57th
ANNUAL REPORT
2018

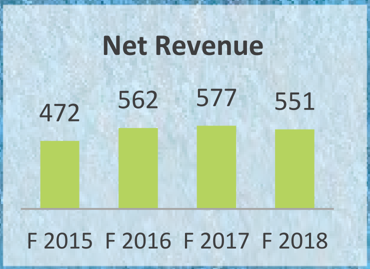
GOCL

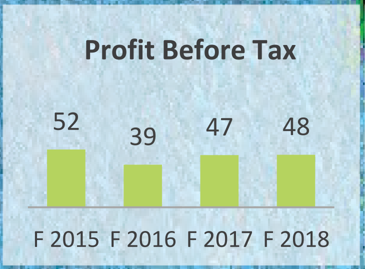
GOCL Corporation Limited

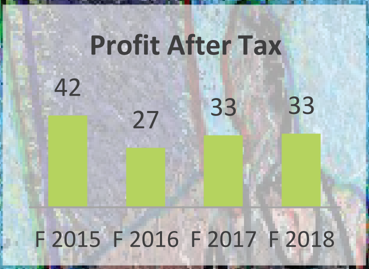
HINDUJA GROUP

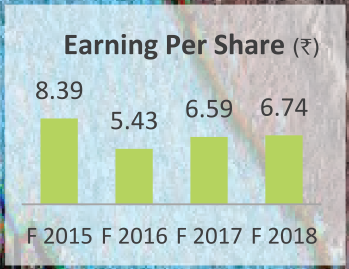
No limits. Only goals.

Consolidated Financials (₹ cr)









Corporate Information

Board of Directors	
Chairman	Mr. Ajay P Hinduja
Vice Chairman	Mr. Ramkrishan P Hinduja
Directors	Mr. K. N. Venkatasubramanian Mr. M. S. Ramachandran Mr. Ashok Kini Ms. Kanchan Chitale
Managing Director	Mr. Subhas Pramanik
Chairman Emeritus	Mr. Sanjay G Hinduja

Board Committees	
Audit Committee	Ms. Kanchan Chitale Mr. K. N.Venkatasubramanian Mr. Ashok Kini
Stakeholders Relationship	Mr. Ashok Kini Mr. Subhas Pramanik
Nomination and Remuneration	Mr. M. S. Ramachandran Mr. Ajay P Hinduja Ms. Kanchan Chitale
Corporate Social Responsibility	Mr. Ashok Kini Mr. K. N. Venkatasubramanian Mr. Ajay P Hinduja
Safety Review	Mr. M. S. Ramachandran Mr. K. N. Venkatasubramanian Mr. Ashok Kini
Investment Appraisal & Project Review	Mr. M. S. Ramachandran Mr. Ashok Kini
Key Managerial Personnel	
Chief Financial Officer Company Secretary	Mr. Ravi Jain Mr. A. Satyanarayana
Bankers	State Bank of India IDBI Bank Limited
Auditors	M/s B S R & Associates LLP Chartered Accountants M/s BS & Company Company Secretaries LLP M/s Narasimha Murthy & Co. Cost Accountants
Registered Office	Kukatpally, Post Bag No.1 Sanathnagar (IE) P.O. Hyderabad-500018
Corporate Identity Number (CIN)	L24292TG1961PLC000876

Contents

Annual General Meeting (AGM):

Thursday
September 27, 2018
2.30 p.m.
Hyder Mahal, Hotel ITC Kakatiya
Begumpet,
Hyderabad-500016

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors and the Company, it is my pleasure to present the Annual Report along with the Audited Financial Statements for the year ended 31st March, 2018 and also extend a warm welcome to you to the 57th Annual General Meeting of your Company.

Economic Overview

The economy averaged a growth of 6.7%. However, Q4 of the fiscal year was strong at 7.7% aided by the manufacturing, construction and services sectors. With the economy adjusting to the impacts of the government's demonetization and GST initiatives the growth slowly recovered in the third and fourth quarters of the year. Although export growth was flat, the recovery was due to increase in government expenditure and overall investment growth.

The Global Economic Prospects Report of the World Bank projects GDP growth at 7.3% during the ongoing fiscal and 7.5% for the next two succeeding years. Moody has upgraded the country's sovereign credit rating in nearly 14 years to Baa2 and changed its rating outlook to stable from positive as risks to India's credit profile were broadly balanced. The positive mood was further strengthened by the fact that India was ranked 30 spots higher in the World Bank's Ease of Doing Business Index.

Energetics and Explosives Businesses

Our Production and Sales volumes for the year were higher, however, due to fall in prices in major tenders, the consolidated revenue has shown a marginal decrease from ₹ 551 crores in the previous year to ₹ 500 crores, although, the profits from the business has been maintained.

While the competition and price realizations are going to remain on a downward trend, the Company and its wholly owned subsidiary IDL Explosives Limited (IDLEL) have initiated several projects for upgradation and modification of processes with additional capex to enhance quality, productivity and safety to create superior value. IDLEL has also obtained increase in licensed capacities at 13 locations which enhance production of bulk explosives by over one lakh tonnes.

R&D efforts are also underway to not only improve processes but also to introduce new products based on customer preference.

The activity in the defence sector is increasing, especially with the stabilization of the "Make in India" projects and initiatives. The niche areas which are catered to by our Special Product and Metal Cladding Groups are coming into prominence and we expect to develop more sophisticated products for these niche markets.

Currently, we have a good order book of ₹ 704 crores. More orders are in the pipeline, we, therefore, expect major growth over the next 2 – 3 years.

Realty

The first block of 14.54 lakhs sft (Blocks 3A and 3B with MLCP for 2500 cars) in the Company's 'Ecopolis' project at Yelahanka, Bengaluru, a certified LEED Gold rated building, has inked its first lease. In line with the industry norms, after the initial rent-free period which is allowed for fit outs, revenue streams would follow. Block 2 of the SEZ area of 10.06 lakh sq.ft, another green building which is pre-certified LEED Gold rated, is also nearing completion. It will be ready for fit outs by Q4 of 2018-19. With this breakthrough, the Company and the Developer are actively considering proposals for early monetizing of these assets.

As announced recently, the first Lease Agreement has been signed with AXA Business Services Private Limited, one of the major leading multi-national insurance/financial companies for one full floor (73,465 sft) in Block 3. The revenue stream will start after the fit out period from Q3 F 2019.

With the ongoing improvement of social infrastructure including the Metro Rail, North Bengaluru will offer alternate IT corridor to already saturated prime markets of Outer Ring Road, SBD, CBD, Whitefield and Bannerghatta Road. Ecopolis can cater to the needs of occupiers looking for large floor-plates, in firming up their real estate requirements to expand operations in other corridors of IT/ITES office.

Hyderabad has been gaining prominence in the international business map as a Contemporary City. The recently held Global Entrepreneurship Summit being a testimony to it. Economic rents, occupier-friendly state government policies and robust supply pipeline are likely to invite cost-conscious occupiers to Hyderabad. The 100-acre integrated mixed use township is located in Kukatpally which is very close to the IT/ITES hotspots of Hitech City and Gachibowli. This township comprises of IT/ITeS office space, Retail segment, Educational Institution, Hotel, Hospital and Residential apartments. The master plan has been redesigned and a detailed design for Phase 1 of the development is currently being developed.

Investments

The FY 2018-19 promises to be an interesting one as planned combination between Houghton International and NYSE listed Quaker Chemical Corporation progresses. The 10% investment in Houghton International Inc. held through its wholly owned UK subsidiary will result in approximately 2% holding in the Quaker Chemical Corporation. The combination then will be a global leader in the space of process fluids, chemical specialties, and technical expertise to the global primary metals and metal working industries. Quaker Chemical Corporation continues to be in productive discussions with the European Commission and Federal Trade Commission regarding the Combination. Based on the information available todate, the Quaker Chemcial Corporation expects to receive approval from the regulatory authorities and close the Combination in the fourth quarter of 2018. As you would have observed from the financial statements prepared in accordance with the newly introduced accounting standards i.e., IndAS, fair value of this investment was ₹ 440 crores as on March 31, 2018.

I take this opportunity to convey my gratitude to my colleagues on the Board for their cooperation and valuable contributions during the year. I appreciate the Management and employees for their efforts in the major cost and process optimization and new product initiatives during the transition phase to build a more efficient and customer oriented business in line with future demand patterns.

I also extend my sincere thanks to all our Shareholders for their continued trust and support.

Warm regards,

Ajay P Hinduja
CHAIRMAN

August 10, 2018

DIRECTORS

Sanjay G Hinduja
Chairman Emeritus

Ajay P Hinduja
Chairman

Ramkrishan P Hinduja
Vice Chairman

Kanchan Chitale
Independent Director

K. N. Venkatasubramanian
Independent Director

M. S. Ramachandran
Independent Director

Ashok Kini
Independent Director

Subhas Pramanik
Managing Director

REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

To the Members
of GOCL Corporation Limited

Your Directors have pleasure in presenting their Fifty Seventh Annual Report and Audited Accounts for the year ended March 31, 2018. There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which these financial statements relate and the date of this Report.

1. FINANCIAL RESULTS:

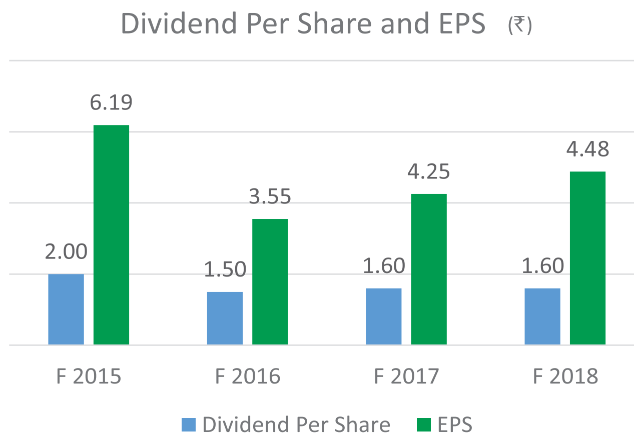
	Consolidated		Standalone	
	2017-18 ₹ Lakhs	2016-17 ₹ Lakhs	**2017-18 ₹ Lakhs**	2016-17 ₹ Lakhs
Profit after providing for Depreciation and before exceptional items and taxation	**4374.18**	4026.68	**2454.52**	2064.23
Exceptional Items	**402.23**	714.85	**407.65**	714.85
Profit Before Taxation	**4776.41**	4741.53	**2862.17**	2779.08
Taxation:				
Current Tax – Current Year	**1332.32**	1231.89	**477.89**	385.00
Deferred	**101.38**	244.12	**162.64**	285.55
Profit After Taxation	**3342.71**	3265.52	**2221.64**	2108.53
Other Comprehensive Income	**27863.90**	15936.06	**27.58**	(16.54)
Total Comprehensive Income for the year	**31206.61**	19201.58	**2249.22**	2091.99
Appropriations:				
Interim Dividend	**793.16**	-	**793.16**	-
Proposed Dividend	**-**	793.16	**-**	793.16
Transfer to General Reserve	**-**	-	**-**	-
Balance carried to Balance Sheet	**30413.45**	18408.42	**1456.06**	1298.83
EPS (of ₹. 2/- each)	**6.74**	6.59	**4.48**	4.25

Consolidated Financial Statements

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India form part of this Annual Report. These statements have been prepared on the basis of audited financial statements received from the subsidiary companies as approved by their respective Board of Directors. There is no change in the nature of bussiness of the Company or the subsidiaries.

2. DIVIDEND

The Board had on March 23, 2018 declared an interim dividend of ₹ 1.60 per equity share of face value of ₹ 2 each @ 80% (final dividend of 80% for previous year), the Record Date for which was April 6, 2018 and the same was accordingly paid to the Shareholders on April 12, 2018 out of the profits of the Company for the current year. The Board has decided to treat the Interim Dividend as the Final Dividend and hence not recommended any additional dividend for the year. The Interim Dividend, excluding dividend distribution tax, aggregated to ₹ 793.16 crores (previous year ₹ 793.16 crores).



3. CREDIT RATING

Infomerics Valuation and Rating Private Limited (IVR) has assigned long term rating of IVR A- with Stable Outlook and short term rating of IVR A2+ for the Company; and ICRA has assigned [ICRA] BBB and short term rating of [ICRA] A3+, respectively for its wholly owned subsidiary IDL Explosives Ltd. In view of the improvement in operations, funds flow and decrease in debt, the ratings have improved for both the Company and its subsidiary IDLEL.

R&D Activities

Digital Image Analyser

A complex initiating system under development

Pilot Plants in operation at Hyderabad Works

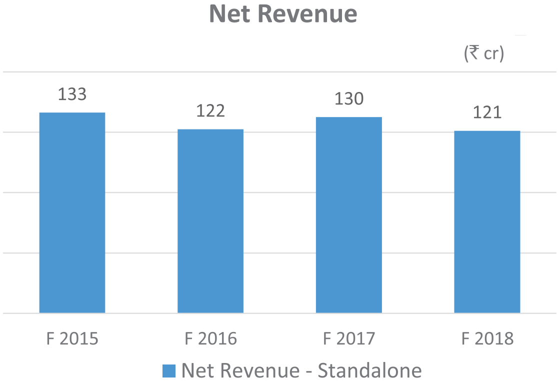
New Lab facility

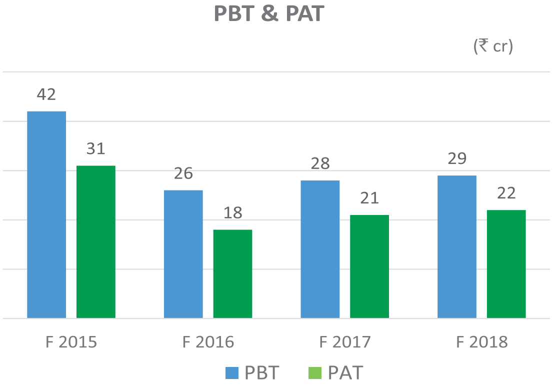
4. OPERATIONS

Standalone:

The net revenue of the Company was ₹ 121 crores (previous year ₹ 130 crores). The profit before exceptional items and taxation was ₹ 24.55 crores (₹ 20.64 crores). The profit before tax was ₹ 28.62 crores (₹ 27.79 crores). The profit after provision for current tax of ₹ 4.78 crores and deferred tax of ₹ 1.63 crores was ₹ 22.22 crores (₹ 21.09 crores) resulting in an EPS of ₹ 4.48 for the year (₹ 4.25).

The turnover and profits were affected due to the Mining & Infrastructure Division having reduced operations in line with the non operation of mines in the metal sector.





Consolidated:

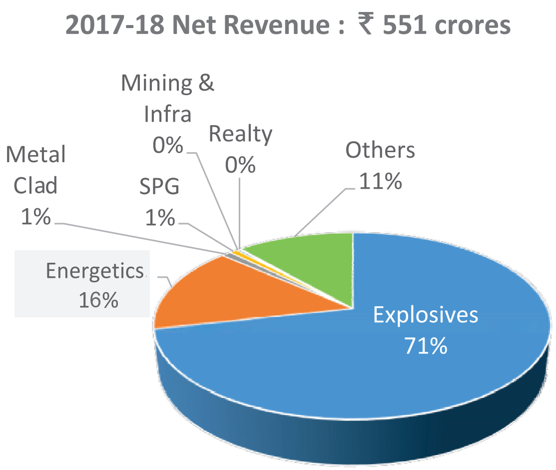
On a consolidated basis, the net revenue of the Company was ₹ 551 crores (₹ 577 crores). Profit After Tax was marginally higher at ₹ 33.43 crores (₹ 32.66 crores) and EPS of ₹ 6.74 (₹ 6.59).

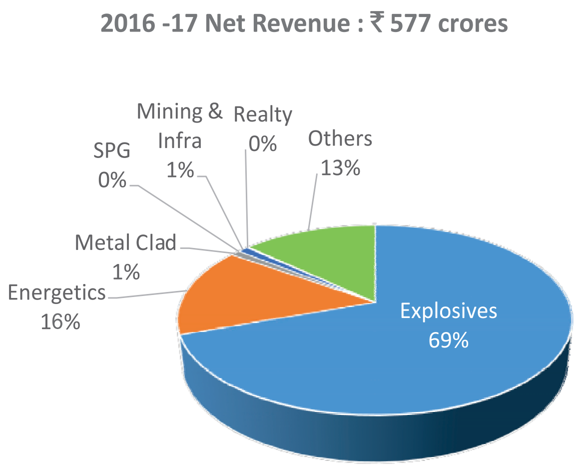
The wholly owned subsidiary, IDL Explosives Limited (IDLEL) achieved a net revenue of Rs 416 crores (₹ 422 crores). Profit Before Tax was ₹ 21.53 crores (₹ 20.57 crores). Profit After Tax was Rs 13.88 crores (₹12.93 crores).

The drop in turnover and profit was due to drop in market prices of explosives and accessories by over 8% and 25% respectively and transition to GST affecting sales activity by a fortnight.

5. DIVISIONAL PERFORMANCE

5.1 Business Operations





5.2 Energetics

The net revenue of the Division was marginally lower at ₹ 90.75 crores as against ₹ 92.72 crores in the previous year, in spite of tough market conditions. Detonator sales were mainly affected due to shift in retail sector demand from plain detonators and electric detonators to non-electric detonators and cords.

Continuous Slurry Plant at Rourkela

Inauguration of upgraded Korba plant to meet customer demand and improve supply chain

More pump trucks were added during the year to meet the increased demand

New storage of 1000 MT capacity built for Ammonium Nitrate at Ramagundam, Telangana

R&D Labs

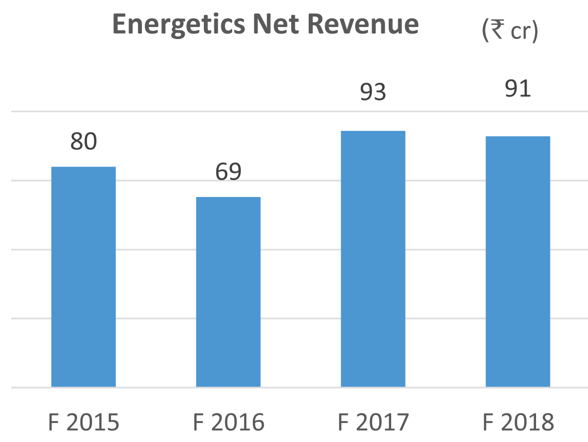
Mining area before blast

.... blast with eDET in progress

The shift in demand pattern also affected the prices of our product mix by nearly 25% on an average. However, the challenge was met by increasing volumes across all emerging demand segments. Non-electric detonators were increased by around 56% whilst cartridge explosives by nearly 15%. Electronic detonators and pentolite boosters volumes were doubled.

Special Products Group was able to make higher supplies after qualifying for various pyro devices for the missile programmes of Bharat Dynamics Limited and DRDL. The sales income of the Group increased by 81% over the previous year.

Export volumes contributed to the overall turnover and contribution, and added new customers located in new regions.



R&D activities were increased to cover new product and process development to cater to specific market requirements and improve product attributes. Expenditure of ₹ 1.73 crores was incurred during the year.

5.3 Mining and Infrastructure

The operations of the Division continued to be curtailed due to clients not receiving mining approval from respective State Governments under the MMRDA Act. In the latter part of the year, some mines started reopening at a slow pace.

The Division did a limited turnover of ₹ 1.39 crores as against ₹ 6.57 crores of previous year. In view of the paucity of business, further equipment which were idle or had become inefficient were disposed off during the year.

5.4 Bulk and Cartridge Explosives

Bulk and Cartridge explosives are manufactured by IDL Explosives Ltd., a wholly owned subsidiary. Several initiatives taken during the year have resulted in benefits in this year itself. The Ammonium Nitrate storage capacities at locations were increased from 2500 MT to 7000 MT helping higher throughputs at all plants. The Rourkela plant achieved capacity utilisation of 102% whilst the average capacity utilisation of the Bulk plants was around 80%. Two new bulk plants with capacities of 10000 T in West Bengal and 6000 T in Chhattisgarh were added which achieved capacity utilisation of 78% and 61% respectively during the year.

At Rourkela, the increase in throughput was also helped by the continuous processing plant coming into operation for packaged explosives. This has been a major in-house project which has not only reduced manufacturing costs but also improved the consistency of the products related to the batch processes operated earlier. The bulk explosives volumes increased to 99,000 tonnes was supported by new bulk delivery pump truck being introduced and several older vehicles having been replaced.

5.5 Exports

Export activities increased during the year but due to paucity of vessels at Chennai several shipments could not be made by the end of the year. However, exports recorded for the year was at ₹ 35.28 crores (₹ 37.45 crores).

5.6 Property Development

Bengaluru :

Construction of Block 3 (2 Basements + Ground + 10 upper Floors) and MLCP (multi-level car park) in the “Ecopolis” project is completed and Occupation Certificate received. It has potential of approx. over 7.6 lakh sqft of leasable area and 2500 car parks. Block 3 is a certified LEED Gold rated building and is ready for fit-outs with occupancy certificate.

Block 2 is in the final stages of completion, and would be ready for clients fit-out works by Q3 of 2018. Block 2 (2 Basements + Ground + 10 upper Floors), has potential of approx. over 7.3 lakh sqft of leasable area and pre-certified LEED Gold rated building.

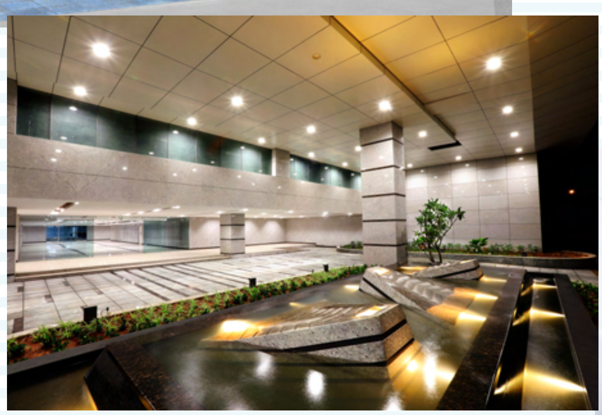
Plans for development of the balance land is under finalization considering some serious interest from large organizations for built to suit requirements in the SEZ block.

The first block in the Ecopolis project at Bengaluru, i.e., Block 3 and the Multi Level Car Parking (MLCP) have been ready for some time. The first Lease Agreement for 10 years (extendable to another 5 years) has been signed with one of the major leading multi-national insurance/financial companies, for one full floor (73,465 sft) in Block 3. The revenue stream will start after the fit out period from Q3 of the current year.

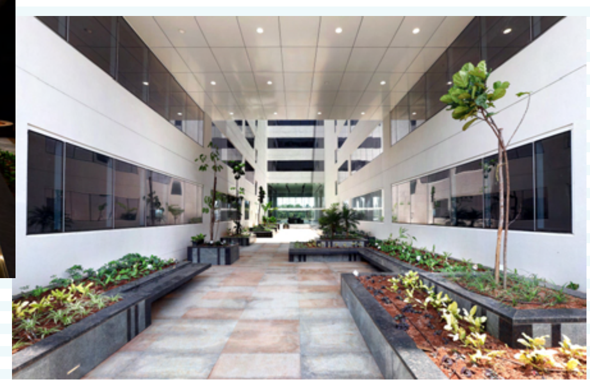
'Ecopolis' Project at Bengaluru

Ecopolis has been awarded CIDC Vishwakarma Award 2018 for Best Construction Project

A view of Block 2, Block 3 & 3A and Multi Level Car Parks

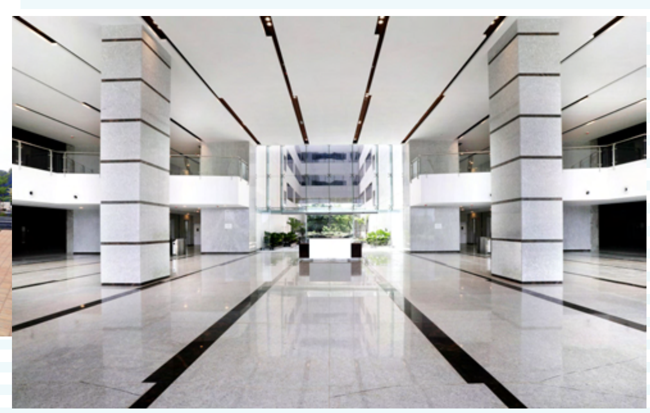


A view of Block 3



Block 3 & 3A passage

Entrance of Block 2



A view of Block 2

Our Developer, Hinduja Realty Ventures Limited, for “Ecopolis” has been awarded the prestigious CIDC (Construction Industry Development Council) Vishwakarma Awards 2018 in the category of “Best Construction Projects” for engagement of new / innovative techniques, deployment of Green Technologies, Health, Safety & Environment measures adopted, engagement of quality manpower, engineering, management, skilled construction worker etc.

Hyderabad

The city’s strong office leasing activity in the recent past has had positive impact on the residential market. This coupled with robust infrastructural development, supportive government policies and competitive pricing has positioned Telangana’s capital Hyderabad as one of the most affordable residential markets for buyers.

The 100 acre integrated mixed use township is located in Kukatpally which is easily accessible to all the hotspots of the city. This township comprises of IT/ITeS office space, Retail segment, Educational Institution, Hotel, Hospital and Residential apartments.

The master plan has been redesigned and a detailed design for Phase 1 of the development is currently being developed. In the meantime, approval from the Airport Authorities has been received.

6. OVERSEAS HOLDING

The Company through its UK based subsidiary HGHL Holdings Limited, UK (HGHL) holds 10% stake in Houghton International Inc., USA a subsidiary of the Hinduja Group’s Gulf Oil International. Further, repayments of the loan installments are being regularly made. The outstanding as on March 31, 2018 was USD 88.20 million.

Houghton International has, in the month of April 2017 entered into a definitive agreement to merge with Quaker Chemical (NYSE: KWR) to create a global leader in the space of process fluids, chemical specialties, and technical expertise to the global primary metals and metal working industries. The Hinduja conglomerate will be the largest shareholder in the combined public company. On completion of the merger, your Company will be entitled to approx. 2% in the combined entity.

Quaker Chemical is reported to have already received regulatory approvals from two of the countries in which it operates. Depending on the receipt of the remaining regulatory approvals including from the USA and Europe, as well as other customary terms and conditions set forth in the share purchase agreement, closing of the Combination is expected to occur in the next few months.

Your Company continues to receive commission towards providing security of its property for the loan availed by its wholly owned subsidiary in the UK for the aforesaid acquisition.

7. PROMOTER OF THE COMPANY

Hinduja Power Limited, Mauritius (HPL) continued to reinforce their confidence in the long term prospects of your Company by increasing their shareholding to 74.93%.

8. PUBLIC DEPOSITS

The Company has during the earlier financial year repaid / prepaid all the public deposits and there were no outstanding public deposits at the beginning of the year under review. The Company has not accepted any public deposits during the year. The Board of Directors of the Company may consider accepting fresh public deposits at the appropriate time, as per the regulatory changes under the Companies Act 2013.

9. TAXATION

Goods & Services Tax (GST)

The GST implementation w.e.f. July 1, 2017 was a gamechanger triggering a major change in the method of doing business especially for interstate transactions. The Company was, therefore, able to resolve several distribution issues involving interstate supplies to its major customers.

Your Company along with its subsidiaries have been able to implement satisfactorily at all plants and sales locations the GST system with numerous amendments and the E-way Bill system for smooth operations using the SAP backbone.

Odisha Sales Tax

The Sales Tax cases pertain to branch transfer of finished goods from Rourkela factory (since transferred to IDL Explosives Limited as part of the Demerger) situated in the State of Odisha to Coal India Limited subsidiaries in other States.

Writ Petitions for assessment years 1976-77 to 1983-84 were filed in March, 2013 in the Odisha High Court against the order of the Commissioner of Commercial Taxes. The High Court of Odisha has granted stay on the tax re-computation order and the order of Commissioner of Commercial Taxes. The Writ Petitions are pending.

In respect of other assessment years 1998-99, 2002-03, 2004-05 and 2005-06 the petitions are pending before the Odisha Sales Tax Tribunal and Odisha High Court.

Human Resources

Safety Month Celebrations at Hyderabad Works

Safety Day Celebration at Rourkela Works

Shop Floor Training in progress at Hyderabad Works

Medical Camp and Health Checkup of employees at Hyderabad Works

Senior Management Training Programmes

10. SUBSIDIARIES:

The Company has four subsidiaries, of which, only one is a material one, namely IDL Explosives Limited. The UK subsidiary is an SPV incorporated for the purpose of overseas acquisition of Houghton. The remaining two subsidiaries do not, at present, undertake any significant business activity. The annual performance of the subsidiaries is as under:

- HGHL Holdings Limited, UK reported a net profit of ₹ 565.99 lakhs (₹ 248.72 lakhs).
- IDL Explosives Limited reported a net profit of ₹ 1388.05 lakhs (₹ 1293.43 lakhs).
- IDL Buildware Limited reported a net profit of ₹ 5.25 lakhs (₹ 13.82 lakhs).
- Gulf Carosserie India Limited incurred a loss of ₹ 0.30 lakhs (Loss ₹ 0.58 lakhs).

In accordance with section 136 of the Companies Act, 2013, the Audited Financial Statements including Consolidated Financial Statements and related information of the Company and Audited accounts of the each of its subsidiaries are available on our website *www.goclcorp.com*. These documents will also be available for inspection till the date of AGM during working hours at our Registered Office. A statement containing salient features of the financial statement of the above subsidiaries are disclosed in Form AOC - 1 as **'Annexure-A'** to this Report.

A Scheme of Arrangement has been proposed during the year for amalgamation of two of the wholly owned subsidiaries, namely, IDL Buildware Limited and Gulf Carosserie India Limited. Pursuant to the directions of the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench, the Scheme of Arrangement has been approved with requisite majority of the Shareholders and the Creditors. The Scheme is presently under the consideration of the Hon'ble NCLT.

11. HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The Human Resources Department and Industrial Relations Department at the factories continued to maintain high levels of commitment and motivation amongst the employees resulting in higher productivity and value addition at all locations.

The Company continued to lay a strong emphasis on Safety and in this regard programs on Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis (JSA) were conducted along with training programs at Hyderabad and Rourkela on the New IMS Standards for ISO 9001, 14001 and 18001. Intensive Training Programs on GST was provided to key personnel for effective implementation of GST in the Company within the timeframe announced by the State Governments.

Recognition of employees for outstanding monthly performance and achievement of efficiency with compliance to Safety Standards was continued.

Safety

New Initiatives for Safety improvement include upgradation to the new IMS 2015 standards and recertification of ISO 9001:2015; ISO 14001:2015 & BS OHSAS 18001:2007. During the year, systems in the magazines to reduce the manual handling of explosive boxes and daily safety walkthrough inspections with cross functional teams and reporting through daily EHS inspection reports were maintained. Refresher training programs for all the employees; specialized medical tests for workmen for enhancing occupational health &safety. Third party safety audit was conducted to strengthen the manufacturing systems. .

