.59	-	182.59
2. Deferred tax liability / (asset)	(83.90)	0.02	(83.87)
Profit for the period from continuing operations	**712.50**	**(4.73)**	**707.78**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Reameasurement of the net defined benefit liability / asset (net of tax)	-	0.03	0.03
Total other comprehensive income, net of tax	**-**	**0.03**	**0.03**
Total comprehensive income for the year	**712.50**	**(4.69)**	**707.81**

D Notes to the reconciliation of equity as at April 1, 2016 and 31st March, 2017 and total comprehensive income for the year ended 31 March, 2017.

i) Property, Plant and Equipment

The Company has made adjustment to Upfront fees capitalised on application of INDAS 109 " Financiial Instruments". Therefore Property, Plant and Equipment is decreased by ` 4.40 Mn as on transition date i.e, April 1, 2016.

ii) Loans and Advances

Under Ind AS, loans given are valued at present value as compared to being carried at cost in the previous GAAP. The difference between the book value and the present value of loan below market rate given to a subsidiary is treated as investment in subsidiary. The interest on the present value of this loan is recognised over the tenure of the loan using the Effective Interest rate (EIR) of the Company. Amount transferred to investment is ` 39.85 Mn as on the date of transition i.e., April 1, 2016 and ` 39.85 Mn as at March 31, 2017.

iii) Foreign Currency Translation Reserve

On Application of Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" the Company has transferred balance in Foreign Exchange Transition Reserve to Retained earnings as on transition date i.e., April 1, 2016, and deferred tax assets on the portion of balance in FETR is also reversed. Total amount credited to Retained earning as at April 1, 2016 is ` 2.23 Mn. Amount transferred to FETR during the year ended March 31, 2017 is debited to Statement of Profit and Loss amounting to ` 9.46 Mn.

iv) Forward Contracts

All forward contracts are measured at Mark to Mark as per Ind AS 21 The Effects of Changes in Foreign Exchange Rates as at balance Sheet date. The consequent impact on Opening IND AS reserves is ` 1.99 Mn (debit) and ` 1.86 Mn (Credit) to statement of profit and loss for the year ended March 31, 2017.

v) Other financial liabilities - Financial guarantees

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an guarantee income to the Statement of Profit and Loss. Accordingly the Company has accrued liability of ` 5.45 Mn as at April 1, 2016 and accrued income of ` 0.48 Mn for the year ended March 31, 2017.

vi) Defined benefit obligation

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, measurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Total amount debited to Opening INDAS Resaves is ` 19.93 Mn as on April 1, 2016 and ` 0.03 Mn for the year ended March 31, 2017.

vii) Taxes:

(a) Current Tax:

Tax component on the gain/ (loss) on fair value of defined benefit plans and equity instruments have been transferred to the OCI under Ind AS.

b) Deferred income tax (including MAT)

Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences.

viii) Other Comprehensive Income

Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, measurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

ix) Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

x) Expected credit loss

The Company has provided for Expected credit Loss of ` 0.27 Mn as at April 1, 2016, ` 0.20 Mn as at March 31, 2017.

E Exemption under INDAS 101 "First time adoption of Indian Accounting Standards"

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions. The Company has elected for the following exemptions available under INDAS 101 "First time adoption of Indian Accounting Standards":

i) Foreign Currency on Long Term Borrowings:

The Company has availed exemption under para D13AA, and 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. Therefore exchange Gain / loss on Long term Borrowing are continued to be adjusted in Property, Plant and Equipment.

ii) Property, Plant and Equipment :

For Property, plant and equipment existing as on April 1, 2016 i.e. date of transition to Ind AS, the company has used Previous GAAP carrying value as deemed cost as permitted by Ind As 101 - First time adoption. Accordingly, the Net WDV as per previous GAAP as on April 1, 2016 has been considered as Gross Block under Ind AS. The accumulated depreciation so netted off as on April 1, 2016.

iii) Loans and Advances:

The fair value adjustment of all financial assets being Loans given has been accounted for as on the date of transition over the balance period of the loan.

iv) Share Based Payments:

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2016.

v) Estimates:

The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with previous GAAP.

vi) Investment in Subsidiaries and Joint Venture :

The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.

vii) Government Grant:

The Company as per Para B 10 of INDAS "101- First time Adoption of Indian Accounting Standards" had applied retrospective exemption on applicability of IND AS 109 on the Government Grant received before transition date i.e., April 1, 2016. Therefore Sales tax deferral as at April 1, 2016 is carried at previous GAAP values.