National Safety Month programs conducted for further building up the of safety awareness of the employees. Inter Plant like Safety Slogans, Quiz, Essay writings, drawings and Paper presentations were organized to spread the safety awareness messages.

Preventive Health Check-ups

Specialized medical check-ups on occupational health was conducted for all the employees who are involved in hazardous process operations to identify occupational health issues, if any.

Security

Security measures have been enhanced at all factories of the Company and its subsidiary IDLEL. Additional security gates and speed breakers were constructed on both sides of all access gates to control speedy movement of vehicles. Records of all visitors to the plant in terms of the requirement of the Ministry of Home Affairs are being maintained. Walkie talkie sets were deployed for faster communication within the factory premises and monthly security training was organized for the security.

Employment Practices

The Company believes in fair employment practices and is committed to provide an environment that ensures that every employee is treated with dignity and respect and is provided equitable treatment. The Company has a large proportion of women in the workforce and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. No complaint was received in this regard, during the year.

Major renovation of 3 wings was done at 72 year old V.V. High School (VVHS) premises at Tandur, Telangana

GOCL officials at VVHS premises. Approximately 350 students were benefitted with the initiative

Smart board and solar panel donated to Zilla Parishad schools in Maharashtra

Library constructed at VVHS, Tandur

Computer Lab constructed at VVHS, Tandur

Science Laboratory constructed at VVHS, Tandur

12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act 2013:

(a) that in the preparation of the annual accounts/financial statements for the financial year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(b) that the accounting policies as mentioned in the financial statements were selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) that the annual accounts were prepared on a going concern basis;

(e) that proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and

(f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

13. AUDITORS

Statutory / Financial Audit

M/s BSR & Associates LLP, Chartered Accountants, (ICAI Firm Registration Number: 116231W/ W-100024) were appointed as Auditors of the Company for a period of five years from conclusion of the 56th Annual General Meeting subject to ratification by the members at every AGM. However, the Companies (Amendment) Act, 2017 has done away with the requirement of annual ratification of appointment of Auditors. Hence, ratification of auditors appointment is not being proposed at the ensuing AGM. Accordingly, as approved at the 56th AGM, the term of M/s BSR & Associates LLP, will be upto the conclusion of 61st AGM of the Company.

Cost Audit

The Ministry of Corporate Affairs had, vide its Order dated December 31, 2014 directed audit of cost records of the companies covered under the Companies (Cost Records & Audit) Amendment Rules, 2014. The said Order is applicable to the Company, being manufacturer of Detonators, Detonating Fuse, Explosives, etc. Accordingly, the Board of Directors has appointed M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad as the Cost Auditors of the Company for the financial year 2017-18.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s BS & Company Company Secretaries LLP, Company Secretaries, Hyderabad to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Report of the Secretarial Audit Report is annexed herewith as **'Annexure D'**.

There was no qualification, reservation or adverse remark or disclaimer in the auditors report, cost audit report or the secretarial audit report. The Auditors have not reported any frauds.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The CSR Committee recommended CSR expenditure of ₹ 38.02 lakhs for the year 2017-18. Accordingly, two projects in the Education and Rural Development were identified and work orders released. The Annual Report on CSR activities is annexed herewith as **'Annexure E'**.

In the first project, as part of the Sustainable Rural Development program, we have undertaken an Innovative Digital Education Initiative. We have provided interactive smart boards and projectors for imparting teaching in an audio-visual form, in 5 zillaparishad and residential schools in Palghar District of Maharashtra. The course content for the particular class and selected subjects (PCM and Social Sciences) will be delivered in audio-visual form.

In the second project, a major renovation was carried out in a 72 year old School in Tandur, Telangana. The project involved major renovations in the school premises including repair of walls and roofing. Thereafter, a school library and a Science Laboratory were created. Computer Room with audio visual facilities has been set up to teach and train students for getting them ready for the digital world. Since, the work involved was dependent on several contractors and suppliers the work completed in the first two months of the current year.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the requirements of the Companies Act 2013 and Regulation 22 of Listing Regulations, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are displayed on the website of the Company. The Audit Committee reviews the functioning of the vigil / whistle blower mechanism from time to time. There were no allegations / disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company.

16. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loans, guarantees, securities and investments made by the Company, most of which are to its wholly owned subsidiaries, are in the notes to the financial statements forming part of this report.

The Company has during the year invested an amount of ₹ 19,05,75,000 for subscribing to ₹ 18,15,000 equity shares of IDL Explosives Limited (IDLEL), at a premium of ₹ 95 per equity share. IDLEL has subsequently redeemed 1,89,000 preference shares held by the Company, at a premium of ₹ 900 per share of face value of ₹ 100 each. An amount of ₹ 40,010 was further invested for acquiring 20,005 equity shares of Gulf Carosserie India Limited, making it a wholly owned subsidiary.

17. **INVESTOR EDUCATION AND PROTECTION FUND**

During the year under review, your Company transferred unclaimed dividend amount (pertaining to dividend for 2009-10) and unclaimed refund amount (application amounts for rights issue of 2010) to the Investor Education and Protection Fund in compliance with the applicable provisions of the Companies Act 2013. Your Company also transferred an aggregate of 2,45,579 shares to the IEPF Authority, in respect of which dividend had remained unclaimed for a consecutive period of 7 years.

18. **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

During the year there was no change in composition of Board of Directors and KMPs of the Company.

In accordance with the provisions of the Companies Act 2013 and the Articles of Association of the Company Mr. Ajay P. Hinduja retires by rotation at the 57th Annual General Meeting of the Company and is eligible for reappointment. Mr. Ramkrishan P Hinduja and Mr. Ajay P Hinduja are related to each other. The Board recommends his re-appointment.

The number and details of the meetings of the Board and other Committees are furnished in the Corporate Governance Report.

The Independent Directors have furnished declaration of independence under Section 149 of the Companies Act 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

Detailed report on the evaluation of the Board, its Committees and the individual directors forms part of the Corporate Governance Report.

Directors' Appointment and Remuneration Policy

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company and formulates the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and the Listing Regulations. The Board has in an earlier year, on the recommendations of the Nomination &Remuneration Committee framed a policy for remuneration of the Directors and Key Managerial Personnel. The objective of the Company's remuneration policy is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of Company's stakeholders.

The Non-Executive Directors (NED) are remunerated by way of Sitting Fee for each meeting attended by them and an annual commission on the profits of the Company. Commission to respective non-executive directors is determined on the basis of an objective criteria discussed and agreed upon by the Committee Members unanimously. NEDs are reimbursed any out of pocket expenses incurred by them in connection with the attendance of the Company's Meetings.

Particulars of Employees and Remuneration

Pursuant to section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the separate as **'Annexure B'** forming part of the Board's Report. Having regard to the provisions of Section 136(1), the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

19. **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **'Annexure C'.**

20. **INFORMATION ON STOCK EXCHANGES**

The Equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited and the Listing Fees have been paid to them uptodate.

21. **CORPORATE GOVERNANCE**

A detailed report on the subject forms part of this report. The Statutory Auditors of the Company have examined the Company's compliance and have certified the same as required under the SEBI Guidelines. Such certificate is reproduced in this Annual Report.

22. RELATED PARTY TRANSACTIONS

All related party transactions / arrangements that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. During the year under review, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

All related party transactions / arrangements, mostly with the wholly owned subsidiaries, are at arm's length basis and are in the ordinary course of business. The Audit Committee/Board reviews all the related party transactions on annual basis. The policy on Related Party Transactions as approved by the Board is displayed on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.Details of the transactions with Related Parties are provided in the accompanying financial statements.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Pursuant to a complaint filed before the Competition Commission of India (CCI) by Coal India Limited, CCI had vide their Order dated April 16, 2012 held that the Company had, along with a few other explosive manufacturers, were alleged to have contravened the provisions of Section 3 of the Competition Act 2002. The CCI had on that basis imposed a penalty on the Company of ₹ 29.84 crores. The Company had filed an Appeal before the Competition Appellate Tribunal (COMPAT) and the COMPAT had vide its Order dated April 18, 2013, reduced to ₹ 2.89 crores; and a further Civil Appeal in the Supreme Court of India and the matter is subjudice. Based on expert legal advice, the Company believes that it has a good case and expects a favourable decision in the matter.

24. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **'Annexure F'.**

25. RISK MANAGEMENT

Details of development and implementation of risk management policy for the Company including identification therein of elements of risks form part of the Management Discussion and Analysis and the Corporate Governance Report.

ACKNOWLEDGEMENTS

Your Directors would like to express and place on record their sincere appreciation for the continued co-operation and support received from the financial institutions, banks, Government of India and various State Government authorities and agencies, customers, vendors and members during the year under review. Your Directors also place on record their deep appreciation for their continued dedication, commitment, hard work and significant contributions to the Company in very competitive market conditions which prevailed in the year under review. The Directors also thank the Company's investors, business associates, for their continued co-operation and support.

for and on behalf of the Board of Directors

Place : Mumbai
Date : August 10, 2018

Ajay P. Hinduja
Chairman

MANAGMENT DISCUSSION AND ANALYSIS

(a) ECONOMIC OUTLOOK :

The global economy has picked-up and the IMF (International Monetary Fund) has estimated the growth in the Indian economy to be faster than earlier projected, buoyed by the revival across European and Asian countries. The global growth is now pegged at 3.9% for 2018-19 and the Indian economy is expected to grow at 7.3% on top of the 6.7% increase of FY 2017-18. This growth will be fueled mainly by the investment activity bolstered by the economic stability emanating from the "bold reforms" activated in 2017.

The major impetus to the GDP came from the manufacturing sector that clocked 9.3% growth as of January 2018. The study shows that the increase in output was driven mainly by the upturn in consumption by the vehicles sales, cement, diesel, capital goods and consumer durables. Consequently, India has emerged as the most attractive investment destination in manufacturing sector. This is catalyzed by the "Make in India" drive that is focused on transforming the country into a manufacturing hub for hi-tech goods.

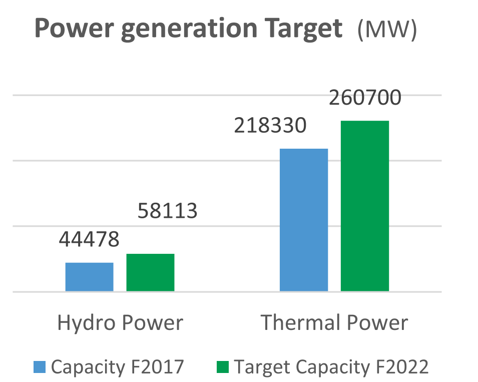
As of 2018 India is the 7th largest economy globally after USA, China, Japan, Germany, UK and France and by 2020 India will establish as the 5th largest manufacturing country in the world. In parallel with the fast growing economy the Infrastructure Sector is declared as a thrust area in the Union Budget for 2018-19 with ₹ 5.97 lakh crores allocated to this sector. The Budget has earmarked other thrust sectors too with allocation of ₹ 1.48 lakh crores for Railways; ₹ 16000 crores for "Sahaj Bijli Har Ghar Yojna"; ₹ 4200 crores for the Green Energy Corridor Project along with Wind & Solar Energy projects; ₹ 10000 crores to expand the telecom infrastructure and ₹ 1.92 lakh crores towards 90 smart cities. These measures are designed to attract both domestic and international investors and to facilitate this the government has set-up the Single Window Clearance facility for construction projects.

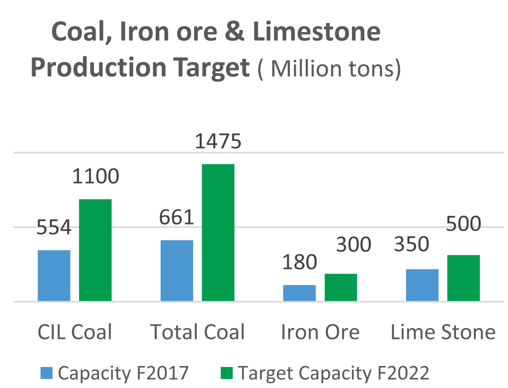
The Services Sector has also gained traction during the last financial year with a growth of 8.3% as against the 7.7% of previous year. Overall, the World Bank 'Ease of Doing Business Index has improved from 100 to 130 for 2018. The ongoing implementation and consolidation of the Goods and Services Tax is also expected to bring about all-round efficiencies and to reduce the cost of doing business in the country.

The buoyancy in the overall environment has also mobilized the Mining Sector that is showing renewed growth. The amendments to the MMRDA and other mining laws along with favorable decisions from the Supreme Court to enable re-opening of Iron Ore and other mines will bring about accelerated growth in this sector.

The major areas in mineral production are Coal, with a CAGR of 3.8%; Cement 4.4% and Steel 5.8%. Coal India Ltd., the largest producer of coal is targeting 630 Mill Tonnes as against 567 Mill Tonnes in the previous year whereas the Singareni Collieries Company Ltd. is expected to produce 62 Mill Tonnes. However, the ratio of 'overburden' (waste rock) excavation to the coal mineral excavation – designated as "Stripping Ratio" will rise to 6 thereby accelerating the demand for explosives. In the Iron Ore segment the CAGR is expected to pick-up significantly for the current low of 1% with the demand increasing from both domestic and global markets. The infrastructure industry with a CAGR of 35% will witness a quantum jump in demand for explosives.

In summary, the major drivers for explosives demand would be as follows :





(b) OUTLOOK FOR THE CURRENT YEAR, OPPORTUNITIES AND THREATS

Energetics

The Mining Industry is a strategic sector for any large economy as it contributes down-stream and up-stream apart from the direct value-add to the economy. The Mineral Sector constitutes 2.5% to the GDP currently and is planned to increase to 3% of the GDP that is growing at 7.36% necessitating faster than GDP growth, which in turn will generate equally fast growth in demand for explosives.

As already mentioned, the Infrastructure Sector is poised for break-through expansion with a CAGR of 35% and above. This will trigger a step increase in demand for the energetics and explosives industry with the Government of India plan to invest heavily in this sector going on to 2020 for providing a boost to renewable energy, railway network, smart cities, affordable housing, highways and rural roads, etc.

The Energetics Division of your Company along with its 100% subsidiary IDL Explosives Limited (IDLEL) has initiated several projects for upgradation and modification of processes, products and equipment to enhance quality, productivity and safety to create superior value for the stake-holders. During the year, licenses have been received in IDLEL for enhancement of capacities at 13 locations by 1,07,000 tonnes of bulk explosives.

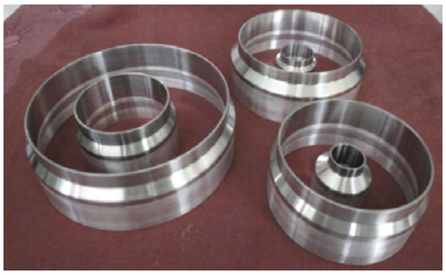
R&D efforts resulted in production activities, efficiencies and cost savings in several areas. New products such as multilayer shock tubes with HMX mainly for exports, capacity expansion for electronic initiators were stabilised. The Technical Services team which supports customers with technical advice and field support for new products and efficient mining concepts work very closely with the R&D teams to introduce customers to new products developed during the year. The efforts made by the teams in the introduction of the new products will be visible in the business results from the current year.

Your Company along with IDLEL has ₹ 704 crores worth of orders on hand from domestic and export customers, including a major order received recently from Singareni Colleries Company Limited, a Telangana State PSU.

The thrust in development of defence and space related products over 3 – 4 years have resulted in the Special Products Group emerging as a high quality supplier for specialized Defence items including high energy materials and critical energetic components for missiles. Transfer of Technology (TOT) from DRDO has been fully absorbed and further TOTs are envisaged. The Company is planning to increase its exposure to new Defence projects under the "Make in India" initiatives.

With the increase in investment in the economy, capex spends are increasing. The demand for Metal Clad plates which was stagnant for the last 2 years is showing good growth prospects, as large chemical, shipbuilding and defence projects build momentum. Special products also developed for railways and space are receiving their due attention.

Metal Clads are extremely specialized products for which the Company is one of the global licensees with major certifications from Lloyd Register, American Bureau of Shipping and the Indian Register of Shipping. We expect this activity to increase many fold in the coming years.



Bi-metallic clad components for Cryogenic applications for extreme performance criteria

Your Company has earmarked exports as a strategic thrust area and is aiming for a jump in export sales by adding new sales territories and high-end products to break-out of the conventional competition solely based on price. Current exports to the major countries in South East Asia, Africa, Middle East, Gulf countries and Eastern Europe are growing to meet the emerging demand. Our Company has been in exports over several decades and has built up reputation with customers, established distribution network and supply chains. This has put us at a distinct advantage. Fortunately, the economies of the regions that we serve are performing strongly in the areas of mining and construction. Therefore we are well placed in a growing market although prices may be under pressure. The demand for our traditional products will continue to grow and we have the full range of products in R&D to also cater to any shift in demand to more advanced products in the coming years. Margins from exports through effective cost control and logistics management will also contribute substantially to the bottom-line for the Company.

Realty

Bengaluru

Office leasing momentum in Q1 2018 was driven primarily by expansions. Occupiers looking for large floorplates firmed up their real estate requirements to expand operations in the prime IT corridors. Most new supplies was either pre-committed or quickly taken up by occupiers. Flexible workspace is gaining popularity, as more occupiers are exploring these strategically located office spaces.

Bengaluru's total absorption in first three months of 2018-19 stood at 3.9 million sq ft (0.35 million sq m), up by 7% YOY. We expect the absorption to pick up pace in the coming quarters as various medium to large sized transactions should be concluded in 2018. Demand should remain robust in the long-term, driven by the availability of a huge talent pool in the IT Sector.

ORR remained the epicenter of the office market with a 44% share of total office leasing volume followed by the Secondary Business District (SBD) at 12%, Whitefield on 11%, the Central Business District (CBD) on 11%, North Bengaluru locations were lower at 10%.

The infrastructure developments such as allocation of funds in the Karnataka Budget 2018-19 for the improvement of fourteen roads connecting Whitefield and the completion of the metro rail project by 2020 is expected to shift occupier preference to Whitefield and North Bengaluru where our project is located. Lower rents and robust supply pipeline will further support this tilt in preference.

Forecast

- Demand set to outstrip supply over 2018-2020. Forecast gross absorption of 14 million sq ft (1.3 million sq m) in 2018
- Q1 witnessed the addition of 3.7 million sq ft (0.3 million sq m) of new supply. Considering new launches, we have revised our new supply forecast over 2018-2020 to 23.7 million sq ft (2.2 million sq m), representing a 16% increase in total stock
- Expected vacancy to inch down to 9% by end-2018 from the current 9.4% and to 7% by end-2020

Hyderabad

Commercial Market

In Q1 2018, the gross absorption was recorded as 0.5 million sq ft (0.05 million sq m), almost the same as in Q1 2017. The SBD micro-market remained the preferred location among occupiers and grabbed the maximum share of about 91% in total office leasing in Q1 2018. Other micro-markets such as the Central Business District (CBD) and Off-CBD accounted for a 5% and a 3% share of total leasing respectively.

Due to continuous expansion by Information Technology and Information Technology Enabled Services (IT-ITeS) companies, the sector contributed about 62% of the total office demand in Q1 2018. Flexible workspace operators such as Table Space, iSprout and Workafella accounted for about 35% of total office absorption.

The increasing footprint of the flexible workspace sector is likely to persist in Hyderabad over 2018. This reflects the lack of readily available Grade A office space for immediate occupancy. Limited transactions of large floor plates above 50,000 sq ft (4600 sq m) in Q1 2018 primarily due to low vacancy levels. The average deal size came down to 22,000 sq ft (2000 sq m) in Q1 2018 compared to the annual average of 40,000 sq ft (3,700 sq m) in 2017.

Forecast -

- Cheaper rents, occupier-friendly state government policies and robust supply pipeline are likely to invite cost-conscious occupiers to Hyderabad
- Scheduled completions of 33 million sq ft (3.1 million sq m) over 2018-2020 looks hard to achieve
- Overall vacancy rate is at an all-time low at 6% in Q1 2018. The vacancy rate is likely to increase sharply to 15% over the next three years.
- Looking at the robust upcoming supply, average rents are likely to see only a marginal 2-3% rise over 2018-2020
- Falling strata sales volume in commercial buildings likely to keep capital values stable across micro-markets

(c) RISKS & CONCERNS AND RISK MANAGEMENT POLICY

Pursuant to the Companies Act 2013 and Listing Regulations, the Board has authorized the Audit Committee to review the risk management systems of the Company from time to time. A Risk Management Committee consisting of the senior executives for regular review, identification and evaluation of business risks related to the Company and its major subsidiary IDL Explosives Ltd has been formed.

During the year under review, a comprehensive review of the strategic as well as operational risks faced by the Company's two major business segments - Energetics & Explosives and Realty was undertaken. The risk management processes/policies of the Company, has been undertaken, by engaging outside experts. A risk workshop was held involving the senior management team.

i) Environmental Risks

Regular safety audits are carried out by internal safety audit teams and at regular intervals by external teams. General Safety Directions (GSDs) are strictly enforced in all plants within the factories to ensure minimization of risk. In addition, strict compliance of the requirements of the Explosives Act and Rules are ensured to protect the exposure of adjacent neighborhoods to the explosives and accessories factories from undue risk. Operations are carried out to comply with emission, waste water and waste disposal norms of the local authorities of the respective factories. In addition, the Hyderabad Factory has implemented the Integrated Management System incorporating ISO 14001 and OHSAS 18001.

ii) Operational Issues

Licensing

The Energetics Division operates a licensed factory in a highly regulated environment. Amendments / revisions in licenses are required for change in production capacities and processes, for launch of new products etc. Any significant delay in such approvals beyond normal time taken by the regulatory authorities may impact the growth prospects of the Company. The Division, therefore, ensures that approvals are applied for well in advance to avoid launch dates / export of products and active follow up is maintained to get approvals in time.

Imported Raw Materials

Many of the inputs of the Company and its major subsidiary are imported, availability of which is affected by global market situations. Also, prices of such items are volatile. Timely availability of raw materials is critical for continuous plant operations. The Company addresses this by entering into long-term relationship with global raw material suppliers, with suitable price adjustment clauses to ensure regular flow of supplies.

iii) **Market Dynamics:**

The Company and its major subsidiary operate in highly competitive markets where competition from all India players as well as regional players is high. The Energetics Division which manufactures explosive accessories and Mining & Infrastructure Division operate in tender-driven markets, sometimes with onerous and unreasonable performance clauses. Therefore, there is a risk of cost increases not being possible to be passed on to ultimate consumers. Any reversal in growth trend in the economy in general and weak monsoons in particular, could affect demand and consequent deceleration in manufacturing industry.

Concentration of Customers

The Mining & Infrastructure Division which undertakes mining services in coal, iron ore and limestone sectors, is exposed to business risks on account of non-availability of environmental clearances in time and lack of adequate infrastructure for dispatch of ores from the mine. In view of this, detailed review of approvals and quality of infrastructure is carried out before undertaking mining service contracts. Both the Energetics and Mining & Infrastructure Divisions are operating in the mining and infrastructure sectors, dominated by the PSUs, where the tendering system is in vogue, with the attendant risks. Missing L1 to L3 status in these tenders might result in loss of business opportunities for extended periods for the relevant tender(s).

iv) Financial Risks

Currency Value and Interest Rate Fluctuations

Financial risk management is done by the Finance Department at the various business Divisions and at Corporate Office under policies approved by the Board of Directors. The Company has designed a debt mix policy that also considers natural hedge available to it from its export earnings to mitigate currency fluctuation risks. Policies for overall foreign exchange loss risks and liquidity are regularly reviewed based on emerging trends. Interest risks arising out of financial debt, are normally done at fixed rates or linked to LIBOR and appropriate Bank lending rates. Adverse movement of Rupee from current levels may further impact landed cost of imported materials.

Credit Risk

The Company and its major subsidiary sometimes sell their products by extending credit to customers, with the attendant risk of payment delays and defaults. To mitigate the risk, a credit risk policy is also in place to ensure that sale of products are made to customers after evaluation of their ability to meet financial commitments through allotment of specific credit limits to respective customers. Credit availability and exposure is another area of risk.

Liquidity Risk

The Company and its major subsidiary operate in working capital intensive industries. The Company realizes that its ability to meet its obligations to its suppliers and others is linked to timely and regular collection of receivables and maintaining a healthy credit rating. Review of working capital constituents like inventory of raw materials, finished goods and receivables are done regularly by the respective Divisions and closely monitored by Corporate Finance.

With the introduction of GST during 2017–18, the liquidity risks may increase till the GST implementation stabilizes across the Country.

v) **Legal and Statutory Issues:**

Contractual Liability

All major contracts are reviewed / vetted by the in-house Legal Department before the same are executed. In addition, the Company engages the services of reputed independent legal counsels, on need basis. In matters of tax law and other statutory obligations the outcome of litigation cannot always be predicted. Hence, appropriate financial provisions, insurance policies and credit lines are taken to limit the risk for the Company.

Litigation Issues

The Company is exposed to the risk of litigation of prolonged nature. Apart from the Tax Matters referred to in the Financial Statements, Litigations having a major impact on the Company include those with Udasin Mutt pertaining to leased lands of Hyderabad Works, Competition Commission of India, which are being pursued by the Company with the appropriate Court/Tribunal.

vi) IT Risks

The Company is dependent on intra-office and inter-office networks, as well as several business software operated from the Corporate Office and the business Divisions. Viral attacks, failure of system networks and consequential loss of business is attempted to be minimized by critical systems being operated on secured servers with regular maintenance, regular back up and off-site storage of data, selection of suitable firewall and virus protection systems / software. An IT policy is in place which also addresses IT risk mitigation measures.

vii) Risks in the Realty Business

Market demand and price is a factor of macroeconomic conditions in the Country and varies from city to city as well. The Company's strategy is to entrust development to specialist developer companies who take responsibility for insulating your Company against rise in construction cost. On the other hand, timely completion of projects is a risk which is not fully mitigated and is therefore becomes a matter of close follow up by your Company. The construction industry attracts many local body, state and central regulations. Responsibility for compliance with regulations is owned jointly by your Company and the developer.

The Board through the Audit Committee provides oversight of the risk management processes in the Company and reviews progress of the action plans for the prioritized risks on a regular basis.

(d) INFORMATION TECHNOLOGY

In GOCL, IT systems are on SAP ERP. Purchase, Production, Costing, Sales and Finance modules are implemented for seamless integration within the ERP. During the year Implementation in relevant modules of ERP were carried out to meet the requirements of GST. The company successfully implemented GST within the time frame to support business transactions. The entire SAP ERP infrastructure was moved to new hardware to improve the performance of the system.

In 2017-18, Company has introduced Business Analytics tool (Business Object) and various Reports & Dashboards were developed to help business in decision making.

The company understands importance of driving business with Information Technology and does timely investments to support and strengthen IT infrastructure.

(e) INTERNAL CONTROL SYSTEMS

Your Company places importance on internal controls as an essential part of corporate governance. The Company has laid down policies, guidelines, processes and structure which support its robust Internal and Financial Control Systems commensurate with the size, scale and complexity of its operations. The systems are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, safeguarding of assets, prevention and detection of frauds / errors and economical and efficient use of resources.

Internal financial controls with reference to the Financial Statements have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by the Management, using the services of independent external expertise and the Company's internal audit team, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

Internal and Financial control system assists the Board and Management to fulfill all business objectives. The Company's SAP-ERP system, Risk Management processes along with its certification in ISO 9001(QMS), ISO 14001(EMS) & ISO 18001 (OHSAS) ensures that quality and control processes in place are operating effectively.

Your Company's independent and robust Internal Audit processes, provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements. Internal Audit reviews are conducted on an on-going basis, based on a comprehensive risk-based audit plan approved by the Audit Committee at the beginning of the year. The Internal Audit Department reviews and evaluates the efficacy as well as the adequacy of internal and financial control systems in the Company, and also assesses opportunities for improvement in business processes, systems and controls.

Significant observations, corrective actions and good practices suggested by Statutory and Internal Auditors are reviewed by the Management and the Audit Committee for appropriate implementation for monitoring and strengthening controls on various business processes. Audit Committee also reviews adequacy and effectiveness of the Company's internal control systems including those relating to strengthening of the Company's risk management policies and systems. During the year, the Audit Committee met five times to review key findings and recommendations of the auditors including status of implementation through Action Taken Reports.

SAFE HARBOUR STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

Annexure 'A'

FORM AOC. 1

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

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

(₹ Lakhs)

S. No.	Particulars	Name of the Subsidiary				
		HGHL Holdings Ltd, UK		IDL Explosives Ltd	IDL Buildware Ltd	Gulf Caressorie India Ltd
1	Reporting period	Year ended March 31, 2018				
2	Reporting currency and Exchange rate of subsidiaries	INR	USD (Exchange Rate: 1USD = INR 65.1750)	INR		
3	Share capital	104.58	1.60	786.50	197.00	40.00
4	Reserves & surplus	44009.81	675.26	3261.02	(178.95)	(109.43)
5	Total assets	118683.43	1821.00	20112.32	196.15	11.93
6	Total Liabilities	118683.43	1821.00	20112.32	196.15	11.93
7	Investments	43972.22	674.67	-	7.18	-
8	Turnover	-	-	42795.28	32.55	0.32
9	Profit before taxation	598.95	9.30	2152.76	0.15	(0.30)
10	Provision for taxation	32.96	0.51	764.71	(5.10)	-
11	Profit after taxation	565.99	8.79	1388.05	5.25	(0.30)
12	Dividend Including DDT					
	- Equity	-	-	946.61	-	-
	- Preference	-	-	11.34	-	-
13	% of shareholding		100%	100%	100%	100%
14	Date since when it became subsidiary	November 21, 2012		September 22, 2010	October 3, 1994	January 1, 2002

Note: Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2018. There are no subsidiaries which are yet to commence operations. No subsidiaries have been either liquidated or sold during the year.

for and on behalf of the Board of Directors of
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

A. Satyanarayana	Ravi Jain	S. Pramanik	Ajay P. Hinduja
Company Secretary	**Chief Financial Officer**	**Managing Director**	**Chairman**
		DIN : 00020414	DIN : 00642192

FORM AOC.2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
    a) Name(s) of the related party and nature of relationship:
    b) Nature of contracts/arrangements/transactions:
    c) Duration of the contracts / arrangements/transactions:
    d) Salient terms of the contracts or arrangements or transactions including the value, if any:
    e) Justification for entering into such contracts or arrangements or transactions:
    f) Date(s) of approval by the Board:
    g) Amount paid as advances, if any:
    h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188:
2. Details of material contracts or arrangements or transactions at arm's length basis: Nil

During the year there were no new material related party transactions / arrangements.

for and on behalf of the Board of Directors

Place : Mumbai
Date : August 10, 2018

Ajay P. Hinduja
Chairman

Annexure 'B'

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer, Company Secretary (CS), or Manager, if any, in the financial year:

   The ratio of remuneration of each Director to the Median Remuneration of all employees of the Company for the financial year, who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2017-18 are given below:

Non-Executive Directors	Ratio to Median	Percentage Increase (+) / Decrease (-) in Remuneration
Mr. Ajay P Hinduja	3.83	-2.82%
Mr. Ramkrishan P Hinduja	0.47	-52.05%
Mr. K .N. Venkatasubramanian	2.15	-3.50%
Mr.M.S.Ramachandran	2.50	11.51%
Mr.Ashok Kini	3.18	3.85%
Ms.Kanchan Chitale	2.36	-8.30%

Managing Director	Ratio to Median	Percentage Increase (+) / Decrease (-) in Remuneration
Mr.S.Pramanik	35.97	10.48%

   The percentage of increase in remuneration of Chief Financial Officer and the Company Secretary are 13.10% and 6.67% respectively.

2. The percentage increase in the median remuneration of employees in the financial year: 5.11%. The number of permanent employees on the rolls of the Company: 204.

3. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 6.84% as against increase of 10.48% in the remuneration of the Managing Director (managerial personnel as defined under the Act). The increment given to each individual employee is based on the employee's potential, experience as also their performance and contribution to the Company's progress over a period of time.

4. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

   It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

5. Statement of particulars of top 10 employees pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Board's Report for the financial year ended March 31, 2018 are available for inspection at registered office of the company.

for and on behalf of the Board of Directors

Place : Mumbai — Ajay P. Hinduja
Date : August 10, 2018 — **Chairman**

Annexure 'C'

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

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

A. CONSERVATION OF ENERGY

i. **Steps taken or impact on conservation of energy:**

a) 17W LED Lamps introduced in place of 100W incandescent lamps, in the PETN Plant, DF, F1,F7,F8 and R&D building of 300nos which saves the energy of 4382KWH units per month.

b) Installed temperature interlocks for the cooling tower fans in PETN plant, DF plant and HEX plant, to avoid continuous running of fan motor for saving energy.

c) Improved the power factor from 0.97 to 0.99 to save energy by installing additional capacitor banks to work in off-load timings apart from APFC.

d) Reduced maximum setting of pressure in Air compressor from 6.0 bar to 5.5 bar in steps of 0.5bar without effecting the process at 1st Stage area.

e) Introduced Trans vector nozzle where compressed air is used for cleaning application.

f) Arrested air leakages in the plant.

ii. **Steps taken by the company for utilising alternate sources of energy:**

Proposals are under discussion to install Solar energy system at corporate building.

iii. **The capital investment on energy conservation equipments:**

Major capital investment on energy conservation equipments during the year was not made.

B. TECHNOLOGY ABSORPTION:

i. **the efforts made towards technology absorption:**

a) Installation of X-Ray Unit Building in C&D for Defence product requirements.

b) Installation of HPLC (High Pressure Liquid Chromatography) in QA Lab to meet international standards.

c) Laboratory and Testing Equipments were upgraded to international standards in Control and Destruction Laboratory of Quality Assurance.

d) Installation of Environmental Chamber for precision testing of special energetics.

ii. **the benefits derived like product improvement, cost reduction, product evelopment or import substitution:**

a) Integration of Delay element insertion in Filling & Pressing, which reduces unnecessary exposure to hazardous operations, reduction in 12 nos. manpower, indigenously developed by R&D, Hyderabad Works and the plants are in production phase.

b) HMX Manufacturing Plant and Three Layer Shock tube Plants were indigenously developed by R&D, Hyderabad Works and the plants are in production phase.

iii. **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -**

(a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Not Applicable as there was no import of technology during the last three years.

iv. **Expenditure on R&D**

(₹ Lakhs)

	2017-18	2016-17
(a) Capital Expenditure	**74.81**	177.96
(b) Recurring Expenditure	**98.35**	95.25
(c) Total Expenditure	**173.16**	273.21
(d) Total Expenditure on R&D as a percentage of total turnover	**1.93%**	2.52%

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

(₹ Lakhs)

	2017-18	2016-17
Total Foreign Exchange used and earned in terms of actual inflows and actual outflow:		
Used / Outflow	**663.77**	851.62
Earned / Inflow	**3129.74**	3082.61

for and on behalf of the Board of Directors

Place : Mumbai
Date : August 10, 2018

Ajay P. Hinduja
Chairman

Annexure 'D'

Form No. MR-3

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

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

To
The Members,
GOCL Corporation Limited
(Formerly Known as Gulf Oil Corporation Limited)

We were appointed by the Board of Directors of GOCL Corporation Limited ("the Company") to conduct the Secretarial Audit for the financial year ended March 31, 2018.

We have conducted the Secretarial audit in respect of compliance with applicable statutory provisions and the adherence to good corporate practices by **the Company**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

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

I. The Companies Act, 2013 (the Act) and the rules made there under;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;

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

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

   ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

The Company has identified the following laws, Regulations, Guidelines, Rules, etc., as applicable to the Company:

1. The Minimum Wages Act, 1948
2. The Payment of Wages Act, 1936
3. The Payment of Bonus Act, 1965
4. The Employees Provident Funds & Miscellaneous Provisions Act, 1952
5. The Employees State Insurance Act, 1948
6. The Payment of Gratuity Act, 1972
7. The Contract Labour (Regulation & Abolition) Act, 1970
8. The Apprentices Act, 1961
9. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959
10. The Factories Act, 1948
11. Industrial Employment (Standing Orders) Act, 1946
12. Telangana Factories and Establishments (National Festival and other Holidays) Act, 1974
13. Telangana Labour Welfare Fund Act, 1987
14. The Maternity Benefit Act, 1961
15. Employees Compensation Act, 1923
16. The Public Liability Insurance Act, 1991
17. The Industrial Disputes Act, 1947
18. Equal Remuneration Act, 1976
19. Telangana Tax on Professions, Trades, Callings and Employments Act, 1987
20. Environment Protection Act, 1986
21. Air (Prevention and Control of pollution) Act, 1981
22. Water (Prevention and Control of pollution) Act, 1974
23. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
24. Manufacture, Storage and import of Hazardous Chemicals Rules, 1989
25. Ammonium Nitrate Rules, 2012
26. Telangana Fire Services Act, 1999
27. Arms Act, 1959
28. Explosives Act, 1884
29. Indian Boilers Act, 1923
30. Petroleum Act, 1934
31. Indian Electricity Act & Rules 2003

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India(ICSI).

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

During the period under review, resolutions were carried through majority. The minutes of the meetings held during the audit period did not reveal any dissenting member's view. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review.

Based on the information, documents provided and the representations made by the Company, its officers during our audit process and also on review of the compliance reports of the Company Secretary taken on record by the Board of Directors of the Company periodically, in our opinion, there are adequate systems and processes exist in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

i. Appointed M/s. BSR & Associates LLP in place of M/s. Deloitee Haskins & Sells LLP for a period of 5 (Five) years.

ii. Re-appointed Mr. Subhas Pramanik as the Managing Director of the Company for a period of 3 (Three) years w.e.f. 08.07.2017.

iii. Approved the Scheme of Arrangement for Amalgamation of IDL Buildware Limited and Gulf Carosserie India Limited with the Appointed Date as October 1, 2017 (wholly owned subsidiaries of the Company).

for BS & Company, Company Secretaries LLP
(Formerly BS & Company, Company Secretaries)

Date: May 18, 2018
Place: Hyderabad

K.V.S. Subramanyam
Designated Partner
C P No.: 4815
FCS No.: 5400

NOTE: This report is to be read with our letter of even date which is annexed as ***'Annexure'*** and forms an integral part of this report.

'Annexure'

To,

The Members,

GOCL Corporation Limited
(Formerly known as Gulf Oil Corporation Limited)

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of applicable laws, rules and regulations etc.

5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.

8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

for BS & Company Company Secretaries LLP
(Formerly BS & Company Company Secretaries)

Date: May 18, 2018
Place: Hyderabad

K.V.S. Subramanyam
Designated Partner
C P No.: 4815
FCS No.: 5400

Annexure 'E'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	**A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**	GOCL Corporation Limited ("GOCL") is inspired and guided by the pioneering thoughts "*My dharma (duty) is to work so that I can give*" of late Shri Parmanand Deepchand Hinduja- Founder of the Hinduja Group. GOCL is a socially responsible corporate and has undertaken and implemented Corporate Social Responsibility (CSR) activities for the upliftment of the economically and socially disadvantaged communities and shall continue to do in future. The prioritized areas for CSR activities of GOCL include Education, Sustainable Development, Health Care and other philanthropic and humanitarian activities. The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the web link: http://www.gulfoilcorp.com/reportspdf/report54e335c075375.pdf
2	**The Composition of the CSR Committee.**	1. Mr. Ashok Kini (Chairman) 2. Mr. Ajay P Hinduja (Member) 3. Mr. K. N. Venkatasubramanian (Member)
3	**Average net profit of the Company for last three financial years.**	₹ 1901.11 Lakhs
4	**Prescribed CSR Expenditure (two percent of the amount as in item 3 above).**	₹ 38.02 lakhs

5	**Details of CSR spent for the financial year:**	
	a) Total amount to be spent for the financial year:	₹ 38.02 lakhs
	b) Amount unspent, if any:	Full Amount was spent/ committed during the year
	c) Manner in which the amount spent during the financial year	Please see below:

(₹ in Lakhs)

S. No.	CSR Project or activity identified	Sector in which project is covered	Projects or programs coverage (State/ District)	Amount Outlay (Budget)	Amount spent/ committed on the project	Cumulative Expenditure/ commitment upto the reporting period	Amount spent direct or through implementing agency
1	a) Renovation and reconstruction of buildings, classrooms / laboratory, etc of Vijaya Vidyalaya High School, Tandur. b) Provision of computers, projector, UPS, text books, furniture, initial supply of laboratory consumables and other materials.	Education / Rural Develop-ment	Vikarabad District, Telangana State	20.02	18.35 + applicable taxes	18.35 + applicable taxes	Based on the need assessment by Hinduja Foundation, amount was spent directly.
2	Innovative Digitial Education Initiative- Provided interactive smart boards and projectors for imparting teaching in an audio-visual form, in 5 zilla parishad and residential schools.	Education / Rural Develop-ment	Palghar District, Maharashtra State	18.00	18.00	18.00	Through Hinduja Foundation.
	Total			**38.02**	**38.02**	**38.02**	

6	**In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**	Please refer to the Board's Report
7	**A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

for and on behalf of the Board of Directors

Date: August 10, 2018
Place: Mumbai

S. Pramanik
Managing Director
DIN: 00020414

Ashok Kini
Chairman - CSR Committee
DIN: 00812946

Annexure 'F'

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. Registration and other Details:

CIN	L24292TG1961PLC000876
Registration Date	April 20, 1961
Name of the Company	GOCL Corporation Limited
Category/Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered Office	Kukatpally, Sanathnagar (IE) P.O., Hyderabad - 500 018, Ph: 040 2381 0671-79, Fax: 040 2381 3860 Email: secretarial@goclcorp.com Website: www.goclcorp.com
Whether Listed Company	Yes
Name, address and contact details of Registrar & Transfer Agent (RTA), if any.	Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Ph: 040 6716 1605 Email: einward.ris@karvy.com Website: www.karvycomputershare.com

II. Principal Business Activities of the Company:

All business activities contributing 10% or more of the total turnover of the Company:

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Explosives Accessories (Detonators) (For Mining & Industrial Use)	20292	92%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Hinduja Power Ltd., Mauritius	Not Applicable	Holding Company	74.93%	2(46)
2	IDL Explosives Ltd.	U28132TG2010PLC070529	Subsidiary Company	100%	2(87)(ii)
3	HGHL Holdings Ltd., UK	Not Applicable	Subsidiary Company	100%	2(87)(ii)
4	IDL Buildware Ltd.	U70102TG1994PLC018453	Subsidiary Company	100%	2(87)(ii)
5	Gulf Caressorie India Ltd.	U23201TG1994PLC102889	Subsidiary Company	100%	2(87)(ii)

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

i) Category-wise Shareholding:

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other…	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1):		-	-	-	-	-	-	-	-	-
(2)	**Foreign**									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other – Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	34638487*	-	34638487*	69.87*	37146791	-	37146791	74.93	5.06
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other…	-	-	-	-	-	-	-	-	-
Sub-Total(A)(2):		**34638487**	**-**	**34638487**	**69.87**	**37146791**	**-**	**37146791**	**74.93**	**5.06**
Total Shareholding of Promoters(A)=(A)(1)+(A)(2)		**34638487**	**-**	**34638487**	**69.87**	**37146791**	**-**	**37146791**	**74.93**	**5.06**
B. Public Shareholding										
1)	**Institutions**									
a)	Mutual Funds / UTI	879273	-	879273	1.77	1469153	-	1469153	2.96	1.19
b)	Banks / FI	953184	120	953304	1.92	921188	120	921308	1.86	-0.06
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	149490	149490	0.30	-	149490	149490	0.30	0
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs/ FPIs	350255	-	350255	0.71	440979	-	440979	0.89	0.18
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1)		**2182712**	**149610**	**2332322**	**4.7**	**2831320**	**149610**	**2980930**	**6.01**	**1.31**
(2)	**Non-Institutions**									
a)	**Bodies Corporate**									
i)	**Indian**	996117	18020	1014137	2.04	1175989	14711	1190700	2.40	0.36
ii)	**Overseas**	1300029	-	1300029	2.62	-	-	-	-	-2.62
b)	**Individuals**									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	5033930	720304	5754324	11.61	4807523	459137	5266660	10.62	-0.99
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4106974	119688	4226662	8.53	2411853	119688	2531541	5.11	-3.42
•	**Others (specify)**									
NBFC		19168	-	19168	0.04	7125	0	7125	0.01	-0.03

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	33810	-	33810	0.07	36193	0	36193	0.07	0
Non-Resident Indians	197295	3382	200677	0.40	318418	660	159539	0.32	-0.08
Clearing Members	51714	-	51714	0.1	7432	0	7432	0.01	-0.09
Trust / IEPF	1250	-	1250	0	245579	0	245579	0.50	0.50
Sub-total (B)(2):-	**11740287**	**861394**	**12601681**	**25.42**	**9012112**	**594196**	**9444769**	**19.04**	**-6.37**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**13922999**	**1011004**	**14934003**	**30.03**	**11843432**	**743806**	**12425699**	**25.05**	**-5.06**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**48561486**	**1011004**	**49572490**	**100**	**48990223**	**703806**	**49572490**	**100**	**0.00**

(*) Does not include 33304 Shares (0.06%) acquired on 31st March, 2017 as credit to demat account received on 3rd April, 2017.

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Hinduja Power Limited, Mauritius (HPL)	34638487*	69.87*	0	37146791	74.93	0	5.06

(*) Does not include 33304 Shares (0.06%) acquired on 31st March, 2017 as credit to demat account received on 3rd April, 2017.

(iii). Change in Promoters' Shareholding:

Particulars	Shareholding at the beginning of the year		Increase / Decrease in shareholding during the year				Cumulative shareholding during the year	
	No. of Shares	% of holding	Date	Reason	No. of shares	%	No. of Shares	% of holding
Hinduja Power Limited, Mauritius	34638487	69.87	03.04.2017	Purchased from open market	33304	0.07	34671791	69.94
			29.09.2017		800000	1.62	35471791	71.56
			06.10.2017		800000	1.61	36271791	73.17
			21.10.2017		875000	1.77	37146791	74.93

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

S. No.	Name of the Share Holder	Shareholding at the begginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Dilipkumar Lakhi	1596818	3.22	01.04.2017			1596818	3.22
			0.04	07.04.2017	20000	Decrease	1576818	3.18
			0.85	22.09.2017	419488	Decrease	1157330	2.33
			0.91	29.09.2017	449529	Decrease	707801	1.43
				31.03.2018			707801	1.43
2	IAM Limited	1300029	2.62	01.04.2017			1300029	2.62
			0.71	29.09.2017	350471	Decrease	949558	1.92
			1.77	13.10.2017	875000		74558	0.15
			0.15	24.11.2017	74558		0	0.00
				31.03.2018			0	0.00

S. No.	Name of the Share Holder	Shareholding at the begginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
3	The New India Assurance Company Limited	722929	1.46	01.04.2017			722929	1.46
				31.03.2018			722929	1.46
4	Mirae Asset Emerging Bluechip Fund	699181	1.41	01.04.2017			699181	1.41
			0.15	07.04.2017	74801	Increase	773982	1.56
			0.05	14.04.2017	23754	Increase	797736	1.61
			0.01	05.05.2017	5436	Increase	803172	1.62
			0.12	12.05.2017	57688	Increase	860860	1.74
			0.03	19.05.2017	14351	Increase	875211	1.77
			0.05	26.05.2017	22370	Increase	897581	1.81
			0.01	02.06.2017	5760	Increase	903341	1.82
			0.01	09.06.2017	3117	Increase	906458	1.83
			0.09	16.06.2017	42199	Increase	948657	1.91
			0.02	23.06.2017	11842	Increase	960499	1.94
			0.03	30.06.2017	12566	Increase	973065	1.96
			0.06	07.07.2017	27983	Increase	1001048	2.02
			0.10	28.07.2017	48742	Increase	1049790	2.12
			0.04	04.08.2017	18209	Increase	1067999	2.15
			0.00	11.08.2017	1829	Increase	1069828	2.16
			0.00	01.09.2017	793	Increase	1070621	2.16
			0.02	08.09.2017	7843	Increase	1078464	2.18
			0.02	29.09.2017	9328	Increase	1087792	2.19
			0.00	08.12.2017	1816	Increase	1089608	2.20
			0.06	15.12.2017	29023	Increase	1118631	2.26
			0.07	19.01.2018	36718	Decrease	1081913	2.18
			0.02	26.01.2018	8496	Decrease	1073417	2.17
			0.00	02.02.2018	1110	Decrease	1072307	2.16
			0.11	09.02.2018	53285	Decrease	1019022	2.06
			0.01	16.02.2018	4550	Decrease	1014472	2.05
			0.01	23.02.2018	5722	Decrease	1008750	2.03
			0.05	02.03.2018	26570	Decrease	982180	1.98
			0.00	30.03.2018	1383	Decrease	980797	1.98
				31.03.2018			980797	1.98
5	Manish Lakhi	513559	1.04	01.04.2017			513559	1.04
			0.51	22.09.2017	253635	Decrease	259924	0.52
				31.03.2018			259924	0.52
6	Hitesh Satishchandra Doshi	417195	0.84	01.04.2017			417195	0.84
			0.10	09.02.2018	50000	Increase	467195	0.94
			0.10	09.02.2018	50000	Decrease	417195	0.84
				31.03.2018			417195	0.84
7	Govindlal Gilada	399502	0.81	01.04.2017			399502	0.81
			0.05	07.04.2017	22714	Decrease	376788	0.76
			0.02	21.04.2017	10657	Decrease	366131	0.74
			0.01	28.04.2017	4751	Decrease	361380	0.73
			0.01	21.07.2017	4427	Increase	365807	0.74
			0.02	28.07.2017	10958	Increase	376765	0.76
			0.06	04.08.2017	31951	Increase	408716	0.82
			0.03	11.08.2017	14167	Increase	422883	0.85
			0.01	18.08.2017	3000	Increase	425883	0.86
			0.00	25.08.2017	1865	Increase	427748	0.86
			0.05	22.09.2017	22728	Decrease	405020	0.82
			0.04	29.09.2017	18477	Decrease	386543	0.78
				31.03.2018			386543	0.78

S. No.	Name of the Share Holder	Shareholding at the begginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
8	Girdharilal V Lakhi	331877	0.67	01.04.2017			331877	0.67
			0.26	22.09.2017	126877	Decrease	205000	0.41
				31.03.2018			205000	0.41
9	Chirag Dilipkumar Lakhi	196781	0.40	01.04.2017			196781	0.40
				31.03.2018			196781	0.40
10	HSBC MIDCAP Equity Fund	180092	0.36	01.04.2017			180092	0.36
			0.07	21.07.2017	35285	Increase	215377	0.43
			0.03	28.07.2017	15000	Increase	230377	0.46
			0.03	04.08.2017	17191	Increase	247568	0.50
			0.02	11.08.2017	10000	Increase	257568	0.52
			0.02	18.08.2017	9253	Increase	266821	0.54
			0.02	25.08.2017	11579	Increase	278400	0.56
			0.02	22.09.2017	10000	Increase	288400	0.58
			0.15	29.09.2017	76000	Increase	364400	0.74
			0.04	06.10.2017	18000	Increase	382400	0.77
			0.02	03.11.2017	10128	Increase	392528	0.79
			0.02	01.12.2017	10000	Increase	402528	0.81
			0.02	22.12.2017	11557	Increase	414085	0.84
			0.04	29.12.2017	20000	Increase	434085	0.88
			0.05	05.01.2018	23800	Increase	457885	0.92
			0.06	19.01.2018	30471	Increase	488356	0.99
				31.03.2018			488356	0.99

(v). Shareholding of Directors and Key Managerial Personnel:

S. No.	Directors	Shareholding at the beginning of the year		Date	Increase/ Decrease (No. of Shares)	Reason	Cumulative Shareholding During the year	
A		No. of Shares	% of total Shares of the company				No. of shares	% of total shares of the company
1	Mr. Ajay P. Hinduja	-	-	-	-	-	-	-
2	Mr. Ramkrishan P. Hinduja	-	-	-	-	-	-	-
3	Mr . K. N. Venkatasubramanian	4500	0.01%	-	-	-	4500	0.01%
4	Ms. Kanchan Chitale	-	-	-	-	-	-	-
5	Mr. M. S. Ramachandran	500	0.003%	23.10.2017 08.11.2017 13.11.2017 06.12.2017	100 100 100 100	Increase	900	0.003%
6	Mr. Ashok Kini	-	-	-	-	-	-	-
7	Mr. S. Pramanik	6502	0.01%	14.7.17 19.7.17	495 500	Increase	7497	0.015%
B	**Key Managerial Personnel**							
1	Mr. Ravi Jain Chief Financial Officer	-	-	-	-	-	-	-
2	Mr. A. Satyanarayana Company Secretary	1	0%	-	-	-	1	0%

(VI). Indebtedness of the Company including interest outstanding / accrued but not due for payment for the year ended March 31, 2018:

(₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	45.93	-	45.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.38	-	-	1.38
Total (i+ii+iii)	1.38	45.93	-	47.31
Change in Indebtedness during the financial year				
Additions	963.23	-	-	963.23
Reduction	-	26.64	-	(26.64)
Net Change	963.23	26.64	-	936.59
Indebtedness at the end of the financial year				
i) Prinicipal Amount	962.62	19.29	-	981.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.99	-	-	1.99
Total (i+ii+iii)	**964.61**	**19.29**	**-**	**983.90**

(VII). Remuneration of Directors and Key Managerial Personnel:

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

(₹ Lakhs)

S. No.	Particulars of Remuneration	Mr. S. Pramanik Managing Director
1	Gross salary	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	126.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.14
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- as a % of profit	-
	- others, specify…	25.00
Total		161.57
Ceiling as per the Act		275.30

B. Remuneration to other Directors:

i. Independent Directors:

(₹ Lakhs)

S. No.	Particulars of Remuneration	Name of the Director				Total Amount
		K. N. Venkatasubramanian	M. S. Ramachandran	Ashok Kini	Kanchan Chitale	
1	Fee for attending board / committee meetings	7.60	8.90	11.40	8.50	36.40
2	Commission	2.05	2.34	2.90	2.11	9.40
3	Others, please specify	-	-	-	-	-
Total (B1)		9.65	11.24	14.30	10.61	45.80

ii. **Other Non-Executive Directors**

(₹ Lakhs)

S. No.	Name of the Director	Ajay P Hinduja	Ramkrishan P Hinduja	Total Amount
1	Fee for attending board / committee meetings	6.70	1.00	7.70
2	Commission	10.50	1.10	11.60
3	Others, please specify	-	-	-
Total (B2)		17.20	2.10	19.30
Total (B)=(B1+B2)				65.10
Total Sitting Fees				44.10
Total Commission				21.00
Overall Ceiling as per the Act for payment of commission to Non Executive Directors				27.53

C. Remuneration to Key Managerial Personnel Other than MD / Manager/WTD

(₹ Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ravi Jain, Chief Financial Officer	A. Satyanarayana, Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	71.08	25.25	96.33
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as a % of profit	-	-	-
	- others, specify…	-	-	-
5	Others, please specify.	-	-	-

(VIII). Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed.	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

for and on behalf of the Board of Directors

Place : Mumbai
Date : August 10, 2018

Ajay P. Hinduja
Chairman

REPORT ON CORPORATE GOVERNANCE

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI Listing Regulations'] and forming part of the Board's Report)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company will continue to be in the forefront of its diverse interests and sustain growth activities through emphasis on Total Quality Management, adoption of emerging technologies, innovation through research, good corporate governance, adherence to fair business practices and effective use of physical, technological, Research & Development (R&D), information and financial resources, thus fulfilling the aspirations of customers, shareholders, employees and financiers.

2. BOARD OF DIRECTORS

(A) Composition and category of Directors:

The Board of Directors of the Company headed by a Non-executive Chairman, consists of the following Directors as on March 31, 2018:

(i) Non-Executive Directors:

(a) Promoter Group	Mr. Ajay P. Hinduja, Chairman
	Mr. Ramkrishan P. Hinduja, Vice-Chairman
(b) Independent	Mr. K. N. Venkatasubramanian
	Mr. M. S. Ramachandran
	Mr. Ashok Kini
	Ms. Kanchan Chitale

(ii) Executive Director:

Managing Director	Mr. Subhas Pramanik

(iii) The composition of the Board is in conformity with SEBI Listing Regulations, 2015 and meets the stipulated requirements.

(B) Attendance of each director at the Board Meetings, last Annual General Meeting (AGM) and the details of membership(s)/ chairmanship(s) of Directors in other Board and Board Committees:

Name of the Director	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships of other Boards as on March 31, 2018@	Number of Memberships of other Board Committees*	Number of Chairmanships in other Board Committees*
Mr. Ajay P. Hinduja	6	Y	4	-	-
Mr. Ramkrishan P. Hinduja	1	N	10	5	-
Mr. K.N.Venkatasubramanian	5	Y	6	-	2
Mr. M. S. Ramachandran	6	Y	9	2	1
Mr. Ashok Kini	6	Y	7	3	1
Ms. Kanchan Chitale	6	Y	9	4	4
Mr. Subhas Pramanik	6	Y	3	-	-

@ Includes private limited companies and companies registered outside India.

** As per Regulation 26(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only Audit Committee and Stakeholders Relationship Committees of Indian public companies excluding that of GOCL Corporation Limited.*

Board Agenda

Meetings are governed by a structured agenda. The agenda papers are circulated in advance before each meeting to all the Directors. The Board members, in consultation with the Chairman, may take up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Information placed before the Board:

Apart from the items that are required to be placed before the Board for its approval, the following are also tabled, inter alia, for the Board's periodic review / information, as applicable under the Companies Act, 2013 and SEBI Listing Regulations, 2015 as amended from time to time:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.

- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

(C) Brief profiles of the Directors being appointed/re-appointed have been given in the AGM Notice, forming part of the Annual Report.

(D) Details of Board Meetings held during the Year 2017-18:

Date of the Meeting	Board Strength	No. of Directors Present
May 29, 2017	7	5
August 29, 2017	7	6
September 13, 2017	7	6
December 04, 2017	7	6
February 09, 2018	7	7
March 23, 2018	7	6

(E) Disclosure of relationship between directors inter se:

The Directors representing the Promoter Group, are relatives of each other in terms of Section 2(77) of the Companies Act, 2013 and none of the other Directors has any relationship with each other.

(F) Shares held by non-executive Directors:

Mr. K. N. Venkatasubramanian and Mr. M. S. Ramachandran hold 4500 and 900 equity shares (of ₹ 2/- each) of the Company as on March 31, 2018, respectively and none of the other non-executive directors hold any shares in the Company.

(G) Web-link where details of familiarization programmes imparted to independent Directors:

Web-link: http://www.gulfoilcorp.com/reportspdf/report59251320a49ed.pdf

CODE OF CONDUCT:

The Board has laid down Code of Conduct for its Directors and Senior Management of the Company. The text of the Code of Conduct is uploaded on the website of the Company – www.goclcorp.com. The Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2018. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

COMPOSITION OF BOARD'S COMMITTEES, TERMS OF REFERENCE AND ATTENDANCE AT THE MEETINGS

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference.

Composition of the Board's Committees is as follows:

Classification	Director's Name	Audit	Nomination & Remuneration	Stakeholders Relationship	Safety Review	Investment Appraisal & Project Review	Corporate Social Responsibility
Non – Executive Directors	Mr. Ajay P. Hinduja		▬				▬
	Mr. Ramkrishan P. Hinduja						
Independent Directors	Mr. K. N. Venkatasubramanian	▬			▬		▬
	Ms. Kanchan Chitale	✸	▬				
	Mr. M.S. Ramachandran		✸		✸	✸	
	Mr. Ashok Kini	▬		✸	▬	▬	✸
Executive Directors	Mr. S. Pramanik			▬			

▬ - Member ✸ - Chairman

3. AUDIT COMMITTEE

The terms of reference of the Audit Committee encompass the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Mandate, Role and Responsibilities of the Audit Committee:

Mandate, Role and Responsibilities of the Audit Committee, are as specified under the Companies Act, 2013, and the Rules made thereunder and Part - C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Regulations and regulatory requirements that may come into force from time to time; and as may be mandated by the Board of Directors from time to time.

Composition of the Audit Committee as on March 31, 2018:

Name	Designation
Ms. Kanchan Chitale	Chairperson
Mr. K. N. Venkatasubramanian	Member
Mr. Ashok Kini	Member

The Audit Committee consists of Independent Directors as members. The Company Secretary of the Company is secretary to the Committee.

Meetings and Attendance:

Four Audit Committee Meetings were held during the year ended March 31, 2018. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

Audit Committee Meetings held during the year 2017-18 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
May 28, 2017	3	3
September 12, 2017	3	3
December 03, 2017	3	3
February 08, 2018	3	3

Managing Director, Chief Financial Officer and Head of Internal Audit are permanent invitees in all the Meetings of the Committee.

The Auditors of the Company are invited to join the Audit Committee meetings for discussing the financial results, financial statements and the Annual / Audited Accounts before placing it to the Board of Directors. The Secretarial Auditors and Cost Auditors are also invited for Audit Committee meetings on need base. The Company Secretary acts as the Secretary to the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of Nomination and Remuneration Committee encompass the requirements of section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The key role of this Committee is as follows:

- Provide oversight on strategic human capital issues.
- Search for, evaluate, shortlist and recommend the incumbent for the position of Managing Director and other Directors and their engagement terms, to the Board.
- Evaluate and approve for appointment candidates recommended by Managing Director for key senior positions.
- Review the succession plan for critical positions and suggest actions.
- Has the responsibility for setting the remuneration for the Managing Director and Whole Time Directors. Review and recommendation of remuneration for the Key Managerial Personnel of the Company. Remuneration in this context includes salary and performance based variable component and any compensation payments, such as retiral benefits or stock options.

Mandate, Role and Responsibilities of the Nomination and Remuneration Committee:

Mandate, Role and Responsibilities of the Nomination and Remuneration Committee are as specified under the Companies Act, 2013, Rules made thereunder and Part - D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; and as may be mandated by the Board of Directors from time to time.

Composition of the Nomination and Remuneration Committee as on March 31, 2018:

Name	Designation
Mr. M. S. Ramachandran	Chairman
Mr. Ajay P. Hinduja	Member
Ms. Kanchan Chitale	Member

Meetings and Attendance:

Date of the Meeting	Committee Strength	No. of Directors present
May 29, 2017	3	3

Performance evaluation criteria for Independent Directors:

The performance evaluation of the Independent Directors was carried out by the entire Board.

The criteria for performance evaluation are as follows:

Role & Accountability:

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.

- Active engagement with the management and attentiveness to progress of decisions taken.

Objectivity:

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

Leadership & Initiative:

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

Personal Attributes:

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

5. DETAILS OF REMUNERATION TO DIRECTORS

Details of remuneration to Directors during the year ended March 31, 2018 is given below:

i) For Managing Director:

The total remuneration pursuant to shareholders approval consists of:

– a fixed component – consisting of salary and perquisites

– a variable component by way commission as determined by the Board / Nomination and Remuneration Committee within the limits approved by the shareholders. The elements of remuneration package of Managing Director, are as under:

(₹ Lakhs)

Particulars	Managing Director
Salary (Including perquisites)	108.18
Commission	25.00
Contribution to Provident Fund and Superannuation Fund	18.25
Benefits	10.14
Total	161.57

Having regard to the fact that there is a global contribution to Gratuity Fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to Gratuity Fund has not been considered in the above computation.

Managing Director is under contract of employment with the company with three months' notice period from either side.

There is no severance fee payable to the Managing Director. The Company does not have any stock option scheme.

ii) For Non– executive Directors:

a) The sitting fees paid to the Directors for attending the Board meeting is ₹ 1,00,000/-; ₹ 50,000/- for attending Audit Committee, Nomination & Remuneration Committee and Investment Appraisal & Project Review Committee respectively; ₹ 20,000/- for attending the meeting of Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Safety Review Committee respectively.

b) Commission is paid to the Non-executive Directors, as approved by the Board/ Nomination & Remuneration Committee and subject to the limits prescribed under Section 197 of the Companies Act, 2013.

(₹ Lakhs)

Non-executive Directors	Sitting Fees	Commission	Total*
Mr. Ajay P. Hinduja	6.70	10.50	17.20
Mr. Ramkrishan P. Hinduja	1.00	1.10	2.10
Mr. K. N. Venkatasubramanian	7.60	2.05	9.65
Ms. Kanchan Chitale	8.50	2.11	10.61
Mr. M. S. Ramachandran	8.90	2.34	11.24
Mr. Ashok Kini	11.40	2.90	14.30
Total	**44.10**	21.00	65.10

* exclusive of service tax

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The terms of reference of Stakeholders' Relationship Committee encompass the requirements of section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015 as amended.

Composition as on March 31, 2018:

Name	Designation
Mr. Ashok Kini	Chairman
Mr. Subhas Pramanik	Member

Mr. A Satyanarayana, Company Secretary is the Compliance Officer of the Company.

Meetings and Attendance:

Date of the Meeting	Committee Strength	No. of Directors present
May 28, 2017	2	2
September 12, 2017	2	2
December 03, 2017	2	2
February 08, 2018	2	2

The Stakeholders Relationship Committee specifically looks into redressing of shareholders/ investors complaints in matters such as transfer of shares, non-receipt of declared dividends and ensures expeditious share transfer process and also approves issue of duplicate/ split share certificates, transmission of shares etc.

Number of shareholders complaints received during the year	57
Solved to the satisfaction of the shareholders	57
Number of pending complaints	NIL

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The terms of reference of Stakeholders' Relationship Committee encompass the requirements of the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder.

Key Role of the Committee is as follows:

a. Formulate, review and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the CSR activities to be undertaken by the Company as specified in the Companies Act, 2013;

b. Recommend the amount of expenditure to be incurred on CSR activities; and

c. Monitor the CSR Policy of the Company from time to time.

Composition as on March 31, 2018:

Name	Designation
Mr. Ashok Kini	Chairman
Mr. K N Venkatasubramanian	Member
Mr. Ajay P Hinduja	Member

Meetings and Attendance:

Date of the Meeting	Committee Strength	No. of Directors present
September 13, 2017	3	3

8. GENERAL BODY MEETINGS:

Location, time and venue where last three Annual General Meetings were held:

Financial Year	Location of AGM	Date & Time of AGM
2016-17	Hyder Mahal, Hotel ITC Kakatiya, Begumpet, Hyderabad- 500016	August 29, 2017, 2.30 p.m.
2015-16	Hyder Mahal, Hotel ITC Kakatiya, Begumpet, Hyderabad- 500016	September 22, 2016, 2.30 p.m.
2014-15	Hotel Taj Deccan, Banjara Hills, Hyderabad, Telangana - 500 034, India	September 23, 2015, 2.30 p.m.

Special Resolutions:

Special resolutions were passed at last three annual general meetings as under:

I) 54th AGM held on September 23, 2015 - Three Special Resolutions.

a. Issue of further capital in supersession of previous resolution.

b. Change of name of the Company to GOCL Corporation Limited.

c. Amendment of Articles of Association of the Company.

II) 55th AGM held on September 22 2016 - Two Special Resolutions.

a. Issue of Further Capital in supersession of previous resolution.

b. Payment of Managerial Remuneration up to 10% for one managerial person.

III) 56th AGM held on August 29, 2017 - Two Special Resolutions.

a. Issue of further capital in supersession of previous resolution.

b. Re-appointment of Mr. Subhas Pramanik as Managing Director of the Company.

IV) During the year, no resolutions were passed through postal ballot.

9. MEANS OF COMMUNICATION

The quarterly unaudited results and annual audited results are published in Business Standard and in the local newspaper – Andhra Prabha / Nava Telangana and are displayed on the website of the Company www.goclcorp.com. Official press releases and official media releases are sent to Stock Exchanges and are uploaded on the website of the Company along with the presentations made to institutional investors or to analysts, if any.

The Management Discussion and Analysis Report forms part of the Directors' Report.

Financial Calendar (Tentative):

- Unaudited results for 1st quarter of next Financial Year – by September 14, 2018
- Unaudited results for 2nd quarter of next Financial Year – by December 14, 2018
- Unaudited results for 3rd quarter of next Financial Year – by February 14, 2019
- Audited results for next Financial Year – by May 30, 2019

10. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting:

Date	-	September 27, 2018
Venue	-	Hyder Mahal, Hotel ITC Kakatiya, Begumpet Hyderabad - 500016
Time	-	2.30 p.m
Finacial Year	-	2017-2018

Dividend for the last three years:

- 2017-18: 80%
- 2016-17: 80%
- 2015-16: 75%

Name and address of Stock Exchanges where the shares of the Company are listed:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra (E), Bandra Kurla Complex
Mumbai - 400 051

BSE Limited – Code : 506480

National Stock Exchange of India Ltd – Code : GOCLCORP

ISIN for the Equity Shares – INE077F01035

The Company has paid listing fee to both Stock Exchanges for the financial year 2018-19.

Market Price Data in respect of the Company's shares on BSE Limited, monthly high and low during the Financial Year 2017-18:

Month & Year	High (₹)	Low (₹)
April 2017	469.00	374.30
May 2017	466.80	400.00
June 2017	450.00	379.00
July 2017	472.00	381.95
August 2017	555.50	440.20
September 2017	592.95	477.90
October 2017	567.35	506.25
November 2017	574.00	491.05
December 2017	614.00	480.75
January 2018	700.00	556.00
February 2018	639.00	540.05
March 2018	574.45	491.55

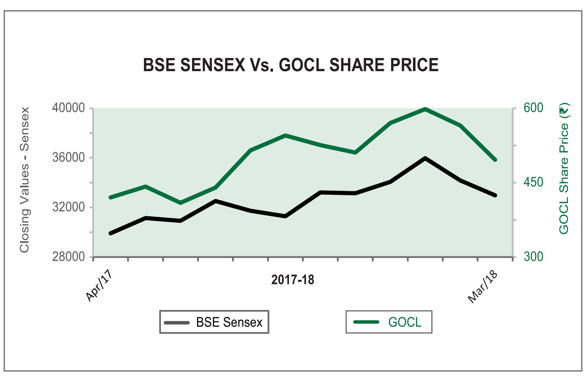
Market Price Data in respect of the Company's shares on National Stock Exchange of India Limited, monthly high and low during the Financial Year 2017-18:

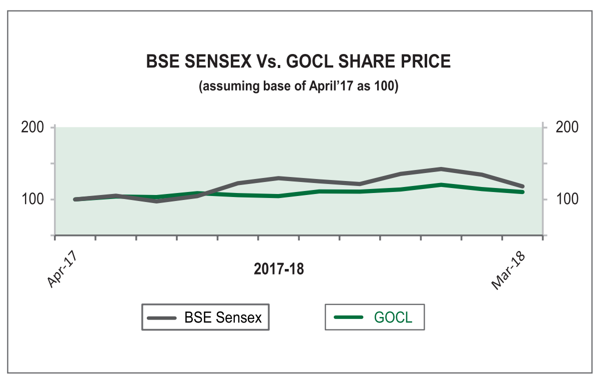
Month & Year	High (₹)	Low (₹)
April 2017	458.90	372.00
May 2017	465.00	395.50
June 2017	462.20	381.00
July 2017	475.65	383.00
August 2017	555.00	435.10
September 2017	593.80	479.65
October 2017	573.40	516.00
November 2017	561.40	492.00
December 2017	610.00	480.05
January 2018	699.55	554.00
February 2018	643.00	536.10
March 2018	569.70	491.10

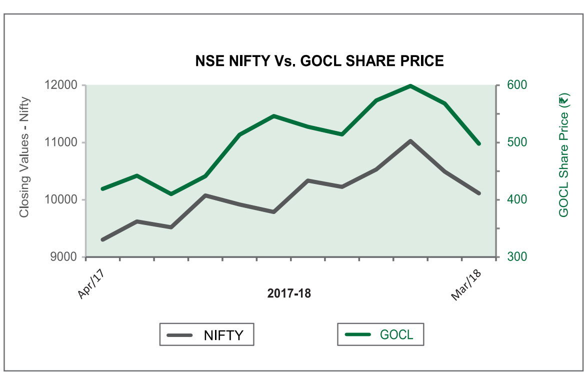
Performance of GOCL share price in comparision to BSE Sensex and NSE Nifty forms part of this Report.

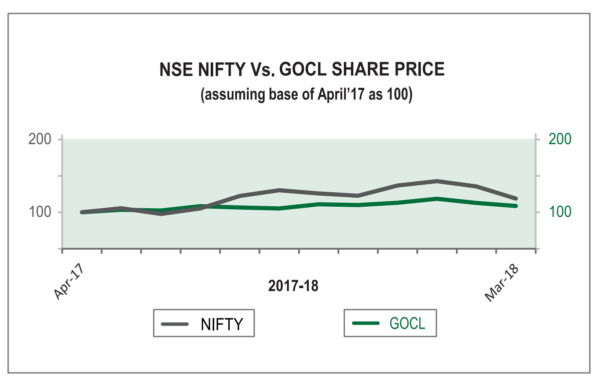
Details of Share Transfer System:

The authority relating to approval of registration of share transfers has been delegated to the Stakeholder's Relationship Committee consisting of Mr. Ashok Kini, Chairman and Mr. Subhas Pramanik, Member; and to Karvy Computershare Private Limited, Registrar and Share Transfer Agent (RTA) of the Company, for recording the transfers. However, transmission of shares and issue of duplicate share certificates are processed by RTA with prior approval of the Committee. The Committee has met four times during the year for approving transfers, transmissions, etc. Operations with regard to dematerialization are being complied with, in conformity with the regulations prescribed.









Distribution of Shareholding as on March 31, 2018:

Paid-up share capital	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
Up to 5000	34511	98.96	2703002	5.45
5001- 10000	177	0.51	622560	1.26
10001- 20000	76	0.22	551276	1.11
20001- 30000	29	0.08	348262	0.70
30001- 40000	19	0.05	335734	0.68
40001- 50000	9	0.03	211462	0.43
50001- 100000	23	0.07	835460	1.68
100001& Above	29	0.08	43964734	88.69
Total	**34873**	**100**	**49572490**	**100**

Pattern of Shareholding as on March 31, 2018:

Category	No. of shareholders	No. of shares	% of shareholding
Promoters: (A)	**1**	**37146791**	**74.93**
Mutual Funds	2	1469153	2.96
Foreign Portfolio investors	6	440979	0.89
Financial Institutions, Banks & Others	6	921308	1.86
Overseas Corporate Bodies	1	36193	0.07
Institutional Investors (B1)	15	2567633	5.78
Central Govt/ State Govt (B2)	1	149490	0.30
Indian Public	34332	7798201	15.73
NBFCs	3	7125	0.01
Bodies Corporate	277	1190700	2.40
Foreign Nationals/NRIs	218	159539	0.32
Clearing Members	25	7432	0.01
Trust / IEPF	1	245579	0.50
Non-Institutional Investors (B3)	34856	9408576	18.98
Public (B) = B1+B2+B3	**34872**	**12425699**	**25.07**
GRAND TOTAL (A+B)	**34873**	**49572490**	**100**

Dematerialization of shares and liquidity: Out of the total number of shares as aforesaid, 48,828,684 shares were dematerialized amounting to 98.49% of the total paid-up capital of the Company.

The Registrar and Share Transfer Agents are handling all the share transfers and related transactions. As on March 31, 2018, there were no requests pending for demats / overdue beyond the due dates.

Name and Designation of Compliance Officer:
Mr. A. Satyanarayana, Company Secretary.

Plant Location: Energetics
Energetics Division, IDL Road, Kukatpally,
Hyderabad- 500072

Details of addresses for correspondence:

Registered Office

GOCL Corporation Limited Kukatpally, Sanathnagar (IE) PO Hyderabad - 500 018, Telangana, India.
Ph – 91 40 2381 0671 – 79 Fax – 91 40 2381 3860
E-mail: secretarial@goclcorp.com
Website: www.goclcorp.com

Registrar and Share Transfer Agents:

Karvy Computershare Private Ltd.
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad –500032
Tel No.040-67161602 / 67161605
Fax No.040-23420814
Email: einward.ris@karvy.com

11. OTHER DISCLOSURES

a. Related Parties:

In terms of the requirements of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, there were no materially significant related party transactions which may have potential conflict with the interests of the Company. The Company maintains a Register of Contracts containing the transactions, if any in which the directors are interested and same is placed before the Board. Transactions with related parties as required under Accounting Standard 18, Related Party Transactions are disclosed in Note no. 39 forming part of the financial statements.

b. Strictures and Penalties:

There were no strictures or penalties imposed on the Company by either Stock Exchanges or SEBI or any Statutory Authority for non-compliance on any matter related to Capital Market during the last three years.

c. Vigil mechanism / Whistle Blower Policy:

In terms of the requirements of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are displayed on the website of the Company. The Audit Committee reviews the functioning of the vigil / whistle blower mechanism from time to time. There were no allegations /

disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company.

d. Subsidiaries:

The Company has one material unlisted Indian Subsidiary, IDL Explosives Limited. Mr. K. N. Venkatasubramanian and Ms. Kanchan Chitale, the Independent Directors on the Board of the Company, are also directors on the Board of the company are also, Directors on the Board of IDL Explosives Limited.

Board and other Meeting Minutes of Subsidiaries are placed at the meetings of the Board of Directors of the Company. Annual Financial Statements of subsidiaries are reviewed by Audit Committee and the Board of Directors. Web-link for the policy for determining 'material' subsidiaries is http://www.gulfoilcorp.com/reportspdf/report547dada74faef.pdf

e. Related Party Transactions:

Web-link for the Policy on dealing with related party transactions is http:// www.gulfoilcorp.com/reportspdf/report547da6017dfe6.pdf

f. Risk Management:

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically. Detailed report on Risk Management forms part of the Board's Report / Management Disscussion and Analysis.

12. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

All the Independent Directors are associated with the Company for more than 8 years. The Independent Directors are familiar with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes on an ongoing basis. The familiarisation programme along with terms and conditions of appointment of Independent Directors is disclosed on the Company's website.

13. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors, was held during the year, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 . At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors had appreciated the performance of the Non-executive directors including the Chairman and the Managing Director. They also concluded that the Board as a collective body, is also performing satisfactorily and is an active and participating Board. The Independent Directors concluded that flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness is satisfactory. The Independent Directors commended the depth and quality of discussions at the Board and the Committee Meetings.

All the Independent Directors attended/participated in the Meeting of Independent Directors and Mr. K. N. Venkatasubramanian was the Lead Independent Director of that Meeting.

14 BOARD AND DIRECTORS' EVALUATION

Pursuant to the provisions of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Board, its Committees and the Directors have carried out annual evaluation based on the evaluation parameters formulated by the Nomination and Remuneration Committee and the Board based on SEBI Guidance Note on Board Evaluation. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness. The Directors expressed their satisfaction with the evaluation process.

15. DISCRETIONARY REQUIREMENTS

a. The Company has separate positions for Chairman and Managing Director.

b. The Company reimburses expenses incurred for maintaining Chairperson's office.

16. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

(a) Aggregate number of shareholders and the outstanding shares from rights issue in 2010, lying in the suspense account at the beginning of the year are 16 and 510 respectively.

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - Nil

(c) Number of shareholders to whom shares were transferred from suspense account during the year - Nil

(d) Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year are 16 and 510 respectively.

(e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

By order of the Board of Directors

Hyderabad
May 30, 2018

Ajay P. Hinduja
Chairman

CEO & CFO COMPLIANCE CERTIFICATE

[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]

To
The Board of Directors
GOCL Corporation Limited

A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

   1. There were no significant changes in internal control over financial reporting during the year;

   2. There were no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

   3. There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Hyderabad	S. Pramanik	Ravi Jain
May 30, 2018	**Managing Director**	**Chief Financial Officer**

DECLARATION OF CODE OF CONDUCT

[Under Regulation 17(5) of SEBI (LODR) Regulations, 2015]

This is to confirm that the board has laid down a code of conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2018 as envisaged in Listing Regulations.

Hyderabad	S. Pramanik
May 30, 2018	**Managing Director**

INDEPENDENT AUDITOR'S CERTIFICATE

on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of GOCL Corporation Limited

1 This certificate is issued in accordance with the terms of our engagement letter dated September 5, 2017 and addendum dated May 14, 2018.

2 GOCL Corporation Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period April 1, 2017 to March 31, 2018.

Management responsibility

3 The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for ensuring that the Company complies with the requirements of Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period April 1, 2017 to March 31, 2018. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation.

Auditor's Responsibility

4 Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the period April 1, 2017 to March 31, 2018.

5 We have examined the compliance of the conditions of Corporate Governance by the Company for the period April 1, 2017 to March 31, 2018 as per Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

6 We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued bythe Institute of Chartered Accountants of India.

Independent Auditor's Certificate on the Corporate Governance Report (continued)

7 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8 In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of the Schedule V of the Listing Regulations, as applicable.

9 We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on Use

10 This Certificate has been solely issued for the purpose of complying with the aforesaid Regulations of the Listing Regulations for the period April 1, 2017 to March 31, 2018 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Sriram Mahalingam
Partner
Membership Number: 049642

Hyderabad, May 30, 2018

TEN YEARS AT A GLANCE

(₹ Lakhs)

Year	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
INCOME & DIVIDENDS										
Turnover	**8967.43**	10851.79	10821.40	11610.24	110022.39	108195.16	100930.40	100102.35	106565.94	99588.84
Profit Before Tax	**2862.17**	2779.08	2579.60	4187.16	7882.62	7321.72	7031.23	6702.03	5430.23	3875.41
Profit After Tax	**2221.64**	2108.53	1760.60	3068.16	5833.62	5298.62	6211.23	5419.03	4507.23	2904.38
Profit After Tax as a percentage of Sales	**24.77%**	19.43%	16.27%	26.43%	5.30%	4.90%	6.15%	5.41%	4.23%	2.92%
Earnings Per Share (in ₹)	**4.48**	4.25	3.55	6.19	5.88	5.34	6.26	6.11	6.06	3.91
Dividend per fully paid Equity Share (in ₹)	**1.60**	1.60	1.50	2.00	2.50	2.20	2.20	2.00	1.80	1.70
Dividend	**793.16**	793.16	743.59	991.45	2478.62	2181.19	2181.19	1982.90	1338.46	1264.10

Year	2017-18*	2016-17*	2015-16*	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
CAPITAL EMPLOYED										
Net Fixed Assets	**32874.63**	32429.43	32318.51	96033.45	100219.56	101213.49	101877.61	43011.36	58103.87	60676.59
Net Working Capital	**5256.44**	4343.52	3603.75	2683.25	27711.92	32023.67	26850.55	10230.27	11388.15	17835.12
Other Assets	**3650.15**	3795.64	3463.02	3058.78	3379.71	5549.18	5530.73	8768.26	3204.01	3595.94
Total Capital Employed	**39258.70**	36901.12	36039.42	101775.48	131311.19	138786.34	134258.90	62009.89	72696.03	82107.65

Year	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
NETWORTH & LOANS										
Shareholders' Funds:										
Capital	**991.45**	991.45	991.45	991.45	1982.90	1982.90	1982.90	1982.90	1487.17	1487.17
Reserves	**37285.34**	35863.74	34659.02	99756.66	111396.38	108462.62	105715.88	42297.79	40789.77	39794.17
Tangible Networth	**38276.79**	36855.19	35650.47	100748.11	113379.28	110445.52	107698.78	44280.69	42276.94	41281.34
Secured Loans	**964.61**	-	318.91	935.51	5035.57	9815.49	8457.85	10204.43	17074.51	17122.63
Unsecured Loans	**19.29**	45.53	70.04	91.86	12896.37	18523.33	18102.28	7524.77	13344.58	23703.68
Debt Equity	**0.024**	0.0012	0.0038	0.01	0.16	0.26	0.25	0.40	0.72	0.99
No. of Shareholders at year end	**34873**	49289	52149	54607	60839	64291	65289	66661	61276	59476

Note: Turnover includes excise duty upto June 30, 2017.
** Financials are updated as per Ind AS.*

INDEPENDENT AUDITOR'S REPORT

To the Members of GOCL Corporation Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of GOCL Corporation Limited **("**the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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 aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 29, 2017 and May 26, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matter.

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 in terms of Section 143(11) of the Act, we give in "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, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

   e) On the basis of the written representations received from the directors as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   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 standalone Ind AS financial statements - Refer Note 37 to the standalone Ind AS financial statements.

      ii. The Company has long-term contracts other than derivative contracts, for which there were no material foreseeable losses.

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

      iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However, amounts as appearing in the audited Standalone Ind AS financial statements for the year ended March 31, 2017 have been disclosed.

***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

Sriram Mahalingam
Partner
Membership number: 049642

Place: Hyderabad
Date: May 30, 2018

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the Members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018, we report the following:

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

(b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 3 on property, plant and equipment to the standalone Ind AS financial statements are held in the name of the Company. In respect of immovable property of land that has been taken on lease, the lease agreement is in the name of the Company, where the Company is the lessee in the agreement and is under dispute (Refer note 37(4)).

(ii) The inventory apart from goods in transit and inventory lying with outside parties have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable. Inventories lying with outside parties have been substantially confirmed by them as at the year-end and no material discrepancies were noticed in respect of such confirmations.

(iii) The Company has granted loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'):

(a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and /or receipts of interest have been regular as per stipulations.

(c) There are no overdue amounts as at the year-end in respect of both principal and interest.

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

(v) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, Sales-tax, Service tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise or value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ Lakhs)	Amount Deposited (₹ Lakhs)
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	1980-81 to 1986-87 and 1999-00 to 2002-03	22.91	16.78
		Deputy Commissioner	2000-01	0.90	0.90
		Commissioner, Appeals	1992-93 to 1995-96 & 2000-01	3.57	1.70
		Central Excise and Service Tax Appellate Tribunal	2006-07 and 2007-08	631.44	-
		High Court of Andhra Pradesh & Telangana	2003-04	1.91	-
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner	1977-78 to 1983-84, 2000-01 to 2003-04 and 2007-08 to 2009-10	246.25	197.06
		Deputy Commissioner	2007-08 to 2008-09 and 2010-11 to 2011-12	54.15	4.50
		Additional Commissioner	2011-12 to 2012-13	68.26	60.92
		Commissioner	1997-98	51.70	-
		Joint Commissioner	2006-07 to 2007-08 and 2009-10 to 2010-11	164.56	55.53
		Sales Tax Tribunal	1992-93 to 1995-96, 1998-99 & 2002-03 to 2005-06	1800.65	269.00
		High Court of Odisha	1976-77 to 1987-88 and 1989-90 to 1990-91	2787.93	537.40
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09, 2012-13 to 2014-15	1802.09	13.21
Income-tax Act, 1961	Income Tax	Commissioner, Appeals	1994-95, 1996-97, 2001-02 to 2002-03, 2008-09, 2009-10	1149.82	1126.95
		Income Tax Appellate Tribunal	2011-12 to 2013-14	25.66	2.73
		High Court of Andhra Pradesh & Telangana	2011-12	6.28	6.28
		Supreme Court of India	2005-06	14.89	14.89

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

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

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

Sriram Mahalingam
Partner
Membership number: 049642

Place: Hyderabad
Date: May 30, 2018

Annexure B to the Independent Auditor's Report on the standalone Ind AS financial statements

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 GOCL Corporation 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 Act.

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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

***for* B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231W/W-100024

Sriram Mahalingam
Partner
Membership No. 049642

Place: Hyderabad
Date: May 30, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	1770.34	1472.89	1414.33
Capital work-in-progress	3	1425.17	1310.98	1260.46
Investment property	4	29620.20	29622.17	29611.25
Intangible assets	5	22.42	23.39	32.47
Biological assets other than bearer plants	6	36.50	-	-
Financial assets				
(a) Investment in subsidiaries	7	3652.27	1746.13	1304.38
(b) Other Investments	7	197.88	2049.51	1904.84
(c) Loans	13	3103.87	3050.48	2998.02
(d) Other financial assets	8	671.52	1870.94	1541.26
Income tax assets (net)	19	558.62	461.65	451.32
Deferred tax assets (net)	19	-	-	253.80
Other non-current assets	9	1705.91	1630.97	1510.07
Total Non-current assets		**42764.70**	43239.11	42282.20
Current assets				
Inventories	10	1971.96	1604.37	1522.97
Financial assets				
(a) Trade receivables	11	1659.25	2631.12	2109.00
(b) Cash and cash equivalents	12	194.27	525.58	1414.59
(c) Bank balances other than cash and cash equivalents	12	2991.23	1563.00	392.89
(d) Loans	13	7.64	29.64	114.58
(e) Other financial assets	8	2045.23	1380.90	996.24
Other current assets	9	484.31	499.52	453.85
Total current assets		**9353.89**	8234.13	7004.12
TOTAL ASSETS		**52118.59**	51473.24	49286.32
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	991.45	991.45	991.45
Other equity	15	37285.34	35863.74	34659.02
Total equity		**38276.79**	36855.19	35650.47
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	16	-	19.29	45.93
(b) Other financial liabilities	17	768.73	1721.32	1277.07
Provisions	18	8776.76	8963.83	8912.48
Deferred tax liabilities (net)	19	198.86	23.00	-
Total non-current liabilities		**9744.35**	10727.44	10235.48
Current liabilities				
Financial liabilities				
(a) Borrowings	21	962.62	-	318.91
(b) Trade payables	22	1600.77	1916.66	1429.16
(c) Other financial liabilities	17	1242.56	1575.77	1103.55
Provisions	18	2.57	50.68	50.57
Other current liabilities	20	288.93	347.50	498.18
Total current liabilities		**4097.45**	3890.61	3400.37
TOTAL LIABILITIES		**13841.80**	14618.05	13635.85
TOTAL EQUITY AND LIABILITIES		**52118.59**	51473.24	49286.32
Corporate Information and significant accounting policies	1 and 2			

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

***for* and on behalf of the Board of Directors of**
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

Sriram Mahalingam
Partner
Membership number: 049642

Ravi Jain
Chief Financial Officer

S. Pramanik
Managing Director
DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

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

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

		Notes	Year ended March 31, 2018	Year ended March 31, 2017
I	**Income**			
	Revenue from operations	23	8967.43	10851.79
	Other income	24	3275.75	2943.36
	Total income (I)		**12243.18**	13795.15
II	**Expenses**			
	Cost of materials consumed	25	3380.96	3212.34
	Purchase of stock-in-trade	26	136.38	21.60
	Changes in inventories of finished goods stock-in-trade and work-in-progress	27	(388.80)	48.19
	Excise duty		163.16	801.52
	Employee benefit expense	28	2333.97	2755.65
	Finance costs	29	135.23	105.69
	Depreciation and amortisation expense	30	154.71	172.19
	Other expenses	31	3873.05	4613.74
	Total expenses (II)		**9788.66**	11730.92
III	**Profit before exceptional items and tax (I-II)**		**2454.52**	2064.23
	Add: Exceptional items	32	407.65	714.85
IV	**Profit before tax**		**2862.17**	2779.08
V	**Tax expense**			
	Current tax	19	477.89	385.00
	Deferred tax	19	162.64	285.55
	Total tax expense		**640.53**	670.55
VI	**Profit for the year (IV-V)**		**2221.64**	2108.53
VII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans		40.80	(25.29)
	(b) Income tax relating to items that will not be reclassified to profit or loss		(13.22)	8.75
VIII	**Total other comprehensive income for the year**		**27.58**	(16.54)
IX	**Total comprehensive income for the year**		**2249.22**	2091.99
	Earnings per equity share (face value of ₹ 2 per share)			
	Basic and diluted (in ₹)	41	4.48	4.25
	Corporate information and significant accounting policies	1 and 2		
	The accompanying notes form an integral part of the financial statements			

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

***for* and on behalf of the Board of Directors of**
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

Sriram Mahalingam
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Chief Financial Officer

S. Pramanik
Managing Director
DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

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

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

(A) Equity share capital (refer note-14)

Particulars	Amount
Balance as at April 1, 2016	**991.45**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**991.45**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**991.45**

(B) Other equity

Particulars	Other equity				Total
	General reserve	Capital reserve	Export allowance reserve	Retained earnings	
Balance as at April 1, 2016	12572.33	0.75	10.50	22075.44	34659.02
Profit for the year	-	-	-	2108.53	2108.53
Remeasurement of net defined benefit liability/asset, net of tax effect	-	-	-	(16.54)	(16.54)
Transactions recorded directly in equity					
Dividends (including corporate dividend tax)	-	-	-	(887.27)	(887.27)
Balance as at March 31, 2017	12572.33	0.75	10.50	23280.16	35863.74
Profit for the year	-	-	-	2221.64	2221.64
Remeasurement of net defined benefit liability/asset, net of tax effect	-	-	-	27.58	27.58
Transactions recorded directly in equity					
Dividends (including corporate dividend tax)	-	-	-	(827.62)	(827.62)
Balance as at March 31, 2018	**12572.33**	**0.75**	**10.50**	**24701.77**	**37285.34**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

for **and on behalf of the Board of Directors of**
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

Sriram Mahalingam
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DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax and after exceptional items		2862.17		2779.08
Adjustments for:				
Depreciation and amortization expense	154.71		172.19	
Dividend income	(795.94)		(623.91)	
Provision for doubtful trade and other receivables	44.22		26.16	
Profit on sale of plant and equipment	(197.58)		(358.53)	
Financial assets measured at fair value through profit or loss	(1.40)		(1.51)	
Reversal of provision created out of adjusted to revaluation reserve in earlier years (refer note 32)	(221.74)		-	
Reversal of provision for diminution in value of investments	-		(363.41)	
Liabilities/provisions no longer required written back	(383.86)		(53.93)	
Interest Income	(660.66)		(775.36)	
Unrealized gain on foreign exchange fluctuation, net	28.19		34.34	
Finance Cost	135.23	(1898.83)	105.69	(1838.27)
Operating profit before working capital changes		**963.34**		**940.81**
Changes in working capital:				
Trade receivables and other assets	728.31		(1453.65)	
Inventories	(367.59)		(81.40)	
Trade payables including provisions	(1239.20)	(878.48)	1323.51	(211.54)
		84.86		729.27
Income taxes paid (net of refunds)		(622.97)		(395.33)
Net cash (used in) / from operating activities - (A)		**(538.11)**		**333.94**
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property plant and equipment	(544.32)		(280.55)	
Proceeds from sale property of plant and equipment	204.99		360.91	
Investment in equity shares of subsidiaries	(1906.15)		-	
Investment in bank deposits	(4043.98)		(3056.59)	
Redemption / returning of bank deposit	3397.90		1877.87	
Sale of investment in preference shares	1890.00		-	
Advances to subsidiary companies:				
- Loan (given)/ repaid to / by subsidiaries	(0.45)		(3.03)	
- Realized	-		71.61	
Advances to other companies:				
- Loans repaid by the companies	22.45		16.35	
Interest received	416.69		464.91	
Dividend received	795.94		661.71	
Net cash from investing activities - (B)		**233.06**		**113.19**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of non current borrowings	(26.64)	(24.11)
Proceeds / Repayment of current borrowings	962.62	(318.91)
(Increase) / Decrease in restricted cash	1.95	-
Share application money transfer to fund account	(1.95)	-
Interest paid	(134.62)	(105.85)
Dividend paid	(793.16)	(743.59)
Tax on dividend	(34.46)	(143.68)
Net cash used in financing activity - (C)	**(26.26)**	**(1336.14)**
(D) Net decrease in cash and cash equivalents (A+B+C)	(331.31)	(889.01)
(E) Cash and cash equivalents as at the beginning of the year	525.58	1414.59
(F) Cash and cash equivalents as at the end of the year (Refer Note Below)	194.27	525.58
See accompanying notes forming part of the Financial Statements		

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents comprise (Refer Note : 12)		
(a) Cash on hand	3.94	3.96
(b) Balance with banks		
(i) In Current accounts	6.86	397.13
(ii) In EEFC accounts	50.40	0.29
(iii) In Deposits accounts	133.07	124.20
Total	194.27	525.58

The above statement of Cash flow has been prepared under the "Indirect method as set out in Ind AS 7" “Statement of Cash flow”

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

***for* and on behalf of the Board of Directors of**
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

Sriram Mahalingam
Partner
Membership number: 049642

Ravi Jain
Chief Financial Officer

S. Pramanik
Managing Director
DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

1 Company Overview

1.1 Corporate information:

GOCL Corporation Limited (the 'Company') is a Company domiciled in India, with its registered office situated at Kukatpally P.B.No.1 Sanatnagar (IE), Hyderabad - 500 018, Telangana.The Company is in the business of Energetics, Mining & Infrastructure Services and Realty.

Basis of preparation, Measurement and Significant accounting policies:

1.2 Basis of preparation:

A. Statement of compliance:

a) Financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act.

b) These are the Company's first financial statements prepared in accordance with Ind AS, and hence, Ind AS 101, First-time Adoption of Ind AS has been applied.

c) For all periods up to and including the year ended March 31, 2017 the Company had prepared its financial statements in accordance the with Generally Accepted Accounting Principles in India (Indian GAAP) notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). An explanation on how the transition from previous GAAP to Ind AS has affected the reported balance sheet, statement of profit and loss and cash flows of the Company is provided.

d) These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2018

e) The financial statements were authorised for issue by the Company's Board of Directors on May 30, 2018.

f) Details of the Company's accounting policies are included in Note 2.

B. Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

C. Basis of measurement:

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

Items	Measurement
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgment:

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3,4 & 5- Useful lives of property, plant and equipment, investment property and intangible assets.
- Note 33 - Financial instruments,
- Note 35 - measurement of defined benefit obligations: key actuarial assumptions,
- Note 19 - Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets,

1.3 Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

- Note 8 and 9 – impairment of financial and non-financial assets.
- Note 19 – recognition of deferred tax assets,
- Note 37 – recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

1.4 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 33 - financial instruments;

2 Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet at April 1, 2016 for the purposes of the transition to Ind AS, unless otherwise indicated.

a. Foreign currency transactions:

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the statement of profit and loss.

b. Financial instruments:

i. Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement:

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair Value through other comprehensive income (FVOCI)– equity investment; or
- Fair value to profit & loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

iii. Derecognition:

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are recognised in the statement of profit & loss account. Derivatives are carried as financial asset when the fair value is positive and as financial liability when fair value is negative.

c. Property, plant and equipment and capital work-in-progress:

i. Recognition and measurement:

Property, plant and equipment:

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

ii. Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see note 38).

iii. Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation:

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

Leasehold land and Leasehold improvements are amortized over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. Intangible assets:

i. Recognition:

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred.

iii. Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv. Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Years
- Computer software	6

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Investment property:

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which are equal to life prescribed in Schedule II of the Companies Act, 2013.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at April 1, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

f. Inventories:

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a transaction moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finised products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. Impairment:

i. Impairment of financial instruments:

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

  At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

  Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

  Loss allowances are always measured at an amount equal to lifetime expected credit losses.

  Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e.the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

ii. Impairment of non-financial assets:

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company’s corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

h. Employee benefits:

i. Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Company providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

Gratuity:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Provident Fund:

Eligible employees of the company receive benefits from provident fund, which is defined contribution plan. Both the eligible employees and the company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The company has no further obligation to the plan beyond its monthly contributions.

ii. Compensated absences:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of actuarial valuation using the projected unit credit method.

i. Revenue

Revenue from the sale of goods is recognised when all the significant risks and rewards of owner ship in the goods are transferred to buyer as per the terms of the contract, there is no continuing material involvement with the goods and the amount of revenue can be measured reliable. The company retains no effective control of goods transferred to a degree unusual associated with owner ship and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levid on sales such as sales tax, value added tax, central excise and Goods and service tax etc.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Income form export incentive such as duty drawback are recognised on actual basis.

j. Recognition of interest income or expense:

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Leases:

i. Determining whether an arrangement contains a lease:

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases:

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

l. Income-tax:

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

m. Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

n. Provision, contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Onerous contracts:

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and continent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

o. Earnings per share:

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

p. Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

q. Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r. Biological assets:

Biological assets i.e. living animals, are measured at fair value less cost to sell. Costs to sell include the minimal transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred.

s. Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

t. Recent Indian Accounting Standards (Ind AS):

Following new standard and amendment to Ind AS have not been applied by the Group as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The effect of changes in Foreign Exchange rates

Ind AS 115 Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18'Revenue'. The core principle of the New Revenue 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. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. The new standard also provides guidance on evaluation of performance obligations being distinct to enable separate recognition and could impact timing of recognition of certain elements of multiple element arrangements.

Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Group is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Ind AS 21 – The effect of changes in Foreign Exchange rates The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 3 Property, plant and equipment and capital work -in-progress

Particulars	Land-Freehold	Buildings	Plant and Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total	Capital work-in-progress
I. Gross carrying amount (at cost or deemed cost)									
Balance as at April 1, 2016	64.81	648.90	504.02	43.52	15.55	108.38	29.15	1414.33	1260.46
Additions	-	109.08	47.28	23.22	17.48	8.11	14.77	219.94	50.52
Disposals	-	(4.46)	-	-	(1.19)	-	(1.67)	(7.32)	-
Balance as at March 31, 2017	**64.81**	**753.52**	**551.30**	**66.74**	**31.84**	**116.49**	**42.25**	**1626.95**	**1310.98**
Additions	-	85.77	261.73	4.01	13.75	38.27	44.05	447.58	649.86
Disposals	-	(5.22)	-	-	-	(3.96)	(11.32)	(20.50)	-
Capitalization	-	-	-	-	-	-	-	-	(535.67)
Balance as at March 31, 2018	**64.81**	**834.07**	**813.03**	**70.75**	**45.59**	**150.80**	**74.98**	**2054.03**	**1425.17**
II. Accumulated depreciation									
Balance as at April 1, 2016	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	36.06	53.04	23.56	7.96	23.60	14.79	159.01	-
Disposals	-	(2.10)	-	-	(1.18)	-	(1.67)	(4.95)	-
Balance as at March 31, 2017	-	33.96	53.04	23.56	6.78	23.60	13.12	154.06	-
Depreciation expense for the year	-	26.79	61.47	7.14	8.46	25.53	13.24	142.63	-
Disposals	-	(0.21)	(1.06)	-	-	(1.20)	(10.58)	(13.05)	-
Balance as at March 31, 2018	-	**60.54**	**113.45**	**30.70**	**15.24**	**47.93**	**15.78**	**283.64**	-
Net carrying value :									
Balance as at April 1, 2016	**64.81**	**648.90**	**504.02**	**43.52**	**15.55**	**108.38**	**29.15**	**1414.33**	**1260.46**
Balance as at March 31, 2017	**64.81**	**719.56**	**498.26**	**43.18**	**25.06**	**92.89**	**29.13**	**1472.89**	**1310.98**
Balance as at March 31, 2018	**64.81**	**773.53**	**699.58**	**40.05**	**30.35**	**102.87**	**59.20**	**1770.34**	**1425.17**

Notes:

(i) Refer to note 16 & 21 as well for information on property, plant and equipment pledged as security by the company.

(ii) On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iii) Refer to note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work in progress mainly comprises of project under constructions

(v) Leasehold land has been carried at deemed cost at Rs Nil, (March 31, 2017 Rs Nil)

Note 4 Investment properties

Description of assets	Land	Buildings	Total
I. Gross carrying amount (at cost or deemed cost)			
Balance as at April 1, 2016	29555.13	56.12	29611.25
Additions	-	12.95	12.95
Disposals	-	-	-
Balance as at March 31, 2017	**29555.13**	**69.07**	**29624.20**
Additions	-	-	**-**
Disposals	-	-	**-**
Balance as at March 31, 2018	**29555.13**	**69.07**	**29624.20**
II. Accumulated depreciation			
Balance as at April 1, 2016	-	-	-
Depreciation expense for the year	-	2.02	2.02
Disposals	-	0.01	0.01
Balance as at March 31, 2017	-	2.03	2.03
Depreciation expense for the year	-	2.01	**2.01**
Disposals	-	-	**-**
Balance as at March 31, 2018	-	4.04	4.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Description of assets	Land	Buildings	Total
Net carrying amount:			
Balance as at April 1, 2016	**29555.13**	**56.12**	**29611.25**
Balance as at March 31, 2017	**29555.13**	**67.04**	**29622.17**
Balance as at March 31, 2018	**29555.13**	**65.03**	**29620.20**

During the year the Company has recongnised rental income of Rs 92.39 (March 31, 2017 : ₹ 82.64) in the statement of profit and loss for investment property.

The fair value of value of investment property as at March 31, 2018 is Rs 129,135.96 based on market assessable data.

Note 5 Intangible assets

Description of assets	Computer software	Total
I. Gross carrying amount (at cost or deemed cost)		
Balance as at April 1, 2016	32.47	32.47
Additions	2.08	2.08
Disposals	-	-
Balance as at March 31, 2017	**34.55**	**34.55**
Additions	9.11	9.11
Disposals	-	-
Balance as at March 31, 2018	**43.66**	**43.66**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2016	-	-
Amortisation expense for the year	11.16	11.16
Disposals	-	-
Balance as at March 31, 2017	**11.16**	**11.16**
Amortisation expense for the year	10.08	10.08
Disposals	-	-
Balance as at March 31, 2018	**21.24**	**21.24**
Net carrying amount:		
Balance as at April 1, 2016	**32.47**	32.47
Balance as at March 31, 2017	**23.39**	23.39
Balance as at March 31, 2018	**22.42**	22.42

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

Note 6 Biological assets other than bearer plants

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Live Stock	36.50	-	-
Total	**36.50**	**-**	**-**
Reconciliation of carrying amount			
Balance at the beginning of the year	**-**	**-**	**-**
Change in fair value	-	-	-
Purchase of cattle	36.50	-	-
Cattle sold/ discarded during the year	-	-	-
Closing balance at the end of the year	**36.50**	**-**	**-**

As at March 31, 2018, there were 105 cattle (March 31, 2017: Nil, April 1, 2016: Nil) as matured biological assets.

The fair valuation of biological assets is classified as level 2 in the fair value hierarchy as they are determined based on the basis of the best available quote from the nearest market to the farm and on the basis of age of the cattle.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 7 Investments

		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
I	**Investment carried at cost**						
	In equity instrument (Unquoted) fully paid-up						
	In Subsidiaries						
	IDL Buildware Limited 1,970,000 (March 31, 2017: 1,970,000, April 1, 2016 1,970,000) Equity Shares of ₹10 each	203.41		203.41		203.41	
	Less: Provision for impairment in value	-	203.41	-	203.41	203.41	-
	IDL Explosives Limited 6,050,000 (March 31, 2017: 6,050,000, April 1, 2016: 6,050,000) Equity Shares of ₹10 each		605.00		605.00		605.00
	IDL Explosives Limited 1,815,000 (March 31, 2017: Nil, April 1, 2016: Nil) Equity Shares of ₹10 each (including additional premium of Rs 95 each)		1905.75		-		-
	Deemed investment in IDL Explosives limited		850.25		850.26		611.92
	Gulf Carosserie India Limited 380,001 (March 31, 2017: 380,001, April 1, 2016 : 380,001) Equity Shares of ₹10 each	38.40		38.00		38.00	
	Less: Provision for impairment in value	38.00	0.40	38.00	-	38.00	-
	HGHL Holdings Limited 100,000 (March 31, 2017 : 100,000, April 1, 2016 : 100,000) Equity Shares of GBP 1 each		87.46		87.46		87.46
			3652.27		1746.13		1304.38
II	**Quoted Investments**						
	In equity instrument at fair value (Quoted)						
	Hinduja Global Solutions Limited 48 (March 31, 2017 : 48 , April 1, 2016 : 48) Shares of ₹ 10 each fully paid-up		0.11		0.27		0.19
	Hinduja Ventures Limited 48(March 31, 2017 : 48 , April 1, 2016 : 48) Shares of ₹ 10 each fully paid-up		0.11		0.27		0.19
			0.21		**0.53**		**0.38**
III	**Investment carried at fair value through P&L**						
	In equity instrument (Unquoted)						
	Others						
	IDL Chemicals Employees' Co-operative Credit Society Limited 500 March 31,2017 : 500 , April 1,2016 : 500) Shares of ₹ 10 each fully paid-up		0.37		0.37		0.37
	Mangalam Retail Services Limited 12,490 (March 31,2017 : 12,490,April 1, 2016 12,490)Equity Shares of ₹ 10 each fully paid-up		1.68		1.68		1.77
	Pachora Peoples Co-operative Bank Limited 2 (March 31, 2017 :2 April 1, 2016 : 2) Equity Shares of ₹ 100 each fully paid-up in (* ₹ 300 each equity share)		-*		-*		-*
			2.05		2.05		2.14
	Other Investment (Quoted)						
	UTI Bond Fund of Unit Trust of India 27,978 units (March 31, 2017 : 27978 units, April 1, 2016 : 27978 units) of ₹10 each fully paid-up		15.28		13.92		12.32
			15.28		13.92		12.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
IV Investment carried at amortized cost						
In Preference Shares (Unquoted)						
In Subsidiaries						
IDL Buildware Limited. 160,000 (March 31,2017:160,000, April 1 2016: 160,000) 8% Redeemable cumulative preference shares of ₹ 100 each fully paid-up	180.34		177.28		160.00	
Less: Provision for impairment in value	-	180.34	-	177.28	160.00	-
IDL Explosives Limited Nil (March 31,2017 : 189,000, April 1, 2016 189,000) 10% Series-A Redeemable cumulative preference shares of ₹ 100 each fully paid-up		-		1855.73		1890.00
		197.88		2049.51		1904.84
Note:						
1. Aggregate book value of quoted investments		15.49		14.45		12.70
2. Aggregate market value of quoted investments		15.49		14.51		12.70
3. Aggregate cost of unquoted investments		3834.66		3781.19		3196.52
4. Aggregate amount of impariment in value of investments		38.00		38.00		401.41

Note 8 Other financial assets

	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Security deposits						
- Unsecured, considered good	77.12	68.23	296.90	38.56	296.46	9.29
- Unsecured, considered good doubtful	20.00	-	20.00	-	20.00	-
Less : Allowance for bad and doubtful deposits	(20.00)	-	(20.00)	-	(20.00)	-
	77.12	68.23	296.90	38.56	296.46	9.29
Interest accured	-	285.76	60.47	37.65	45.09	14.55
Other receivable						
- From related party	594.40	1592.14	1513.57	1167.10	1199.71	634.10
- Others	-	99.10	-	137.59	-	269.12
Unbilled revenue	-	-	-	-	-	69.18
	594.40	1977.00	1574.04	1342.34	1244.80	986.95
	671.52	**2045.23**	1870.94	1380.90	1541.26	996.24

Note:

The Company's exposure to credit and currency risks, and loss allowances related to other financial assets are disclosed in note 34. For details of current assets hypothecated against borrowings of the Company refer note 16.

Note 9 Other assets

(Unsecured, considered good)

Capital advances	14.26	-	29.96	-	27.50	-
Other than capital advances						
Prepayments	43.72	78.44	27.44	72.08	20.69	82.96
Balance with Government authorities	1647.93	231.17	1573.57	213.79	1461.88	171.62
Less: allowance for bad and doubtful advances	-	(37.60)	-	-	-	-
Gratuity fund (refer note 35)	-	106.18	-	46.54	-	41.06
Advances to employees	-	0.73	-	1.99	-	3.19
Advance to suppliers and service providers						
Considered good	-	105.39	-	165.12	-	155.02
Considered doubtful	-	38.06	-	38.06	-	38.06
Less: allowance for bad and doubtful advances	-	(38.06)	-	(38.06)	-	(38.06)
	1705.91	**484.31**	1630.97	499.52	1510.07	453.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 10 Inventories

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	542.34	494.79	367.20
Work-in-progress	449.60	364.31	338.87
Finished goods*	850.56	625.35	698.63
Stock-in-trade	0.45	-	0.35
Stores and spares	44.48	51.78	48.57
Packing materials	84.53	68.14	69.35
	1971.96	1604.37	1522.97

*Includes goods in transit of Rs 54.56 (March 31, 2017: Nil, April 1, 2016 : Nil) *

Write down of inventories to net realizable value amount to Rs 388.69 (March 31, 2017: Rs 375.54 and April 1, 2016: Rs 427.61)

Note 11 Trade receivables

Trade receivables - current			
Unsecured, considered good	1672.13	2668.63	2188.35
Unsecured, considered doubtful	1471.12	1471.12	1474.95
	3143.25	4139.75	3663.30
Less: Allowance for credit loss	1484.00	1508.63	1554.30
	1659.25	2631.12	2109.00

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 34

Note 12 Cash and bank balances

Cash and cash equivalents			
Balances with banks:			
In Current accounts	6.86	397.13	1291.19
In EEFC account	50.40	0.29	4.60
In deposit accounts with maturity period of less than 3 months	133.07	124.20	115.09
Cash on hand	3.94	3.96	3.71
Total cash and cash equivalents	**194.27**	525.58	1414.59
Other bank balances			
Deposits with maturity more than 3 months and less than 12 months.	1943.56	1306.39	136.94
In Earmarked balances with banks			
Unpaid dividend accounts	905.91	121.81	130.42
Issued by the Company but not encashed by Rights Issue Applicants	-	1.95	1.95
Deposits held as margin money	141.76	132.85	123.58
Total other bank balances	**2991.23**	1563.00	392.89
Total cash and bank balances	**3185.50**	2088.58	1807.48

Note 13 Loans
(Unsecured)

	As at March 31,2018		As at March 31, 2017		As at April 1, 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Advances to related parties						
IDL Explosives Limited (refer note)	3103.87	-	3050.48	-	2998.02	25.41
IDL Buildware Limited	-	-	-	-	-	46.20
Gulf Carosserie India Limited	-	15.02	-	14.57	-	11.55
Less: Loan allowances	-	(7.38)	-	(7.38)	-	(7.38)
Advances to other Companies						
Gulf oil lubricants India limited	-	-	-	22.45	-	38.80
	3103.87	**7.64**	3050.48	29.64	2998.02	114.58

Note : Inter-Corporate Deposit (ICD) of ₹ 3,103.87 (As at March 31, 2017: ₹ 3,103.87) given to IDL Explosives Limited (100% subsidiary company) in 2012-13. During the year 2014-15, the loan was mutually agreed to be repaid by March 31, 2018. Subsequently during the year 2017-18, the Board of Directors of IDL Explosives Limited have proposed to extend the repayment date till April 1, 2021 and the same has been approved by the Company vide letter dated May 30, 2017. Interest rate is in the range of 10.45% - 11.75% per annum (2016-17: 11.75% per annum). The above ICD has been disclosed at fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 14 Equity share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorized :			
75,427,510 (March 31 , 2017 :75,427,510,April 1, 2016:75,427,510) Equity Shares of ₹ 2 each	1508.55	1508.55	1508.55
Issued, subscribed and fully paid -up:			
49,572,490 (March 31, 2017 : 49,572,490,April 1, 2016: 49,572,490) Equity Shares of ₹ 2 each	991.45	991.45	991.45
	991.45	991.45	991.45

Notes

a. Reconciliation of the number of shares outstanding:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	49572490	991.45	49572490	991.45	49572490	991.45
At the end of the year	**49572490**	**991.45**	49572490	991.45	49572490	991.45

b. Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of Shares	% holding of equity shares	Number of Shares	% holding of equity shares	Number of Shares	% holding of equity shares
Fully paid equity shares						
Hinduja Power Limited (Mauritius) (Holding Company)	37146791	74.93%	34638487	69.87%	32193167	64.94%

c Shares of the company held by holding/ultimate holding company

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of Shares	% holding of equity shares	Number of Shares (*)	% holding of equity shares	Number of Shares	% holding of equity shares
Hinduja Power Limited (Mauritius) (Holding Company)	37146791	74.93%	34638487	69.87%	32193167	64.94%

(*) Does not include additional 33,304 shares (0.06%) acquired on March 30, 2017 as credit to demat received on April 3, 2017.

d. Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares 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 remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

During the five years ended March 31, 2018 no shares have been bought back/ issued for consideration other than Cash and no bonus shares have been issued.

Note 15 Other equity

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General reserve	12572.33	12572.33	12572.33
Retained earnings	24701.76	23280.16	22075.44
Capital reserve	0.75	0.75	0.75
Export allowance reserve	10.50	10.50	10.50
Balance at end of the year	**37285.34**	35863.74	34659.02

Nature and purpose of the reserves:

General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve,dividends or other distributions paid to shareholders.

Capital reserve:

During amalgamation in earlier years the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

Export allowance reserve:
Represents reserve created to meet liability against any export obligation

Note 16 Borrowings

	As at March 31,2018		As at March 31,2017		As at April 1, 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Term Loan						
Vehicle loan (secured)	-	19.29	19.29	26.64	45.93	24.11
	-	**19.29**	19.29	26.64	45.93	24.11

Security and terms of repayment:

Term loan for acquiring vehicle is repayable in 48 equated monthly installments from the date of availing the loan. rate of interest is 10.01% per annum (March 31, 2017: 10.01% per annum) out of the above, 8 installments (March 31, 2017 : 20 installments) are outstanding payable as at the Balance sheet date. The term loan is maturing in November 2018.

Note 17 Other financial liabilities

	As at March 31,2018		As at March 31,2017		As at April 1, 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Financial guarantee liability	768.73	922.07	1691.16	922.21	1246.91	440.88
Current maturities of long term borrowings (Refer Note 16)	-	19.29	-	26.64	-	24.11
Interest accrued but not due on borrowings	-	1.99	-	1.38	-	1.54
Unpaid dividends and application money	-	112.75	-	121.81	-	130.42
Unclaimed share application money	-	-	-	1.95	-	1.95
Others						
(i) Payables for capital goods	-	95.06	-	47.70	-	40.30
(ii) Trade deposits received	-	52.64	30.16	46.38	30.16	34.14
(iii) Payable for expenses	-	38.76	-	407.70	-	430.21
	768.73	**1242.56**	1721.32	1575.77	1277.07	1103.55

Note 18 Provisions

Employee benefits:						
- Compensated absences	186.32	2.57	194.12	2.57	142.77	2.46
	186.32	**2.57**	194.12	2.57	142.77	2.46
Provision for:						
- Indirect taxes	8377.97	-	8394.10	-	8394.10	-
- Claims and others	212.47	-	375.61	48.11	375.61	48.11
	8590.44	**-**	8769.71	48.11	8769.71	48.11
	8776.76	**2.57**	8963.83	50.68	8912.48	50.57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Movement in provisions

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

Particulars	Compensated Absences	Indirect taxes	Claims
Opening balance at the beginning of the year	196.69	8394.10	423.72
Additional provision recognised	8.00	-	-
Unused amount reversed	-	16.13	211.25
Amounts used during the year	(16.00)	-	-
Closing balance at the end of the year	**188.89**	**8377.97**	**212.47**

Note 19 Income taxes

19.1 Deferred tax (liabilities)/assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets	336.17	522.83	732.66
Deferred tax liabilities	(535.03)	(545.83)	(478.87)
	(198.86)	**(23.00)**	**253.80**

2017-18	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Depreciation & Amortization	160.66	(147.67)	-	12.99
Provision for doubtful debts / advances	146.22	(8.62)	-	137.60
Remeasurements of the defined benefit plans	50.42	(21.64)	-	28.78
On surplus arising on transfer of explosives undertaking.	(262.40)	-	-	(262.40)
Indexation benefit on land	127.13	4.18	-	131.31
Remeasurement of defined benefit obligation	14.30	10.82	(13.22)	11.90
Fair valuation of non current investment	(4.23)	0.35	-	(3.88)
Interest unwinded on preference shares investment in IDL Explosives Limited	(180.54)	20.43	-	(160.11)
Interest unwinded on preference shares investment in IDL Buildware	(5.99)	0.13	-	(5.86)
Financial guarantee impact	(23.59)	(6.33)	-	(29.92)
Interest unwinding on ICDs	(83.39)	(1.38)	-	(84.77)
Leave encashment	15.42	(2.59)	-	12.83
Expected credit loss	12.98	(9.27)	-	3.71
Others	10.00	(1.05)	-	8.96
Total	**(23.00)**	**(162.64)**	**(13.22)**	**(198.86)**

2016-17	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Depreciation & Amortization	358.30	(197.64)	-	160.66
Provision for doubtful debts / advances	147.55	(1.33)	-	146.22
Remeasurements of the defined benefit plans	51.45	(1.03)	-	50.42
On surplus arising on transfer of explosives undertaking	(262.40)	-	-	(262.40)
Indexation benefit on land	121.67	5.46	-	127.13
Remeasurement of defined benefit obligation	-	5.55	8.75	14.30
Fair valuation of non current investment	(3.61)	(0.62)	-	(4.23)
Interest unwinded on preference shares investment in IDL Explosives Limited	(109.91)	(70.63)	-	(180.54)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

2016-17	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Interest unwinded on preference shares investment in IDL Buildware	-	(5.99)	-	(5.99)
Financial guarantee impact	(37.72)	14.14	-	(23.59)
Interest unwinded on ICDs	(65.23)	(18.16)	-	(83.39)
Leave encashment	-	15.42	-	15.42
Expected credit loss	27.46	(14.48)	-	12.98
Others	26.24	(16.23)	-	10.00
	253.80	**(285.54)**	**8.75**	**(23.00)**

19.2. Income -tax assets (net)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current assets			
Income tax asset (net of provision for tax)	558.62	461.65	451.32
	558.62	461.65	451.32

19.3 - Tax Expense

a) Recognised in statement of profit and loss

	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
In respect of the current year	477.89	385.00
	477.89	**385.00**
Deferred tax		
In respect of the temporary differences in the current year	162.64	285.55
	162.64	**285.55**
b) Recognised in Other comprehensive Income		
Deferred tax		
In respect of the temporary differences in the current year	(13.22)	8.75
	(13.22)	**8.75**
c. Reconcilation of effective tax rate		
Profit before tax	2862.17	2779.08
Income tax expense calculated at 34.608% (2016-17 :34.608%)	990.54	961.78
Impact of reversal temporary differences on PPE for which no deferred tax has been created previously	6.29	16.05
Impact of income exempt from tax (Dividend income)	(275.46)	(215.92)
Indexation benefit on land	(4.18)	(5.46)
Impact of temporary differences reversed during the period on which no deferred tax asset created previous	(59.95)	(85.91)
Effect of change in rate of tax	(16.71)	-
Income tax expense recognized	**640.53**	670.55
Effective tax rate	**22.38%**	24.13%

Note 20 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from customers	18.02	34.94	167.56
Statutory liabilities	30.98	38.89	51.28
Other payable	239.93	273.67	279.34
	288.93	347.50	498.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 21 Current borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan repayable on demand			
from Bank	962.62	-	318.91
	962.62	**-**	318.91

Note:

Details of security:

Cash credit facilities from consortium banks are secured by hypothecation of all current assets of the Company including raw materials, finished goods, stock-in-process, stores and spares (not relating to plant & equipment) and present and future book debts of the Company ranking pari-passu and collateral security by (i) first pari-passu charge by way of equitable mortgage on the land owned by the Company admeasuring 115.10 acres situated at Kukatpally, Hyderabad and (ii) second pari-passu charge on buildings, plant and equipment of Energetics Division at Hyderabad charged to other term/working capital lenders.

Note 22 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables - current			
Dues to micro enterprises and small enterprises	-	-	-
Dues to creditors other than micro enterprises and small enterprises	1600.77	1916.66	1429.16
	1600.77	**1916.66**	**1429.16**

As at March 31, 2018 , March 31, 2017 and April 1, 2016 there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

(a) the principal amount and the interest due thereon remaining unpaid to any supplier.	-	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) the amount of interest accrued and remaining unpaid; and	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 34

Note 23 Revenue from operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products*	8591.82	9833.62
Service Income	115.19	673.14
Other operating revenue	260.42	345.03
	8967.43	10851.79

*Sale of products inclusive of excise duty for the period up to June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 24 Other income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on		
Deposits with banks and others	513.11	480.02
Income tax refund	56.87	21.49
Financial assets at amortised cost	90.68	273.85
	660.66	775.36
Dividend income from		
Subsidires	795.92	623.90
Others	0.02	0.01
	795.94	623.91
Fair value gain or (loss)		
Net gain on financial assets measured at fair value through profit or loss	1.40	1.51
Other income		
Commission on corporate guarantees given	1298.53	1444.63
Provision no longer required written back	383.86	53.93
Profit on sale of plant and equipment	13.34	7.09
Gain on foreign exchange fluctuation (net)	78.03	-
Miscellaneous income	43.99	36.93
	1817.75	1542.58
	3275.75	**2943.36**

Note 25 Cost of materials consumed

Opening stock	494.79	367.20
Add: Purchases	3428.51	3339.93
	3923.30	494.79
Less: Closing stock	542.34	494.79
	3380.96	3212.34

Note 26 Purchase of stock-in-trade

Safety fuse	136.38	21.60
	136.38	**21.60**

Note 27 Changes in inventories of finished goods work-in- progress and stock in trade

Opening stock:		
Finished goods	625.35	698.63
Stock-in-trade	-	0.35
Work-in-progress	364.31	338.87
	989.66	**1037.85**
Closing stock:		
Stock-in-trade	0.45	-
Work-in-progress	449.60	364.31
Finished goods	850.56	625.35
	1300.61	**989.66**
Net increase/(decrease) (before excise duty)	(310.95)	48.19
Excise duty on increase/(decrease) of finished goods	(77.85)	-
Net increase/(decrease)	**(388.80)**	**48.19**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 28 Employee benefits expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages, including bonus	1908.69	2202.12
Contribution to provident and other funds (Refer note 35)	132.82	197.68
Workmen and staff welfare expenses	292.46	355.85
	2333.97	2755.65

Note 29 Finance costs

Interest Expenses on borrowings	54.72	35.68
Other borrowing cost	80.51	70.01
	135.23	105.69

Note 30 Depreciation and amortisation expense

Depreciation of property, plant and equipment	142.62	159.01
Depreciation on investment properties	2.01	2.02
Amortisation of intangible assets	10.08	11.16
	154.71	172.19

Note 31 Other expenses

Consumption of stores and spares	161.23	126.59
Processing charges	324.63	444.25
Packing material consumed	336.82	284.61
Power and fuel	547.47	512.90
Expenses on operation contracts	53.49	419.30
Rent	26.61	200.99
Rates, fees and taxes	250.49	144.28
Insurance	66.54	65.76
Repairs and maintenance		
Plant and machinery	88.79	95.48
Buildings	30.08	10.28
Selling expenses		
Advertising and sales promotion	6.52	3.96
Selling commission	163.88	192.76
Distribution expenses	1156.06	1269.01
Travelling and conveyance	72.81	139.08
Communication expenses	20.22	25.86
Legal and professional fee (refer note (a) below)	314.11	306.62
Provision of doubtful debts/advances, net (refer note (b) below)	31.30	(2.31)
Directors' sitting fee	44.10	44.50
Loss on sale of plant and equipment	1.67	-
Foreign exchange fluctuation, net	-	36.58
CSR expenditure (refer note 40)	38.02	23.00
Miscellaneous expenses	138.21	270.24
	3873.05	4613.74

Notes:

(A) Legal and professional fee includes:

Payment to auditors:		
Statutory audit	20.50	27.00
Limited reviews	7.50	8.00
Tax audit	2.50	3.00
Other services (certification)	0.40	1.80
Reimbursement of expenses	0.78	0.62
	31.68	40.42

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

(b) Provision / (reversal) of doubtful debts/advances, net

	Year ended March 31, 2018	Year ended March 31, 2017
Doubtful trade receivables, loans & advances written off	18.33	43.36
Provision for doubtful trade receivables and loans & advances	44.22	26.16
Less: provision for doubtful trade receivables, loans & advances reversed	(31.25)	(71.83)
	31.30	**(2.31)**

Note 32 Exceptional Items

Profit on sale of plant and equipment fully impaired earlier	185.91	351.44
Reversal of provision for doubtful debts created in earlier years by adjusting to revaluation reserve in pursuance to the Scheme of arrangement in 2008-09.	221.74	-
Reversal of provision made for impairment in the value of investments created in earlier years adjusted to revaluation reserve in pursuance to the Scheme of arrangement in 2008-09.	-	363.41
	407.65	**714.85**

Note 33 Financial Instruments

(i) The following table represents analysis of carrying values and fair values of financial instruments

Particulars	Fair value hierarchy	Carrying Values			Fair value		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets:							
Non-Current							
i) Investments	3	197.88	2049.51	1904.84	197.88	2049.51	1904.84
ii) Loans	3	3103.87	3050.48	2998.02	3103.87	3050.48	2998.02
iil) Other financial assets	3	671.52	1870.94	1541.26	671.52	1870.94	1541.26
Current							
i) Trade receivables	3	1659.25	2631.12	2109.00	1659.25	2631.12	2109.00
ii) Cash and cash equivalents	3	194.27	525.58	1414.59	194.27	525.58	1414.59
iii) Other balances with banks	3	2991.23	1563.00	392.89	2991.23	1563.00	392.89
iv) Loans	3	7.64	29.64	114.58	7.64	29.64	114.58
v) Other financial assets	3	2045.23	1380.90	996.24	2045.23	1380.90	996.24
Liabilities:							
Non-Current							
(i) Borrowings	3	-	19.29	45.93	-	19.29	45.93
(ii) Other non current liability	3	768.73	1721.32	1277.07	768.73	1721.32	1277.07
Current							
i) Borrowings	3	962.62	-	318.91	962.62	-	318.91
ii) Trade payables	3	1600.77	1916.66	1429.16	1600.77	1916.66	1429.16
iii) Other current financial liabilties	3	1242.56	1575.77	1103.55	1242.56	1575.77	1103.55

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

(ii) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 :

Particulars	Fair value hierarchy	Fair value		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
A) Mandatorily carried at Fair value through profit or loss				
Non Current Investments in quoted equity shares	1	15.28	13.92	12.32
Non Current Investments in unquoted equity shares	3	2.05	2.05	2.14
		17.33	**15.97**	**14.46**

Fair value hierarchy

Level 1 - Iincludes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

Level 2 The fair value of financial instruments not actively traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If the significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

i) The Carrying values of Current financial liabilities and current financial assets are taken as their fair value because of their short term nature.

ii) The Carrying values of Non-Current financial liabilities and Non-current financial assets are taken as their fair value based on their discounted cash flows.

iii) The Company has used quoted market price for determininig fair value of investments in equity instruments and mutual funds.

iv) There have been no transfers between level 1 , level 2 and level 3 for the years ended March 31, 2018, March 31, 2017 and as at April 1, 2016.

Significant estimate:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Note 34 Capital and Financial risk management objectives and policies

A. Capital management and Gearing Ratio

For the purpose of the Company capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the company capital management is to maximize the shareholder value.

B. Financial Risk Management Framework

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

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities .

The Company's audit committee oversees how management monitors compliance with the Company's Risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

(i) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The entities within the Company have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Company and changes in the operating results of the borrower
- Based on the above analysis, the Company does not expect any credit risk from its trade receivables for any of the years reported in this financial statements.

Ageing of receivables, net of allowances is given below:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Past due below 6 months	1672.13	2668.63	2188.35
Past due more than 6 months	1471.12	1471.12	1474.95
Total	**3143.25**	**4139.75**	**3663.30**
Credit impaired	1484.00	1508.63	1554.30
Loss allowance	1484.00	1508.63	1554.30

Reconciliation of Loss allowance provision given below

	As at March 31, 2018	As at March 31, 2017
Impairment loss at the beginning of the year	1508.63	1554.30
Impairment loss during the year	6.62	26.16
Provision reversed during the period	(31.25)	(71.83)
Balance at the end of the year	**1484.00**	**1508.63**

Cash and bank balances:

Credit risk on cash and bank balances is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Significant estimates and judgments

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Particulars	On Demand	in next 12 months	1-2 years	Total
Year ended March 31, 2018				
Borrowings	962.62	-	-	962.62
Other financial liabilities	-	1242.56	768.73	2011.29
Trade and other payables	-	1600.77	-	1600.77
	962.62	**2843.33**	**768.73**	**4574.68**
Year ended March 31, 2017				
Borrowings	-	-	19.29	19.29
Other financial liabilities	-	1575.77	1721.32	3297.09
Trade and other payables	-	1916.66	-	1916.66
	-	**3492.43**	**1740.61**	**5233.04**
As at April 1, 2016				
Borrowings	318.91	-	45.93	364.84
Other financial liabilities	-	1103.55	1277.07	2380.62
Trade and other payables	-	1429.16	-	1429.16
	318.91	**2532.71**	**1323.00**	**4174.62**

(iii) Market Risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. 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. As the Company has debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through impact on floating rate borrowings, as follows:

Particulars	Impact on Profit before tax	
	March 31, 2018	March 31, 2017
Interest rates-increase by 100 basis points	(4.36)	(2.49)
Interest rates-decrease by 100 basis points	4.36	2.49

b) Foreign Currency exchange rate risk

The company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD . Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the company is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Particulars	Currency	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	USD	468.80	927.53	42.15
Trade receivables	EURO	231.22	329.63	477.29

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

	Impact on profit before tax	
Impact on Interest Expenses for the year on 1% / 0.5% change in interest rate	March 31, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by Re. 1 (March 31, 2017 - Re 1)*	10.23	19.16
INR/USD - Decrease by Re 1 (March 31, 2017 - Re 1)*	(10.23)	(19.16)

Note 35 Employee benefit plans

(i) Post-employment obligations

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan, managed by a trust set up by the Company. The Company makes contributions to Life Insurance Corporation of India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Balance sheet amounts- Gratuity

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
Balance as at March 31, 2017			
Opening balance	**529.69**	**576.23**	**(46.54)**
Interest expense/(income)	31.55	37.53	(5.98)
Past service cost	0.39	-	0.39
Current service cost	27.78	-	27.78
Total amount recognised in profit or loss	**59.72**	**37.53**	**22.19**
Remeasurements			
(Gain)/loss from change in financial assumptions	(15.46)	-	(15.46)
Return on plan assets (excluding interest income)	-	(0.78)	0.78
Experience (gains)/losses	(26.12)	-	(26.12)
Total amount recognised in other comprehensive income	(41.58)	(0.78)	(40.80)
Employer contributions	-	41.00	(41.00)
Benefit payments	(158.02)	(158.02)	-
Balance (Current) as at March 31, 2018	**389.81**	**495.96**	**(106.18)**
Balance as at April 1, 2016			
Opening balance	651.47	640.12	11.35
Interest expense/(income)	40.37	45.13	(4.76)
Past service cost	-	-	-
Current service cost	24.11	-	24.11
Total amount recognised in profit or loss	**64.48**	**45.13**	**19.36**
Remeasurements			
(Gain)/loss from change in financial assumptions	9.29	-	9.29
Return on plan assets (excluding interest income)	-	3.26	(3.26)
Experience (gains)/losses	19.27	-	19.27
(Gain)/loss from change in experience	-	-	-
Total amount recognised in other comprehensive income	28.56	3.26	25.29
Employer contributions	-	102.54	(102.54)
Return on plan assets (excluding interest income)	-	-	**-**
Benefit payments	(214.82)	(214.82)	**-**
Balance (current) as at March 31, 2017	**529.69**	**576.23**	**(46.54)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

The net liability disclosed above relates to funded plan, as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Present value of funded obligations	389.81	**529.69**	**651.47**
Fair value of plan assets	495.96	576.23	640.12
	(106.18)	**(46.54)**	**11.35**

Deficit of funded plan

(iii) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligations are as follows:

Discount rate	7.73%	7.00%	7.42%
Salary escalation rate	7.00%	7.00%	7.00%
Employee attrition rate	3.00%	3.00%	3.00%
Retirement Age	58	58	58
Pre-retirement mortality	L.I.C (2006-08) Ultimate	L.I.C (2006-08) Ultimate	L.I.C (2006-08) Ultimate

(iv) Sensitivity analysis

The sensitivity of the obligation towards gratuity to changes in the weighted principal assumptions is:

Assumption

Impact on defined benefit obligation	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (change by 1%)	(18.21)	20.51	(20.73)	23.48
Salary escalation rate (change by 1%)	17.77	(15.95)	20.68	(18.52)
Attrition rate (change by 1%)	0.94	(1.04)	0.02	(0.04)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) The major categories of plan assets are as follows

	Quoted/ Un quoted	March 31, 2018	In %	March 31,2017	In %	April, 1, 2016	In %
Gratuity							
funds managed by Life Insurance Corporation of India	Unquoted	495.96	100%	576.23	100%	640.12	100%

(vi) The expected maturity analysis of gratuity on an undiscounted basis is as follows:

Gratuity	As at March 31, 2018	As at March 31, 2017
Less than a year	58.58	273.48
Between 1-2 years	143.55	113.38
Between 2-5 years	53.38	88.13
Over 5 years	103.34	86.73
	358.86	**561.73**

Note 36 Disclosure of Specified Bank notes

Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016:

	SBNs	Other denominations	Total
Closing balance as at November 8, 2016	3.61	1.34	4.95
Add: Imprest cash with employees	1.05	-	1.05
	4.66	1.34	6.00
Add: Withdrawal from bank accounts	-	14.72	14.72
Add: Receipts for permitted transactions	-	0.71	0.71
Add: Receipts for non-permitted transactions	0.30	-	0.30
Sub-total (A)	**4.96**	**16.77**	**21.73**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

		SBNs	Other denominations	Total
Less: Paid for permitted transactions		-	11.41	11.41
Less: Deposited in bank accounts		4.96	-	4.96
	Sub-total (B)	**4.96**	**11.41**	**16.37**
Closing balance as at December 30, 2016	(A-B)	**-**	**5.36**	**5.36**

Explanation: The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated November 8, 2016. The above disclosure is made as per the notification dated March 30, 2017 by Ministry of Corporate Affairs.

Note 37 Contingent Liabilities and Commitments:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Contingent Liabilities:			
Claims against the Company not acknowledged as Debts			
(a) Income tax demands	1116.95	1116.95	2948.65
(b) Sales tax demands	316.80	611.42	525.07
(c) Excise demands	635.12	635.12	640.98
(d) Service tax demands	352.29	363.93	-
(e) Additional demands towards cost of land	3.81	3.81	3.81
(f) Claims of workmen/ex-employees	147.50	147.50	147.50
(g) Other Matters	7.32	7.32	48.05
B. Commitments:			
(a) Corporate Gurantees (Refer Note 1 below)	4440.00	11440.00	45940.00
(b) Letter of Comfort (Refer Note 2 below)	57484.35	82100.10	101370.15
(c) Estimated amount of contracts remaining to be executed on capital account (Net of advance ₹ 10.17 (As at March 31, 2017 - ₹ 29.96)	27.26	95.03	89.80

Notes:

1) The Company has given Corporate Guarantees aggregating ₹ 4,440.00 (March 31, 2017 ₹ 11,440.00) to the banks on behalf of its wholly-owned subsidiary IDL Explosives Limited for the purpose of working capital requirements. The amount of loan outstanding as on March 31, 2018 is ₹ 3218.55 (March 31, 2017- ₹ 3895.14)

2) During the year ended March 31, 2013, the Company through its the then step down subsidiary GHGL London Limited, UK (immediate subsidiary being HGHL Holdings Limited) (HGHL), acquired Houghton International Inc. in USA. HGHL obtained a loan of USD 300 million from Lenders to part finance the acquisition. During the year 2013-14, USD 120 million was repaid by HGHL to the Lenders. The amount of loan outstanding as on March 31, 2018 is ₹ 57484.35 (March 31, 2017 ₹ 82100.10). The said loan was extended on the basis of Letter of Comfort/Stand-By Letter of Credit Facility Agreement between the Company, HGHL (both being Co-Obligors to the said Facility) and lenders on the strength of guarantee of Gulf Oil International Limited, Cayman and Cash Deficit Undertaking from its specified subsidiaries and also from the Company, wherein they are obligated to make contributions to HGHL in case of deficiencies in resources for servicing the said facilities. Gulf Oil International Limited, Cayman provided a Guarantee to the Company for due serving and repayment of entire balance outstanding loan, as per repayment schedule of the Lender. Gulf Oil Lubricants India Limited also provided the similar Cash Deficit Undertaking in favour of the SBLC lenders.

   In terms of the aforesaid agreement the loan is also secured by: (i) first pari-passu charge by way of equitable mortgage on land of the Company admeasuring 64.125 acres at Kukatpally, Hyderabad and (ii) first pari-passu charge along with existing lenders by way of equitable mortgage on land admeasuring 115.10 acres at Hyderabad and buildings, and plant & machinery belonging to Energetics Division. GHGL London Limited and its step down subsidiaries including Houghton International Inc. ceased to be subsidiaries of the Company, consequent to infusion of fresh equity to the extent of 90% by Gulf Oil International Limited in GHGL London Limited during the year 2013-14.

3) The Competition Commission of India passed an order in a case filed by a customer imposing a penalty of ₹ 2,894.76 during the year 2012-13. Against the said order, the Company filed an appeal in Competition Appellate Tribunal ("COMPAT"). The appeal was disposed of by reducing the penalty amount to ₹ 289.48. The Company filed an appeal in the Supreme Court and the appeal was admitted. The case was not heard by the Honorable Supreme Court during the year as the pleading are in progress before the Judicial Registrar and the same is pending to continue till the next date of hearing

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

4) The Company had registered lease deeds of land on various dates with Sri Udasin Mutt (Mutt) for certain parcels of land at Kukatpally, Hyderabad for 99 years after obtaining permission from the then Government of Andhra Pradesh. However, the Mutt filed eviction proceedings before the AP Endowment Tribunal on various untenable grounds and claimed use and occupation charges.

   Aggrieved by the Tribunal Order, the Company filed a Writ Petition (WP) in 2011 in the Hon'ble High Court of Andhra Pradesh. The Mutt had also filed a separate WP in the AP High Court with regard to the Tribunal's decision on use and occupation charges. The AP High Court vide Common Order dismissed the WP filed by the Company and allowed the WP filed by the Mutt.

   Both the parties filed Special Leave Petition (SLP) in 2013 before the Hon'ble Supreme Court against the aforesaid Common Order. The Hon'ble Supreme Court directed the parties to maintain status quo in all respects. Subsequently in August 2014, the Hon'ble Supreme Court while granting leave, directed the Company to deposit ₹ 100.00 per annum provisionally towards use and occupation of the subject land. The Company has been depositing Rs 100.00 every year for the years 2014 to 2017, totaling to Rs 400.00 as at March 31, 2018 (Rs 300.00 as at March 31, 2017). The Appeals have not been listed for hearing.

Note 38 First time adoption of Ind AS

These standalone financial statements have been prepared in accordance with the Ind AS. For the purpose of transition from previous GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101"), with effect from April 1, 2016 ("transition date").

In preparing its Ind AS balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains how the transition from previous GAAP to Ind AS has affected the Company's balance sheet and financial performance.

In preparing these standalone financials statements, the Company has applied the below mentioned optional exemptions and mandatory exemptions

Optional exemptions availed

Deemed cost of Investment in subsidiaries

As per Ind AS 101, the entity may elect to use the fair value of investment in subsidiaries at the date of transition as the deemed cost. Accordingly, the Company has recognised the fair value of a subsidiary as the deemed cost at the date of transition.

Deemed cost for property plant and equipment:

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. There is no decommissioning liabilities to be incurred by the Company with respect to property plant and equipment.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Mandatory exemptions availed

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

Classification and measurement of financial assets/ liabilities

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at April 1, 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

I) Reconciliation of equity as at April 1, 2016

	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	4	94741.50	(93327.17)	1414.33
Capital work-in-progress		1260.46	-	1260.46
Investment property	4	-	29611.25	29611.25
Intangible assets		32.47	-	32.47
Financial assets				
(a) Investment in subsidiaries	3	692.46	611.92	1304.38
(b) Other investments	3	1894.42	10.42	1904.84
(c) Loans	1	3103.87	(105.85)	2998.02
(d) Other financial assets	1	341.55	1199.71	1541.26
Income tax assets (net)		451.32	-	451.32
Deferred tax assets (net)	2	294.90	(41.10)	253.80
Other non-current assets		1510.07	-	1510.07
Total non-current assets		**104323.02**	**(62040.82)**	**42282.20**
Current assets				
Inventories	11	4979.99	(3457.02)	1522.97
Financial assets				
(a) Trade receivables	9	2417.80	(308.80)	2109.00
(b) Cash and cash equivalents		1414.59	-	1414.59
(c) Other bank balances		392.89	-	392.89
(d) Loans		114.58	-	114.58
(e) Other financial assets	1	399.94	596.30	996.24
Other current assets		453.85	-	453.85
Total current assets		**10173.64**	**(3169.52)**	**7004.12**
TOTAL ASSETS		**114496.57**	**(65210.34)**	**49286.32**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		991.45	-	991.45
Other equity	5	100669.79	(66010.77)	34659.02
Total equity		**101661.24**	**(66010.77)**	**35650.47**
Liabilities				
Non-current liabilities				
(a) Borrowings		45.93	-	45.93
(b) Other financial liabilities	1	30.16	1246.91	1277.07
Provisions		8912.48	-	8912.48
Total non-current liabilities		**8988.57**	**1246.91**	**10235.48**
Current liabilities				
Financial liabilities				
(a) Borrowings		318.91	-	318.91
(b) Trade payables		1429.16	-	1429.16
(c) Other financial liabilities	1	662.67	440.88	1103.55
Provisions	8	937.84	(887.27)	50.57
Other current liabilities		498.18	-	498.18
Total current liabilities		**3846.76**	**(446.39)**	**3400.37**
TOTAL LIABILITIES		**12835.33**	**800.52**	**13635.85**
TOTAL EQUITY AND LIABILITIES		**114496.57**	**(65210.34)**	**49286.32**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

II) Reconciliation of equity as at March 31, 2017

	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	4	27484.40	(26011.51)	1472.89
Capital work-in-progress		1310.98	-	1310.98
Investment property	4	-	29622.17	29622.17
Intangible assets		23.39	-	23.39
Financial assets				
(a) Investment in subsidiaries	3	895.87	850.26	1746.13
(b) Other investments	3	2054.33	(4.82)	2049.51
(c) Loans	1	3103.87	(53.39)	3050.48
(d) Other financial assets	1	357.37	1513.57	1870.94
Income tax assets (net)		461.65	-	461.65
Deferred tax assets (net)	2	94.90	(94.90)	-
Other non-current assets		1630.97	-	1630.97
Total non-current assets		**37417.73**	**5821.38**	**43239.11**
Current assets				
Inventories	11	5156.44	(3552.07)	1604.37
Financial assets				
(a) Trade receivables	9	2756.13	(125.01)	2631.12
(b) Cash and cash equivalents		525.58	-	525.58
(c) Other bank balances		1563.00	-	1563.00
(d) Loans		29.64	-	29.64
(e) Other financial assets	1	213.80	1,167.10	1380.90
Other current assets		540.83	(41.31)	499.52
Total current assets		**10785.42**	**(2551.29)**	**8234.13**
TOTAL ASSETS		**48203.24**	**3270.09**	**51473.24**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		991.45	-	991.45
Other equity	5	35274.63	589.11	35863.74
Total equity		**36266.08**	**589.11**	**36855.19**
Liabilities				
Non-current liabilities				
Financial liabilities				
(a) Borrowings		19.29	-	19.29
(b) Other financial liabilities	1	30.16	1691.16	1721.32
Provisions	2	8919.28	44.55	8963.83
Deferred tax liabilities (net)		-	23.00	23.00
Total non-current liabilities		**8968.73**	**1758.71**	**10727.44**
Current liabilities				
Financial liabilities				
(a) Borrowings		-	-	-
(b) Trade payables		1916.66	-	1916.66
(c) Other financial liabilities	1	653.56	922.21	1575.77
Provisions		50.68	-	50.68
Other current liabilities		347.50	-	347.50
Total current liabilities		**2968.40**	**922.21**	**3890.61**
TOTAL LIABILITIES		**11937.13**	**2680.92**	**14618.05**
TOTAL EQUITY AND LIABILITIES		48203.24	3270.09	51473.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

III) Reconciliation of Statement of profit and loss for the year ended March 31, 2017

		Notes	Previous GAAP	Adjustments	Ind AS
	Revenue from operations	10	10709.84	141.95	10851.79
	Other income	1	2708.85	234.51	2943.36
	Total income (I)		**13418.69**	**376.46**	**13795.15**
II	**Expenses**				
	Cost of materials consumed		3212.34	-	3212.34
	Purchase of stock-in-trade		21.60	-	21.60
	Changes in inventories of finished goods, stock-in-trade, and work-in-progress	10	(46.86)	95.05	48.19
	Excise duty	6	801.52	-	801.52
	Employee benefit expense	7	2695.06	60.59	2755.65
	Finance costs		105.69	-	105.69
	Depreciation and amortization expense		172.19	-	172.19
	Other expense	9	4655.58	(41.84)	4613.74
	Total expenses (II)		**11617.12**	**113.80**	**11730.92**
III	**Profit before exceptional items and tax (I-II)**		**1801.57**	**262.66**	**2064.23**
	Add: exceptional Items		714.85	-	714.85
IV	**Profit before tax**		**2516.42**	**262.66**	**2779.08**
V	**Tax expense**				
	Current tax		385.00	-	385.00
	Deferred tax	2	200.00	85.55	285.55
	Total tax expense		**585.00**	**85.55**	**670.55**
VI	**Profit for the year (IV-V)**		**1931.42**	**177.11**	**2108.53**
VII	**Other comprehensive income**				
	A Items that will not be reclassified subsequently to profit or loss				
	(a) Remeasurements of the defined benefit plans	7	-	(25.29)	(25.29)
	(b) Income tax relating to items that will not be reclassified to profit or loss	2	-	8.75	8.75
VIII	**Total other comprehensive income**		**-**	**(16.54)**	**(16.54)**
IX	**Total comprehensive Income for the period**		**1931.42**	**160.57**	**2091.99**

IV. Reconciliation of Total Equity as at March 31, 2017

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Total Equity as reported under previous GAAP		**36266.08**	**101661.24**
Adjustments			
Interest income on financial assets for guarantee given and unwinding of interest on preference shares/ Inter corporate deposits.	3	848.00	615.00
Provision/ (reversal) for Expected Credit Loss	9	(37.51)	(79.35)
Other adjustments (like fair value recognition of quoted investments)	3	(103.00)	(66.01)
Deferred tax on Ind AS adjustments (Includes deferred tax on indexation of land)	2	(118.38)	(41.10)
Provision for proposed dividend and tax thereon reversed	8	-	887.27
Revaluation reserve created under previous GAAP settoff against gross book value of property, plant and equipment	11	-	(67326.58)
Total Equity as per Ind AS		**36855.19**	**35650.47**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

V. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Particulars	Notes	As at March 31, 2017
Net Profit after tax as reported under previous GAAP		1931.42
Add/ (less):		
i) Interest income on financial assets for guarantee given and unwinding of interest on preference shares/ Inter corporate deposits.	3	234.51
ii) Provision/ (reversal) for expected credit loss	9	41.84
iii) Others (like remeasurement of defined benefit liability etc)	7	(13.69)
iv) Deferred tax effect on above adjustments	2	(85.55)
Net Profit as per Ind AS		**2108.53**
Other Comprehensive income as per Ind AS		
Remeasurement of net defined benefit plan	7	(25.29)
Deferred tax effect on above adjustments	2	8.75
Total comprehensive income as per Ind AS		**2091.99**

VI. Impact of Ind AS adoption on statement of cash flow for the year ended March 31, 2017

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flow:

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	334.01	(0.07)	333.94
Net cash flow from investing activities	1109.32	(996.13)	113.19
Net cash flow from financing activities	(1336.14)	-	(1336.14)
Net increase / (decrease) in cash and cash equivalents during the year	107.19	(996.20)	(889.01)
Cash and cash equivalents as at April 1, 2016	1551.53	(136.94)	1414.59
Cash and cash equivalents as at March 31, 2017	1658.72	(1133.14)	525.58

Notes to reconciliations

1. Financial guarantee income

Under previous GAAP, financial guarantees given by the Company for borrowings taken by its subsidiaries were disclosed as contingent liabilities. Guarantee commission received from subsidiaries are credited to statement of P&L as other gains/(losses). Financial guarantee contracts have been recognised at fair value at the inception in accordance with Ind AS 109.

2. Deferred tax adjustments

Under Previous GAAP, deferred tax recognized on the timing differences between the taxable income and the accounting income. Under Ind AS, deferred tax is recognized on the temporary differences arising between the book value of assets/ liabilities and their corresponding tax base. Accordingly, the deferred tax is recognized on the temporary differences on the Indexation benefit available on land and other Ind AS adjustments made on transition to Ind AS. The application of Ind AS 12 has resulted in recongnation of deferred tax on new temporary differences which were not required under previous GAAP.

3. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and reliability. Long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017.

4. Investment property

Previously the land held as Investment property were clasified preperty plant and equipment.

5. Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

6. Excise duty on sales

Under Previous GAAP, excise duty on sales are netted off against the revenue from operations, where as under Ind AS, the Excise duty on sales are classified as expenses for the period. This does not have any impact on the net profit for the year ended March 31, 2017

7. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

8. Provision for proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

9. Expected credit loss

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts

10. Revenue and inventory

Difference on account of revenue recognition, net of related costs is primarily due to difference in timing of revenue recognition under Ind AS as compared to previous GAAP and deferral of licensing income on account of continuing obligations.

11. Revaluation reserve on land

Under Ind AS, the investment property has to be carried at cost. Hence the revaluation reserve on land is reversed with the corresponding impact in Investment property.

Note 39 Related Party Disclosure

(i) Information relating to Related Party Transactions as per “Indian Accounting Standard (Ind AS 24-Related party disclosures)

a. Ultimate Holding Company

AMAS Holding SPF

b. Holding Company:

Hinduja Power Limited

c. Subsidiaries:

1. IDL Explosives Limited
2. HGHL Holdings Limited
3. IDL Buildware Limited
4. Gulf Carosserie India Limited

d. Key Management Personnel:

Mr. S Pramanik, Managing Director

Mr. Ajay P. Hinduja, Chairman & Non Executive Director

Mr. Ramkrishan P Hinduja, Vice Chairman & Non Executive Director

Mr. K. N. Venkatasubramanian, Independent Director

Mrs. Kanchan Chitale, Independent Director

Mr. MS Ramachandran, Independent Director

Mr. Ashok Kini, Independent Director

Mr. Ravi Jain, Chief Financial Officer

Mr. A. Satyanarayana, Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

(ii) Details of transactions between the Company and Related Parties and the status of outstanding balances at the Year ended March 31,2018:

(a) Transactions during the Year:

Nature of Transaction	Name of the Related Party	Subsidiaries		Holding Company		Key Management Personnel	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Sale of goods	IDL Explosives Limited	1366.13	1510.19	-	-	-	-
Sale of property, plant and equipment	IDL Explosives Limited	-	11.01	-	-	-	-
Sales of scrape	IDL Explosives Limited	5.42	5.97	-	-	-	-
Commission on corporate guarantee given	HGHL Holdings Limited	1201.63	1157.73	-	-	-	-
	IDL Explosives Limited	96.90	114.40	-	-	-	-
Other income	IDL Buildware Limited	-	0.21	-	-	-	-
	IDL Explosives Limited	0.36	0.15	-	-	-	-
Purchase of goods / other purchases	IDL Explosives Limited	52.83	12.99	-	-	-	-
	IDL Buildware Limited	-	15.91	-	-	-	-
Purchase of property, plant and equipment	IDL Explosives Limited	-	-	-	-	-	-
Reimbursement received towards managerial services	IDL Explosives Limited	126.72	102.57	-	-	-	-
Reimbursement of received it & infra services	IDL Explosives Limited	48.00	48.00	-	-	-	-
Reimbursement of bank charges	HGHL Holdings Limited	11.50	11.45	-	-	-	-
Reimbursement of metal cladding services	IDL Explosives Limited	16.17	13.83	-	-	-	-
Marketing services fee paid	IDL Explosives Limited	563.37	565.97	-	-	-	-
Advances given	IDL Buildware Limited	-	-	-	-	-	-
	Gulf Carosserie India Limited	0.44	3.03	-	-	-	-
Advance received back	IDL Buildware Limited	-	46.20	-	-	-	-
	IDL Explosives Limited	-	25.41	-	-	-	-
Interest received on inter-corporate deposits	IDL Explosives Limited	354.76	364.70	-	-	-	-
Dividend received	IDL Explosives Limited	795.94	661.70	-	-	-	-
Dividend paid on equity shares	Hinduja Power Limited	-	-	554.74	519.58	-	-
	S. Pramanik	-	-	-	-	0.12	0.10
Dividend income on preference shares	IDL Explosives Limited	9.42	18.90	-	-	-	-
Dividend income on equity shares	IDL Explosives Limited	786.50	605.00	-	-	-	-
Directors remuneration, perquisites, sitting fees and commission	S. Pramanik	-	-	-	-	161.57	143.97
	Ajay P. Hinduja					17.20	17.70
	Ramkrishan P. Hinduja					2.10	4.38
	K.N.Venkatasubramanian	-	-	-	-	9.65	10.00
	Kanchan Chitale	-	-	-	-	10.61	11.57
	MS Ramachandran	-	-	-	-	11.24	10.08
	Ashok Kini	-	-	-	-	14.30	13.77
Other key management remuneration	Ravi Jain	-	-	-	-	71.08	64.80
	A. Satyanarayana	-	-	-	-	25.25	23.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

b. Outstanding Balances as at year-end:

Nature of Transaction	Name of the Related Party	Subsidiaries		Holding Company		Key Management Personnel	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Receivables	IDL Explosives Limited	371.81	177.64	-	-	-	-
Advances/ other receivables	IDL Explosives Limited	154.71	-	-	-	-	-
	Gulf Carosserie India Limited	7.63	7.19	-	-	-	-
	HGHL Holdings Limited	293.29	-	-	-	-	-
Inter-Corporate Deposits	IDL Explosives Limited	3103.87	3050.48	-	-	-	-
Preference Shares held	IDL Explosives Limited	-	1855.73	-	-	-	-
Investment Share capital	IDL Explosives Limited	2510.75	605.00	-	-	-	-
Corporate Guarantee (Given)	IDL Explosives Limited	4440.00	11440.00	-	-	-	-
Comfort Letter (Given)	HGHL Holdings Limited	57484.35	82100.10	-	-	-	-

Notes:

i) The above disclosures including related parties as per Ind AS 24 " Related Party disclosures and Companies Act' 2013

ii) The remuneration to key management personnel doesn't include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole

iii) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

Note 40 Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Corporate Social responsibility (CSR) Committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013. Expenditure incurred under Section 135 of the Companies Act, 2013 on CSR activities are as below:

Gross amount required to be spent by the Company during the year ended March 31, 2018 is ₹ 38.02 (March 31, 2017 ₹ 23.00)

	As at March 31, 2018	As at March 31, 2017
Amount spent during the year on		
(i) Construction/acquisition of an asset	20.02	-
(ii) On purpose other than (i) above	18.00	23.00
	38.02	23.00

Note 41 Earnings per share (EPS)

Profit after tax	2221.64	2108.53
Number of shares outstanding at the year end (in lakhs)	495.72	495.72
Weighted average number of equity shares (in lakhs)	495.72	495.72
Basic (Rs)	4.48	4.25
Diluted (Rs)	4.48	4.25

Note 42 Segmental information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 43 Other Notes

(i) The Company has adopted the cost model as its accounting policy in accordance with the Accounting Standard 10 – Property, Plant and Equipment (Revised). In accordance with the transition provisions prescribed in the accounting standard, the Company has adjusted the amount of ₹ 67,326.58 outstanding as at March 31, 2016 in the Revaluation Reserve against the carrying amount of the land.

(ii) The Honourable Supreme Court vide its order dated 16th November 2007 held that the stock transfers constituted inter-state sale in respect of assessment year viz., 1976-77 to 1983-84, 1989-90 & 1990-91 and also directed the authorities to examine the factual aspects and assess tax on supplies made by the Company to the subsidiaries of Coal India Limited (CIL) as inter-state sale. The Company filed writ petitions in the Honourable High Court of Odisha in August 2009 impleading other State Governments, CIL and its subsidiary companies seeking directions for issues of Form 'C' and pass over of local sales tax to the State of Odisha. In terms of the liberty granted by The Honourable Supreme Court the Company has filed writ petition in the Odisha High Court and obtained stay. The writ petition is pending.

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

***for* and on behalf of the Board of Directors of**
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

Sriram Mahalingam
Partner
Membership number: 049642

Ravi Jain
Chief Financial Officer

S. Pramanik
Managing Director
DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of GOCL Corporation Limited

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of GOCL Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprise the Consolidated Balance Sheet as at March, 31 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matter

1. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 29, 2017 and May 26, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

2. (a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 74,711 Lakhs as at March 31, 2018, total revenues of ₹ Nil and net cash outflows amounting to ₹ 182.55 Lakhs for the year ended March 31, 2018, as considered in the consolidated financial statements. The aforesaid financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

   The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of the aforesaid subsidiary is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

   (b) We did not audit the financial statements of two subsidiaries, whose financial results reflect total assets of ₹ 202.53 Lakhs as at March 31, 2018, total revenues of ₹ 29.09 Lakhs and net cash inflows amounting to ₹ 20.92 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

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

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant Rules issued thereunder.

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A', 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph;

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the group. Refer Note 37 to the consolidated Ind AS financial statements.

ii. The Group has long-term contracts other than derivative contracts, for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its Subsidiary Companies incorporated in India.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However, amounts as appearing in the audited Consolidated financial statements for the year ended March 31, 2017 have been disclosed.

***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

Sriram Mahalingam
Partner
Membership number: 049642

Place: Hyderabad
Date: May 30, 2018

Annexure A to the Independent Auditors' Report on the Consolidated Ind AS financial statements

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

In conjunction with our audit of the consolidated Ind AS financial statements of GOCL Corporation Limited ("the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act..

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's, and its subsidiary companies incorporated in India, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Holding Company's and its subsidiary companies incorporated in India, internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Holding Company and its subsidiary companies incorporated in India, have in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Holding Company and its subsidiary companies, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

Sriram Mahalingam
Partner
Membership number: 049642

Place: Hyderabad
Date: May 30, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	5405.36	4095.65	3799.24
Capital work-in-progress	3	1911.78	1678.09	1518.11
Investment property	4	29620.08	29622.17	29609.03
Intangible assets	5	42.50	41.26	34.64
Biological assets other than bearer plants	6	36.50	-	-
Financial assets				
(a) Investments	7	43997.30	16092.36	125.31
(b) Loans	13	45832.34	72339.00	97241.15
(c) Other financial assets	8	331.93	670.80	220.14
Income-tax assets (net)	19	582.42	465.69	552.96
Deferred tax assets (net)	19	118.51	550.40	710.53
Other non-current assets	9	2018.74	1977.29	1808.64
Total Non-current assets		**129897.46**	**127532.71**	**135619.75**
Current assets				
Inventories	10	5745.08	6392.78	7579.24
Financial assets				
(a) Trade receivables	11	9952.46	8556.02	7096.66
(b) Cash and cash equivalents	12	1597.12	1521.89	2101.67
(c) Bank balances other than cash & cash equivalents	12	3507.41	1859.73	1197.77
(d) Loans	13	28155.60	24924.45	18501.34
(e) Other financial assets	8	625.41	488.11	1046.22
Other current assets	9	1065.74	2079.83	2147.71
Total current assets		**50648.82**	**45822.81**	**39670.61**
TOTAL ASSETS		**180546.28**	**173355.52**	**175290.36**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	991.45	991.45	991.45
Other equity	15	81022.66	50725.67	32901.77
Total equity		**82014.11**	**51717.12**	**33893.22**
Non-current liabilities				
Financial liabilities				
(a) Borrowings	16	46155.52	73356.92	99315.96
(b) Other financial liabilities	17	-	30.16	30.16
Provisions	18	9072.48	9243.99	9099.99
Deferred tax liabilities (net)	19	195.34	297.11	277.15
Total non-current liabilities		**55423.34**	**82928.18**	**108723.26**
Current liabilities				
Financial liabilities				
(a) Borrowings	21	5557.98	3895.14	5710.49
(b) Trade payables	22	4298.78	3954.20	5041.85
(c) Other financial liabilities	17	31183.69	28071.08	19751.33
Provisions	18	35.23	159.58	221.71
Current tax liabilities	19	33.34	197.57	2.31
Other current liabilities	20	1999.81	2432.65	1946.19
Total current liabilities		**43108.83**	**38710.22**	**32673.88**
TOTAL EQUITY AND LIABILITIES		**180546.28**	**173355.52**	**175290.36**
Corporate information and Significant Accounting Policies	1 and 2			

The accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

***for* and on behalf of the Board of Directors of**
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

Sriram Mahalingam
Partner
Membership number: 049642

Ravi Jain
Chief Financial Officer

S. Pramanik
Managing Director
DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

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

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

		Notes	Year ended March 31, 2018	Year ended March 31, 2017
I.	**Income**			
	Revenue from operations	23	49670.66	55712.85
	Other income	24	6868.21	7843.99
	Total Revenue (I)		**56538.87**	**63556.84**
II.	**Expenses**			
	Cost of materials consumed	25	29977.27	29169.00
	Purchase of stock-in-trade	26	212.93	698.68
	Changes in inventories of finished goods Stock-in-trade and work-in-progress	27	(401.62)	169.90
	Excise duty		1395.90	5854.67
	Employee benefits expense	28	5630.43	5746.36
	Finance costs	29	4634.11	6209.86
	Depreciation and amortisation expense	30	568.26	554.64
	Other expenses	31	10147.41	11127.05
	Total expenses (II)		**52164.69**	**59530.16**
III.	**Profit before exceptional items and tax (I-II)**		**4374.18**	**4026.68**
	Add: Exceptional items	32	402.23	714.85
IV.	**Profit before tax**		**4776.41**	**4741.53**
V.	**Tax expense**			
	Current tax	19	1332.32	1231.89
	Deferred tax including MAT credit	19	101.38	244.12
	Total tax expense		**1433.70**	**1476.01**
VI	**Profit for the year (IV-V)**		**3342.71**	**3265.52**
VII	**Other comprehensive income**			
	A. Items that may be reclassified subsequently to profit or loss			
	(a) Exchange differences on translation of financial statements of foreign operations		349.41	3.90
	B. Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans		39.51	(51.65)
	(b) Net changes in fair values of instruments in equity shares carried at fair value through other comprehensive income		27487.75	15965.94
	(c) Income tax relating to items that will not be reclassified to profit or loss		(12.77)	17.87
VIII	**Total other comprehensive income**		**27863.90**	**15936.06**
IX	**Total comprehensive income for the year**		**31206.61**	**19201.58**
Earnings per equity share (Face value of ₹ 2 per share)		40	6.74	6.59
Basic and Diluted (in ₹)				
Corporate information and significant accounting policies		1		
The accompanying notes forming part of the consolidated financial statements				

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

***for* and on behalf of the Board of Directors of**
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

Sriram Mahalingam
Partner
Membership number: 049642

Ravi Jain
Chief Financial Officer

S. Pramanik
Managing Director
DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

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

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

A) Equity share capital (refer note-14)

Particulars	Amount
Balance as at April 1, 2016	**991.45**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**991.45**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**991.45**

B). Other Equity

Particulars	Other Equity						Other items of other comprehensive income	Total
	General reserve	Capital redemption reserve	Foreign Currency Translation Reserve	Reserve on consolidation	Export allowance reserve	Retained earnings		
Balance as at April 1, 2016	20937.82	0.78	113.00	375.07	10.50	11464.60	-	**32901.77**
Profit for the year	-	-	-	-	-	3265.52	-	3265.52
Transactions recorded directly in equity								
Movement on account of investment in subsidiaries	-	-	-	(363.41)	-	-	-	(363.41)
Exchange difference arising on translation of foreign operations	-	-	3.90	-	-	-	-	3.90
Remeasurement of net defined benefit liability/asset, net of tax effect	-	-	-	-	-	(33.77)	-	(33.77)
Dividends (including corporate dividend tax)	-	-	-	-	-	(1014.28)	-	(1014.28)
Net changes in fair values of instruments in equity shares carried at fair value through other comprehensive income	-	-	-	-	-		15965.94	15965.94
Balance as at March 31, 2017	**20937.82**	**0.78**	**116.90**	**11.66**	**10.50**	**13682.07**	**15965.94**	**50725.67**
Profit for the year	-	-	-	-	-	3342.71	-	3342.71
Transactions recorded directly in equity								
Exchange difference arising on translation of foreign operations	-	-	349.43	-	-	26.74	-	376.17
Dividends (including tax)	-	-	-	-	-	(989.65)	-	(989.65)
Net changes in fair values of instruments in equity shares carried at fair value through other comprehensive income	-	-	-	-	-	-	27567.76	27567.76
Balance as at March 31, 2018	**20937.82**	**0.78**	**466.33**	**11.66**	**10.50**	**16061.88**	**43533.70**	**81022.66**

As per our report of even date attached
for **B S R & Associates LLP**
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for **and on behalf of the Board of Directors of**
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Managing Director
DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

	Year ended March 31, 2018		Year ended March 31, 2017	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax and after exceptional items		4776.41		4741.53
Adjustments for:				
Depreciation and amortisation expense	568.26		554.64	
Dividend income	(0.02)		(0.01)	
Profit on sale of plant and equipment	(164.76)		(346.68)	
Liabilities / provision no longer required written back	(390.69)		(72.95)	
Provision for doubtful trade receivables and loans & advances	179.02		95.10	
Reversal of provision created out of adjusted to revaluation reserve in earlier years. (refer note no.32)	(221.74)		-	
Interest income	(6240.31)		(7506.00)	
Unrealized gain on foreign exchange fluctuations, net	46.39		(450.35)	
Finance costs	4634.11	(1589.74)	6209.86	(1516.39)
Operating profit before working capital changes		3186.67		3225.14
Changes in working capital:				
Increase of trade receivables, loans & advances and other assets	(1273.49)		(1132.86)	
Decrease of inventories	647.71		1186.46	
(Decrease)/increase of trade payables and other liabilities including provisions	(13.57)	(639.35)	419.66	473.26
Cash generated from operations		2547.32		3698.40
Direct taxes paid (net of refunds)		(1410.30)		(995.01)
NET CASH FROM OPERATING ACTIVITIES - (A)		1137.02		2703.39
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property plant and equipment	(2058.39)		(1105.45)	
Proceeds from sale of plant and equipment	210.86		356.86	
Investments in bank deposits	(865.53)		(1012.71)	
Loans repaid	23275.51		18479.04	
Interest received	6277.46		7473.34	
Dividend received	0.02		0.01	
NET CASH FROM INVESTING ACTIVITIES (B)		**26839.93**		**24191.09**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

	Year ended March 31, 2018		Year ended March 31, 2017	
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	466.94		216.93	
Repayment of long-term borrowings	(24749.84)		(19821.94)	
Net (decrease) / increase in working capital borrowings	1655.60		(1729.77)	
Finance cost paid	(4260.14)		(5142.14)	
Dividends paid	(793.16)		(887.27)	
Tax on dividends paid	(221.12)		(110.08)	
NET CASH USED IN FINANCING ACTIVITIES - (C)		(27901.72)		(27474.26)
Net increase in cash and cash equivalents (A+B+C)		75.23		(579.78)
Cash and cash equivalents as at the commencement of the year		1521.89		2101.67
Cash and cash equivalents as at the end of the year (refer note below)		**1597.12**		**1521.89**

See accompanying notes forming part of the consolidated financial statements

Note:

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents comprise (refer note 12):		
Cash on hand	8.53	11.22
Balances with banks:		
In current accounts	1195.21	980.27
In EEFC account	55.55	9.08
In Deposits accounts	337.83	521.32
	1597.12	**1521.89**

The above statement of cash flow has been prepared under the "indirect method as set out in Ind AS 7 " statement of cash flow"
The accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

***for* and on behalf of the Board of Directors of GOCL Corporation Limited**
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DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

1 Company Overview

1.1 Corporate information:

GOCL Corporation Limited ("GOCL Corporation Limited" or the "parent company" or 'the Company'), together with its subsidiaries (collectively, the "Group") is a Company domiciled in India, with its registered office situated at Kukatpally P.B.No.1 Sanatnagar (IE), Hyderabad - 500 018, Telangana.The Company is in the business of Energetics & Explosives, Mining & Infrastructure Services and Realty.

Basis of preparation, Measurement and Significant accounting policies:

1.2 Basis of preparation:

A. Statement of compliance:

a) Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act.

b) As these are the Group's first consolidated financial statements prepared in accordance with Ind AS. Hence, Ind AS 101, First-time Adoption of Ind AS has been applied.

c) For all periods up to and including the year ended March 31, 2017 the Company had prepared its financial statements in accordance the with Generally Accepted Accounting Principles in India (Indian GAAP) notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (‘Previous GAAP’). An explanation on how the transition from previous GAAP to Ind AS has affected the reported balance sheet, statement of profit and loss and cash flows of the Company is provided.

d) These consolidated financial statements have been prepared for the Company on a going concern basis in accordance with relevant Ind AS that are effective at the Company’s annual reporting date, March 31, 2018

e) The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 30, 2018.

f) Details of the Company’s accounting policies are included in Note 2.

B. Functional and presentation currency:

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

C. Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgment:

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3,4 & 5- Useful lives of property, plant and equipment, investment property and intangible assets.
- Note 33 - Financial instruments,
- Note 35 - measurement of defined benefit obligations: key actuarial assumptions,
- Note 19 - Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets,

1.3 Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

- Note 8 and 9 – impairment of financial and non-financial assets.
- Note 19 – recognition of deferred tax assets,
- Note 37 – recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

1.4 Measurement of fair values:

A number of the Group’s accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 33 - financial instruments;

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet at April 1, 2016 for the purposes of the transition to Ind AS, unless otherwise indicated.

2. Significant accounting policies

a. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per IndAS 12, Income Taxes.

ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit and loss.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet at April 1, 2016 for the purposes of the transition to Ind AS, unless otherwise indicated.

b. Foreign currency

i. Foreign currency transactions:

The consolidated financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the statement of profit and loss.

ii. Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

c. Financial instruments:

i. Recognition and initial measurement:

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement:

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair Value through other comprehensive income (FVOCI)– equity investment; or
- Fair value to profit & loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

iii. Derecognition:

Financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are recognised in the statement of profit & loss account. Derivatives are carried as financial asset when the fair value is positive and as financial liability when fair value is negative.

d. Property, plant and equipment and capital work-in-progress:

i. Recognition and measurement:

Property, plant and equipment:

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

ii. Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see note 38).

iii. Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation:

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

Leasehold land and Leasehold improvements are amortized over the period of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

e. Intangible assets:

i. Recognition:

Other intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred.

iii. Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv. Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Years
- Computer software	6
- Good will	10

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Investment property:

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which are equal to life prescribed in Schedule II of the Companies Act, 2013.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at April 1, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

g. Inventories:

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a transaction moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finised products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

h. Impairment:

i. Impairment of financial instruments:

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

  At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

  Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e.the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets:

The Group non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

i. Employee benefits:

i. Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Company providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

Gratuity:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Provident Fund:

Eligible employees of the company receive benefits from provident fund, which is defined contribution plan. Both the eligible employees and the company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The company has no further obligation to the plan beyond its monthly contributions.

ii. Compensated absences:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of actuarial valuation using the projected unit credit method.

j. **Revenue**

Revenue from the sale of goods is recognised when all the significant risks and rewards of owner ship in the goods are transferred to buyer as per the terms of the contract, there is no continuing material involvement with the goods and the amount of revenue can be measured reliable. The company retains no effective control of goods transferred to a degree unusual associated with owner ship and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, central excise and Goods and service tax etc.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Income from export incentive such as duty drawback are recognised on actual basis.

k. **Recognition of interest income or expense:**

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. **Leases:**

i. **Determining whether an arrangement contains a lease:**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. **Assets held under leases:**

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

m. **Income-tax:**

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. **Current tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. **Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary

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differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

n. Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. Provision, contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Onerous contracts:

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

p. Earnings per share:

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

q. Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

r. Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

s. Biological assets:

Biological assets i.e. living animals, are measured at fair value less cost to sell. Costs to sell include the minimal transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred.

t. Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

u. Recent Indian Accounting Standards (Ind AS):

Following new standard and amendment to Ind AS have not been applied by the Group as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The effect of changes in Foreign Exchange rates

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 ‘Revenue from Contracts with Customers’ (New Revenue Standard), which replaces Ind AS 11 ‘Construction Contracts’ and Ind AS 18‘Revenue’. The core principle of the New Revenue 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. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. The new standard also provides guidance on evaluation of performance obligations being distinct to enable separate recognition and could impact timing of recognition of certain elements of multiple element arrangements.

Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Group is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Ind AS 21 – The effect of changes in Foreign Exchange rates. The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose ofdetermining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 3 Property, plant and equipment and capital work -in-progress

Description of Assets	Land-Freehold	Buildings	Plant & Machinery, Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	Capital work-in-progress
I. Cost or deemed cost									
Balance as at April 1, 2016	103.80	648.57	2711.83	76.54	25.48	198.48	34.54	3799.24	1518.11
Additions	-	173.42	582.46	24.46	23.87	8.11	30.51	842.83	159.98
Disposals	-	(6.92)	(5.57)	(0.10)	(3.92)	(5.89)	-	(22.40)	-
Balance as at March 31, 2017	**103.80**	**815.07**	**3288.72**	**100.90**	**45.43**	**200.70**	**65.05**	**4619.67**	**1678.09**
Additions	-	697.81	1061.04	5.75	20.77	68.74	53.57	1907.68	233.69
Disposals/adjustments	-	(5.28)	(52.76)	-	6.91	2.18	(11.59)	(60.54)	-
Balance as at March 31, 2018	**103.80**	**1507.60**	**4297.00**	**106.65**	**73.11**	**271.62**	**107.03**	**6466.81**	**1911.78**
II. Accumulated depreciation									
Balance as at April 1, 2016									
Depreciation expense for the year	-	65.91	365.95	27.21	17.47	42.34	19.65	538.53	-
Disposals	-	(2.91)	(1.75)	(0.07)	(3.89)	(5.89)	-	(14.51)	-
Balance as at March 31, 2017	**-**	**63.00**	**364.20**	**27.14**	**13.58**	**36.45**	**19.65**	**524.02**	**-**
Depreciation expense for the year	-	63.46	393.35	10.45	18.32	45.04	21.25	551.87	-
Disposals	-	0.41	(17.92)	-	7.10	6.55	(10.58)	(14.44)	-
Balance as at March 31, 2018	**-**	**126.87**	**739.63**	**37.59**	**39.00**	**88.04**	**30.32**	**1061.45**	**-**
Net carrying value:									
Balance as at April 1, 2016	**103.80**	**648.57**	**2711.83**	**76.54**	**25.48**	**198.48**	**34.54**	**3799.24**	**1518.11**
Balance as at March 31, 2017	**103.80**	**752.07**	**2924.52**	**73.76**	**31.85**	**164.25**	**45.40**	**4095.65**	**1678.09**
Balance as at March 31, 2018	**103.80**	**1380.73**	**3557.37**	**69.06**	**34.11**	**183.58**	**76.71**	**5405.36**	**1911.78**

Notes:

(i) Refer to note 16 for information on property, plant and equipment pledged as security by the Company.

(ii) On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iii) Refer to note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work in progress mainly comprises of pumptrucks including chasis and continuous slurry plant and project under constructions.

(v) Lease hold land is carried at cost of Rs Nil, March 31, 2017 ₹ Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 4 Investment property

	Description of assets	Land	Buildings given on operating leases	Total
I.	**Cost or deemed cost**			
	Balance as at April 1, 2016	29555.13	53.90	29609.03
	Additions	-	17.44	17.44
	Disposals	-	(2.27)	(2.27)
	Balance as at March 31, 2017	**29555.13**	**69.07**	**29624.20**
	Additions	-	-	-
	Disposals	-	0.04	0.04
	Balance as at March 31, 2018	**29555.13**	**69.11**	**29624.24**
II.	**Accumulated depreciation**			
	Balance as at 1 April, 2016	**-**	**-**	**-**
	Depreciation expense for the year	-	2.02	2.02
	Disposals	-	0.01	0.01
	Balance as at March 31, 2017	**-**	**2.03**	**2.03**
	Depreciation expense for the year	-	2.13	2.13
	Disposals	-	-	-
	Balance as at March 31, 2018	-	4.16	4.16
	Net carrying value:			
	Balance as at April 1, 2016	**29555.13**	**53.90**	**29609.03**
	Balance as at March 31, 2017	**29555.13**	**67.04**	**29622.17**
	Balance as at March 31, 2018	**29555.13**	**64.95**	**29620.08**

During the year the Company has recongnised rental income of Rs 92.39 (March 31, 2017: 82.64) in the statement of profit and loss for investment property.

Note 5 Other intangible assets

	Description of assets	Computer software	Total
I.	**Cost or deemed cost**		
	Balance as at April 1, 2016	34.64	34.64
	Additions	20.71	20.71
	Disposals	-	-
	Balance as at March 31, 2017	**55.35**	**55.35**
	Additions	15.62	15.62
	Disposals	-	-
	Balance as at March 31, 2018	**70.97**	**70.97**
II.	**Accumulated depreciation and impairment**		
	Balance as at April 1, 2016	-	-
	Amortisation expense for the year	14.09	14.09
	Disposals	-	-
	Balance as at March 31, 2017	**14.09**	**14.09**
	Amortisation expense for the year	14.38	14.38
	Disposals	-	-
	Balance as at March 31, 2018	**28.47**	**28.47**
	Net carrying value:		
	Balance as at April 1, 2016	**34.64**	**34.64**
	Balance as at March 31, 2017	**41.26**	**41.26**
	Balance as at March 31, 2018	**42.50**	**42.50**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible assets recognized as at April 1 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 6 Biological assets other than bearer plants

Description of assets	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Live stock	36.50	-	-
Total	**36.50**	-	-
Reconciliation of carrying amount			
Balance at the beginning of the year	**-**	**-**	**-**
Change in fair value	-	-	-
Purchase of cattles	36.50	-	-
Cattles sold/ discarded during the year	-	-	-
Balance at the end of the year	36.50	-	-

As at March 31, 2018, there were 105 cattle (March 31,2017: Nil, April 1, 2016: Nil) as matured biological assets.

The fair valuation of biological assets is classified as level 2 in the fair value hierarchy as they are determined based on the basis of the best available quote from the nearest market to the farm and on the basis of age of the cattle.

Note 7 Investments

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	**Investment carried at cost**			
	In equity instrument (unquoted)			
	IDL Chemicals Employees' Co-operative Credit Society Limited - Hyderabad - 500 Shares (March 31, 2017 : 500, April 1, 2016 :500) of ₹ 10 each fully paid-up	0.37	0.37	0.37
	IDL Chemicals Employees' Co-operative Credit Society Limited - Rourkela - 500 Shares (March 31, 2017 : 500, April 1, 2016 :500) of ₹ 10 each fully paid-up	0.37	0.37	0.37
	Mangalam Retail Services Limited - 12,490 Shares (March 31, 2017 : 12,490, April 1, 2016 :12,490) of ₹ 10 each fully paid-up	1.68	1.68	1.68
	Gulf Houghton Lubricants Limited - 100,000 Shares (March 31, 2017 : 1,00,000 April 1, 2016 :1,00,000) of GBP 1 each fully Paid-up (Subsequently fair valued)	43972.20	16070.00	106.31
	Total I	**43974.62**	**16072.42**	**108.73**
II	**Investment carried at fair value through P&L**			
	In Mutual Funds (quoted)			
	UTI Bond Fund of Unit Trust of India - 27,978 Shares (March 31, 2017 : 27,978 April 1, 2016 :27,978) units of ₹ 10 each fully paid-up	15.28	13.97	12.32
	Total II	**15.28**	**13.97**	**12.32**
	Total (I+II)	**43989.90**	**16086.39**	**121.05**
III	**Investment carried at amortized cost**			
	In equity shares (quoted)			
	Hinduja Global Solutions Limited - 48 Shares (March 31, 2017 : 500, April 1, 2016 :500) of ₹ 10 each fully paid-up	0.11	0.27	0.19
	Hinduja Ventures Limited - 48 Shares (March 31, 2017 : 500, April 1, 2016 :500) of ₹ 10 each fully paid-up	0.11	0.27	0.19
	IndusInd Bank Limited - 400 Shares (March 31, 2017 : 500, April 1, 2016 :500) of ₹ 10 each fully paid-up	7.18	5.43	3.88
	Total (III)	**7.40**	**5.97**	**4.26**
	Total (II+III)	**43997.30**	**16092.36**	**125.31**
	Aggregate book value of quoted investments	22.68	19.95	16.58
	Aggregate market value of quoted investments	22.68	19.95	16.58
	Aggregate cost of unquoted investments	43974.62	16072.41	108.73
	Aggregate amount of impairment in value of investments	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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Note 8 Other financial assets

Particulars	As at March 31, 2018 Non-current	As at March 31, 2018 Current	As at March 31, 2017 Non-current	As at March 31, 2017 Current	As at April 1, 2016 Non-current	As at April 1, 2016 Current
Security deposits						
Unsecured, considered good	316.12	68.23	608.64	38.56	173.43	451.96
Doubtful	110.17	-	110.17	-	110.17	-
Less : Allowance for bad and doubtful deposits	(110.17)	-	(110.17)	-	(110.17)	-
Interest accured	15.81	318.58	62.16	275.04	46.71	255.95
Other receivables	-	238.60	-	174.51	-	269.13
Unbilled revenue	-	-	-	-	-	69.18
	331.93	**625.41**	**670.80**	**488.11**	**220.14**	**1046.22**

Notes:

The Company's exposure to credit and currency risks, and loss allowances related to other financial assets are disclosed in note 34, for details of current assets hypothecated against borrowings of the Company refer note 34

Note 9 Other assets

(Unsecured, considered good)	As at March 31, 2018 Non-current	As at March 31, 2018 Current	As at March 31, 2017 Non-current	As at March 31, 2017 Current	As at April 1, 2016 Non-current	As at April 1, 2016 Current
Capital advances	207.41	-	238.40	-	167.22	-
Prepayments	70.01	153.89	57.17	182.16	66.54	193.67
Balances with government authorities	1741.32	711.94	1681.72	1115.26	1574.88	1377.67
Advances to employees	-	11.27	-	25.67	-	9.80
Advance to suppliers and service providers						
Considered good	-	188.64	-	756.74	-	566.57
Considered doubtful	-	110.71	-	110.71	-	145.71
Less: Provision for doubtful advances	-	(110.71)	-	(110.71)	-	(145.71)
	2018.74	**1065.74**	**1977.29**	**2079.83**	**1808.64**	**2147.71**

Note 10 Inventories

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	3037.42	4158.27	5038.16
Work-in-progress	877.56	707.41	716.42
Finished goods*	1251.95	1034.96	1202.22
Stock-in-trade	93.23	70.82	72.96
Stores and spares	176.53	141.55	196.10
Packing materials	308.39	279.77	353.38
	5745.08	**6392.78**	**7579.24**

Notes:

*Includes goods in transit of Rs 54.56 (March 31, 2017: 9.72, April 1, 2016 : 913.62)

* Write down of inventories to net realizable value amount to Rs 392.49 (March 31, 2017: Rs 388.95 and April 1, 2016:Rs 434.69)

Note 11 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured, considered good	232.09	285.03	17.00
Unsecured, considered good	9748.79	8318.05	7152.79
Unsecured, considered doubtful	1730.38	1655.42	1590.31
	11711.26	**10258.50**	**8760.10**
Less: Allowance for credit loss	1758.80	1702.48	1663.44
	9952.46	**8556.02**	**7096.66**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 34 For details of current assets hypothecated against borrowings of the Company refer note 21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 12 Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
Balances with banks			
In current accounts	1195.21	980.27	1614.53
In EEFC account	55.55	9.08	4.60
In deposit accounts with maturity period of less than 3 months	337.83	521.32	459.02
Cash on hand	8.53	11.22	23.52
Total cash and cash equivalents	**1597.12**	**1521.89**	**2101.67**
Bank balances other than cash & cash equivalents			
Deposits with maturity of less than 12 months.	1943.56	1306.29	-
In Earmarked accounts:			
Deposits held as margin money	657.94	429.68	723.26
Unpaid dividend accounts and refund orders	905.91	123.76	474.51
Total other bank balances	**3507.41**	**1859.73**	**1197.77**
Total cash and cash equivalents	**5104.53**	**3381.62**	**3299.44**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods. The Company's exposure to credit and currency risks, and loss allowances related to cash and bank balances are disclosed in note 34 and the deposits are lien marked with government authorities and customers of Rs 516.18 (March 31, 2017: Rs 296.83: April 1, 2016: ₹ 599.67)

Note 13 Loans

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Loans to other companies						
Gulf Oil Internation Cayman	45832.34	28155.60	72339.00	24902.00	97241.15	18462.54
Gulf Oil Lubricants India Limited	-	-	-	22.45	-	38.80
	45832.34	**28155.60**	**72339.00**	**24924.45**	**97241.15**	**18501.34**

Note 14 Equity share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised:			
75,427,510 Equity Shares of ₹ 2 each (March 31,2017:75,427,510, April 1,2016:75,427,490) equity shares of ₹ 2 each)	1508.55	1508.55	1508.55
Issued, subscribed and fully paid-up:			
49,572,490 (March 31, 2017 : 49,572,490, April 1,2016 49,572,490) equity shares of ₹ 2 each	991.45	991.45	991.45
	991.45	**991.45**	**991.45**

a. **Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	49572490	991.45	49572490	991.45	49572490	991.45
At the end of the year	**49572490**	**991.45**	**49572490**	**991.45**	**49572490**	**991.45**

b. **Terms / Rights attached to equity shares:**

The Company has one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares 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 remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

c. **Details of shareholders holding more than 5% equity shares in the Company:**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares *	% holding	Number of shares	% holding	Number of shares	% holding
Fully paid-up equity shares						
Hinduja Power Limited (Mauritius)	37146791	74.93%	34638487	69.87%	32193167	64.94%

d. **Shares of the company held by holding/ultimate holding company:**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares *	% holding	Number of shares	% holding	Number of shares	% holding
Hinduja Power Limited (Mauritius)	37146791	74.93%	34638487	69.87%	32193167	64.94%

(*) Does not include additional 33,304 shares (0.06%) acquired on March 30, 2017 as credit to demat received on April 3, 2017.

e. **Rights, preferences and restrictions attached to equity shares:**

The Company has one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares 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 remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

During the five years period ended March 31,2018 no shares have been bought back/ issued for consideration other than cash and no bonus shares have been issued.

Note 15 Other equity

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General reserve	20937.82	20937.82	20937.82
Foreign currency translation reserve	466.33	116.90	113.00
Retained earnings	16061.88	13682.07	11464.60
Capital reserve	0.78	0.78	0.78
Export allowance reserve	10.50	10.50	10.50
Reserve on consolidation	11.66	11.66	375.07
Other comprehensive reserve for fair valuation of equity investments	43533.69	15965.94	-
Balance at end of the year	**81022.66**	**50725.67**	**32901.77**

Nature and purpose of the reserves:

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve,dividends or other distributions paid to shareholders.

Capital reserve

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

Export allowance reserve

Represents reserve created to meet liability against any export obligation.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's reporting currency (ie.INR) are accumulated in the foreign currency translation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 16 Borrowings

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non-current	Current *	Non-current	Current *	Non-current	Current *
Term loans:						
Unsecured - at amortised cost						
from other parties- Gulf Oil Middle East Limited	16945.48	-	16861.28	-	17226.31	-
Non - current liabilities						
- from banks	29037.37	28487.83	56476.35	25085.29	82008.42	17677.69
- from other parties	172.67	19.29	19.29	26.64	81.23	24.11
	46155.52	**28507.12**	**73356.92**	**25111.93**	**99315.96**	**17701.80**

* Current maturities on long-term borrowings have been disclosed under the head other current financial liabilities

Nature of security & terms of repayment :

Term loans from banks

1. Term loan for acquiring vehicle is repayable in 48 equated monthly installments from the date of availing the loan. Rate of interest is 10.01% per annum (April 1, 2016: 10.01% per annum) out of the above 20 installments (April 01, 2016: 32 instalments) are oustanding payable as at the balance sheet date. The term loan is maturing in November 2018.

2. Term loans availed from HDFC Bank Limited for procurement of equipment / commercial vehicles, repayable in 35-36 equated monthly instalments over a period of 36 months (moratorium period of 1 - 2 months) from the date of availing respective loan. Rate of interest is in the range of 8.45% - 10.50% and number of instalments pending for payments are ranging between 5-31 instalments as at the balance sheet date. The said loans are secured by way of hypothication of same equipment/commercial vehicles.

3. During the year ended March 31, 2013, the Holding Company through its then stepdown subsidiary GHGL London Limited, UK (immediate subsidiary being HGHL Holdings Limited) ('HGHL'), acquired Houghton International Inc. in USA. HGHL obtained a loan of USD 300 million from Lenders (SBI) to part finance the acquisition. During the year 2013-14, USD 120 million was repaid by HGHL to the Lenders. The amount of loan outstanding as on March 31, 2018 is ₹ 56,991.46 (March 31, 2017 - ₹ 81,130.42; April 1, 2016 - Rs 99,344.65). The said loan was extended on the basis of Letter of Comfort/Stand-By Letter of Credit Facility Agreement between the Company, HGHL (both being Co-Obligators to the said Facility) and lenders on the strength of guarantee of Gulf Oil International Limited, Cayman and Cash Deficit Undertaking from its specified subsidiaries and also from the Company, wherein they are obligated to make contributions to HGHL in case of deficiencies in resources for servicing the said facilities. Gulf Oil International Limited, Cayman has provided a Guarantee to the Holding Company for due serving and repayment of entire balance outstanding loan, as per repayment schedule of the Lender. Gulf Oil Lubricants India Limited has also provided the similar Cash Deficit Undertaking in favour of the SBLC lenders.

   In terms of the aforesaid agreement, the loan is also secured by: (i) first pari-passu charge by way of equitable mortgage on the land of the Holding Company admeasuring 64.125 acres at Kukatpally, Hyderabad and (ii) first pari-passu charge along with existing lenders by way of equitable mortgage on land admeasuring 115.10 acres at Hyderabad and buildings, and plant & machinery belonging to Energetics Division of Holding Company. GHGL London Limited and its step down subsidiaries including Houghton International Inc. ceased to be subsidiaries of the Company, consequent to infusion of fresh equity to the extent of 90% by Gulf Oil International Limited in GHGL London Limited during the year 2013-14.

   Loan from Gulf Oil International Lubricants Limited is taken by HGHL Holdings Limited, which is interest free. On July 31, 2015, Gulf Oil International Lubricants Limited merged with Gulf Oil Middle East Limited.

   Term loans from others

   Term loan availed from Hinduja Leyland Finance Ltd and Kotak Mahindra Prime Ltd for procurement of equipment / commercial vehicles, repayable in 35-36 equated monthly instalments over a period of 36 months (moratorium period of 1 - 2 months) from the date of availing respective loan. Rate of interest is in the range of 8.25% - 8.85% and number of instalments pending for payments are ranging between 27-33 instalments as at the balance sheet date. The said loans are secured by way of hypothication of same equipment/commercial vehicles.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 17 Other financial liabilities

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Deposits	-	-	30.16	-	30.16	-
Current maturities of long term borrowings (refer note 16)	-	28507.12	-	25111.93	-	17701.80
Loss on forward contracts	-	-	-	68.32	-	68.32
Payables on purchase of plant and equipment	-	163.59	-	59.47	-	52.79
Interest accrued but not due on borrowings	-	17.41	-	120.13	-	108.32
Trade deposits	-	85.82	-	72.36	-	61.84
Unpaid dividends and rights issue	-	112.75	-	123.76	-	132.37
Other payables	-	2297.00	-	2515.11	-	1625.89
	-	**31183.69**	**30.16**	**28071.08**	**30.16**	**19751.33**

Note 18 Provisions

Employee benefits:						
- Gratuity	148.64	-	151.78	57.19	140.98	96.47
- Compensated absences	322.29	35.23	311.39	54.28	191.61	56.02
Provision for :						
- Claims and others	223.58	-	386.72	48.11	373.29	61.52
- Tax on proposed dividend	-	-	-	-	-	7.70
- Indirect taxes	8377.97	-	8394.10	-	8394.11	-
	9072.48	**35.23**	**9243.99**	**159.58**	**9099.99**	**221.71**

(i) Movement in provisions

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

Particulars	Compensated Absences	Gratuity	Others	Indirect taxes
Opening balance at the beginning of the year	365.67	208.97	434.83	8394.10
Additional provision recognised	16.76	16.13	-	-
Unused amount reversed	-	-	(211.25)	(16.13)
Amounts used during the year	(24.91)	(76.46)	-	-
Closing balance at the end of the year	**357.52**	**148.64**	**223.58**	**8377.97**

Note 19 Income taxes

19.1 Deferred tax balance

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets	118.51	550.40	710.53
Deferred tax liabilities	195.34	297.11	277.15

Deferred tax asset

2017-18	Opening Balance	Recognised in profit or loss	MAT revereal recognised outside P&L	Reclassification between DTA and DTL	Recognised in Other comprehensive income	Closing balance
Depreciation & amortization	160.66	(147.67)	-	-	-	12.99
Provision for doubtful debts / advances	146.22	(8.62)	-	-	-	137.60
Remeasurement of defined benefit obligation	14.68	(21.71)	-	-	-	(7.03)
Surplus on transfer of explosives undertaking	(262.40)	-	-	-	-	(262.40)
MAT credit entitlement	301.23	-	(248.16)	-	-	53.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Deferred tax asset

2017-18	Opening Balance	Recognised in profit or loss	MAT reveresal recognised outside P&L	Reclassification between DTA and DTL	Recognised in Other comprehensive income	Closing balance
Indexation benefit on land	137.98	1.46	-	-	-	139.44
Expected credit loss	16.29	(7.20)	-	-	-	9.09
Others	35.74	53.37	-	(53.36)	-	35.75
Total	**550.40**	**(130.37)**	**(248.16)**	**(53.36)**	**-**	**118.51**
Deferred tax liabilty						
Depreciation & amortization	406.13	(54.28)	-	-	-	351.85
Provision for doubtful debts / advances	(52.04)	46.64	-	-	-	(5.40)
Remeasurement of defined benefit obligation	(114.54)	46.47	-	-	12.78	(55.29)
Indexation benefit on land	-	(3.02)	-	-	-	(3.02)
Expected credit loss	-	7.19	-	-	-	7.19
Others	57.56	(16.95)	-	(140.60)	-	(99.99)
Total	**297.11**	**26.06**	**-**	**(140.60)**	**12.78**	**195.34**

Deferred tax assets

2016-17	Opening Balance	Recognised in profit or loss	MAT reveresal recognised outside P&L	Reclassification between DTA and DTL	Recognised in Other comprehensive income	Closing balance
Depreciation & amortization	358.30	(197.64)	-	-	-	160.66
Provision for doubtful debts / advances	147.55	(1.33)	-	-	-	146.22
Remeasurement of defined benefit obligation	51.45	(18.90)	-	-	(17.87)	14.68
Surplus on transfer of explosives undertaking	(262.40)	-	-	-	-	(262.40)
MAT Credit entitlement	305.73	(4.50)	-	-	-	301.23
Indexation benefit on land	130.73	7.25	-	-	-	137.98
Expected credit loss	25.31	(9.02)	-	-	-	16.29
Others	(46.14)	(39.94)	-	121.82	-	35.74
Total	**710.53**	**(264.08)**	**-**	**121.82**	**(17.87)**	**550.40**
Deferred tax liabilty						
Depreciation & amortization	406.13	-	-	-	-	406.13
Provision for doubtful debts / advances	(52.04)	-	-	-	-	(52.04)
Employee benefit expense	(114.54)	-	-	-	-	(114.54)
Others	37.60	19.96	-	-	-	57.56
Total	**277.15**	**19.96**	**-**	**-**	**-**	**297.11**

19.2. Current tax assets and liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current assets			
Income tax assets	582.42	465.69	552.96
	582.42	**465.69**	**552.96**
Current tax liabilities			
Income tax payable	33.34	197.57	2.31
Total current tax liabilities	**33.34**	**197.57**	**2.31**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

19.3 - Tax expense

a) Recognised in statement of profit and loss

	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
In respect of the current year	1325.74	1231.89
In respect of prior years	6.58	-
	1332.32	**1231.89**
Deferred tax		
On temporary differences	104.31	239.62
MAT credit	(2.93)	4.50
	101.38	**244.12**

b) Recognised in other comprehensive income

Current tax		
In respect of the current year	(12.77)	17.87
	(12.77)	**17.87**
Deferred tax		
On temporary differences	39.51	(51.65)
	39.51	**(51.65)**

c) The Income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	4776.41	4741.53
Income tax expense calculated at 34.608% (2016-17 :34.608%)	1653.01	1640.95
Impact of reversal of temporary differences on PPE for which no deferred tax has been created previously	18.62	58.85
Indexation benefit on land	(4.18)	(5.46)
Tax impact on provision for liabilities no longer required written back	(70.16)	(112.35)
MAT Credit reversed during the period	-	9.00
Tax relating to earlier years	7.00	-
Effect of change in rate of tax	(16.62)	-
Impact of different tax rate for foreign subsidiaries	(162.94)	(115.47)
Others	8.97	0.49
Total tax expense	**1433.70**	**1476.01**

Note 20 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from customers	123.07	103.64	351.25
Statutory liabilities	124.60	231.43	217.76
Payable to employees	1752.14	2097.58	1377.18
	1999.81	**2432.65**	**1946.19**

Note 21 Borrowings

Secured - at amortised cost			
Loans from banks (refer note below)			
Cash credit	962.62	573.92	700.48
Buyers credit	4595.36	3321.22	5010.01
	5557.98	**3895.14**	**5710.49**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Details of security:

(i) Cash credit facilities from consortium banks are secured by hypothecation of all current assets of the Company including raw materials, finished goods, stock-in-process, stores and spares (not relating to plant & machinery) and present and future book debts of the Company ranking pari-passu and collateral security by (i) first pari-passu charge by way of equitable mortgage on the land owned by the Company admeasuring 115.10 acres situated at Kukatpally, Hyderabad and (ii) second pari-passu charge on buildings, plant and machinery of energetics division at Hyderabad charged to other term/working capital lenders.

(ii) Cash credit facilities from State Bank of India is secured by a primary charge by way of hypothecation of raw material, finished goods, stocks in process, stores & spares and receivables of the Company ranking pari passu with other working capital lenders and collateral security by way of a second charge on the fixed assets of the Company ranking pari passu with other working capital lenders. The cash credit is repayable on demand and carries an interest rate per annum ranging from 10.70% to 12.00%.

(iii) Cash credit and other working capital facilities from State Bank of India is further secured by corporate guarantee amounting to ₹ 4,440.00 (Previous year :₹ 8,440.00) given by the Holding Company.

(iv) Working capital credit facilities from RBL Bank Limited are secured by first pari passu charge on entire current assets of the company and second pari passu charge on the fixed assets of the Company (movable & immovable) of the Company present and future except those specifically charged to equipment lenders and Yes Bank. The cash credit is repayable on demand and carries an interest rate per annum ranging from 10.80% to 11.45%

(v) Working capital credit facilities from RBL Bank Limited are secured by first pari passu charge on the entire current assets present and future and second pari passu charge on the property, plant and equipment except those specifically charged to equipment lenders and Yes Bank.

Note 22 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables - current			
Dues to micro enterprises and small enterprises	-	-	-
Dues to creditors other than micro enterprises and small enterprises	4298.78	3954.20	5041.85
	4298.78	**3954.20**	**5041.85**

As at March 31, 2018 and March 31, 2017 there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) the principal amount and the interest due thereon remaining unpaid to any supplier.	Nil	Nil	Nil
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	Nil	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil
(d) the amount of interest accrued and remaining unpaid; and	Nil	Nil	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 23 Revenue from operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products	49264.42	54578.61
Service income	115.19	954.76
Other operating revenue	291.05	179.48
	49670.66	**55712.85**

Note 24 Other income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on		
Interest on loans to company	5607.03	6882.97
Income tax refund	-	27.83
Interest on term deposits with banks	633.27	595.21
	6240.30	7506.01
Dividend income from		
Others	0.02	0.01
	0.02	**0.01**
Fair value (gain) or loss		
Net gain on financial assets measured at fair value through profit or loss	(2.35)	3.36
	(2.35)	**3.36**
Other income		
Commission on corporate guarantee	-	172.49
Provision no longer required written back	390.69	72.95
Profit on sale of plant and equipment	13.34	-
Gain on foreign exchange fluctuation	122.09	-
Miscellaneous income	104.12	89.17
	630.24	**334.61**
	6868.21	**7843.99**

Note 25 Cost of materials consumed

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock	4158.27	5038.16
Add: Purchases	28856.42	28289.11
Less: Closing stock	3037.42	4158.27
	29977.27	**29169.00**

Note 26 Purchase of stock-in-trade

	Year ended March 31, 2018	Year ended March 31, 2017
Stock in trade	212.93	698.68
	212.93	**698.68**

Note 27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock:		
Stock-in-trade	70.82	72.96
Work-in-progress	1034.96	716.42
Finished goods	707.41	1202.22
	1813.19	**1991.60**
Closing stock:		
Stock-in-trade	93.23	70.82
Work-in-progress	877.56	707.41
Finished goods	1251.55	1034.96
	2222.34	**1813.19**
Net (increase) / decrease (before excise duty)	**409.15**	**(178.41)**
Excise duty on (decrease) / increase of finished goods	**7.53**	**(8.51)**
Net (increase) / decrease	**(401.62)**	**169.90**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 28 Employee benefits expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages, including bonus	4878.55	4723.84
Contribution to provident and other funds	317.21	417.48
Workmen and staff welfare expenses	434.67	605.04
	5630.43	**5746.36**

Note 29 Finance costs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense		
Borrowings	3199.25	4761.69
Others	41.84	63.56
Net loss on foreign currency transactions and translations	0.37	-
Bank and other financial charges	1392.65	1384.61
	4634.11	**6209.86**

Note 30 Depreciation and amortisation expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	551.87	538.53
Depreciation on investment properties	2.01	2.02
Amortisation of intangible assets	14.38	14.09
	568.26	**554.64**

Note 31 Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spares	380.44	333.90
Processing charges	999.41	1074.23
Packing material consumed	1897.79	1860.96
Power and fuel	1083.99	1006.13
Expenses on operation contracts	53.49	419.30
Rent	309.15	531.36
Rates and taxes	344.83	317.82
Insurance	176.90	163.32
Repairs and maintenance		
Plant and machinery	726.74	678.14
Buildings	83.50	69.21
Selling expenses		
Advertising and sales promotion	6.52	3.96
Selling commission	186.26	223.92
Distribution expenses	2409.30	2762.22
Travelling and conveyance	380.40	445.09
Communication expenses	77.82	65.10
Legal and professional fee	612.08	621.97
Directors' sitting fee	61.69	55.42
Provision / (reversal) of doubtful debts/advances, net (refer note below)	173.98	94.93
Loss on sale of plant and equipment	29.07	4.76
Loss on foreign exchange fluctuation, net	-	5.31
CSR expenditure (refer note 39 B)	66.02	38.12
Miscellaneous expenses	88.03	351.88
	10147.41	**11127.05**

Note 32 Exceptional items

	Year ended March 31, 2018	Year ended March 31, 2017
Profit on sale of plant and equipment fully impaired earlier	180.49	351.44
Reversal of provision for doubtful debts created in earlier years by adjusting to revaluation reserve in pursuance to the scheme of arrangement in 2008-09.	221.74	-
Reversal of provision made for impairment in the value of investments created in earlier years adjusted to revaluation reserve in pursuance to the scheme of arrangement in 2008-09	-	363.41
	402.23	**714.85**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Note :		
Provision / (reversal) of doubtful debts/advances, net		
Doubtful trade receivables, loans & advances written off	20.20	55.89
Provision for doubtful trade receivables and loans & advances	179.02	95.10
Less: Provision for doubtful trade receivables, loans & advances reversed	(25.24)	(56.06)
	173.98	**94.93**

Note 33 Financial instruments

(i) The following table represents analysis of carrying values and fair values of financial instruments

Particulars	Fair value hierarchy	Carrying Values			Fair value		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets:							
Non-current							
i) Investments	3	43997.30	16092.36	125.31	43997.30	16092.36	125.31
ii) Loans	3	45832.34	72339.00	97241.15	45832.34	72339.00	97241.15
iii) Other financial assets	3	331.93	670.80	220.14	331.93	670.80	220.14
Current							
i) Trade receivables	3	9952.46	8556.02	7096.66	9952.46	8556.02	7096.66
ii) Cash and cash equivalents	3	1597.12	1521.89	2101.67	1597.12	1521.89	2101.67
iii) Other balances with banks	3	3507.41	1859.73	1197.77	3507.41	1859.73	1197.77
iv) Loans	3	28155.60	24924.45	18501.34	28155.60	24924.45	18501.34
v) Other financial assets	3	625.41	488.11	1046.22	625.41	488.11	1046.22
Liabilities:							
Non-current							
(i) Borrowings	3	46155.52	73356.92	99315.96	46155.52	73356.92	99315.96
(ii) Other financial liabilities	3	-	30.16	30.16	-	30.16	30.16
Current							
i) Borrowings	3	5557.98	3895.14	5710.49	5557.98	3895.14	5710.49
ii) Trade payables	3	4298.78	3954.20	5041.85	4298.78	3954.20	5041.85
iii) Other financial liabilities	3	31183.69	28071.08	19751.33	31183.69	28071.08	19751.33

(ii) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 :

Particulars	Fair value hierarchy	Fair value		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
A) Mandatorily carried at fair value through profit or loss				
Non current Investments in quoted equity shares	1	22.68	19.93	16.57
Non current Investments in unquoted equity shares	2	2.42	2.42	2.42
Other current financial assets	3	43972.20	16070.01	106.32
		43997.30	**16092.36**	**125.31**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Fair value hierarchy

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

Level 2 – The fair value of financial instruments not actively traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If the significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

i) The Carrying values of current financial liabilities and current financial assets are taken at their fair value because of their short term nature.

ii) The Carrying values of non-current financial liabilities and non-current financial assets are taken at their fair value based on their discounted cash flows.

iii) The Company has used quoted market price for determininig fair value of investments in equity instruments and mutual funds.

iv) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates preseted above are not necessarily indicative of the amounts that the group could have realised or paid in sale transactions as of respective dates. as such, fair value of financial instruments subsequent to the reporting dates may be deferent from the amounts reported at each reporting date.

v) There have been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2018, March 31, 2017 and as at April 1, 2016.

Significant estimate:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Note 34 Capital and financial risk management objectives and policies

A. Capital management and gearing ratio

For the purpose of the group capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the group capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current liabilities	55423.34	82928.18	108723.26
Equity	991.45	991.45	991.45
Other equity	81022.66	50725.67	32901.77
Total equity	**82014.11**	**51717.12**	**33893.22**
Capital and debt	**137437.45**	**134645.30**	**142616.48**
Gearing ratio in % (Non-current liabilities/ Capital and Non-current liabilities)	**40.33%**	**61.59%**	**76.23%**

In order to achieve this overall objective, the Group capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017 and April 1,2016

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

B. Financial risk management framework

The Group has exposure to the following risks arising from financial instruments

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's Risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(i) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The entities within the Company have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represents the maximum credit risk.

Credit risk management

A. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.

B. Financial assets that potentially expose the company to credit risks are listed below

Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables outstanding for a period less than six months from the date they are due for payment	9814.67	8110.98	6444.49
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	137.79	445.04	652.17
	9952.46	**8556.02**	**7096.66**
Balance at the beginning	(1702.48)	(1663.44)	-
Impairment loss during the year	(56.32)	(39.04)	-
Balance at the end	**(1758.80)**	**(1702.48)**	**-**

Significant estimates and judgements

Impairment of financial assets

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

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Particulars	On Demand	in next 12 months	>1 year	Total
Year ended March 31, 2018				
Borrowings	5557.98	28524.53	46155.52	80238.03
Other financial liabilities	-	2659.16	-	2659.16
Trade and other payables	-	4298.78	-	4298.78
	5557.98	**35482.47**	**46155.52**	**87195.97**
Year ended March 31, 2017				
Borrowings	3895.14	25232.06	73356.92	102484.12
Other financial liabilities	-	2839.02	30.16	2869.18
Trade and other payables	-	3954.20	-	3954.20
	3895.14	**32025.28**	**73387.08**	**109307.50**
Year ended April 1, 2016				
Borrowings	5710.49	17810.12	99315.96	122836.57
Other financial liabilities	-	1941.21	30.16	1971.37
Trade and other payables	-	5041.85	-	5041.85
	5710.49	**24793.18**	**99346.12**	**129849.79**

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. 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. As the Company has debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through impact on floating rate borrowings, as follows:

Particulars	Impact on profit before tax	
	March 31, 2018	March 31, 2017
Interest rates-increase by 100 basis points	(4.36)	(2.49)
Interest rates-decrease by 100 basis points	4.36	2.49

b) Foreign currency exchange rate risk

The company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD . Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the company is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

Particulars	Currency	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	USD	468.80	927.53	42.15
Trade receivables	EURO	231.22	329.63	477.29

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

Particulars	Impact on profit before tax	
	March 31, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by 1% (March 31, 2017 - 1 %)*	10.23	19.16
INR/USD - Decrease by 1% (March 31, 2017 - 1%)*	(10.23)	(19.16)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 35 Employee benefit plans

(i) Post-employment obligations

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan, managed by a trust set up by the Company. The Company makes contributions to Life Insurance Corporation of India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Balance sheet amounts- Gratuity

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
Balance as at March 31, 2017			
Opening balance	**785.23**	**576.26**	**208.97**
Interest expense/(income)	48.19	37.53	10.65
Past service cost	0.39	-	0.39
Current service cost	44.59	-	44.59
Total amount recognised in profit or loss	**93.16**	**37.53**	**55.63**
Remeasurements			
(Gain)/loss from change in financial assumptions	(23.56)	-	**(23.56)**
Return on plan assets (excluding interest income)	-	(0.78)	**0.78**
Experience (gains)/losses	(16.73)	-	**(16.73)**
Total amount recognised in other comprehensive income	(40.29)	(0.78)	(39.51)
Employer contributions	-	76.67	**(76.67)**
Benefit payments	(193.50)	(193.70)	**0.20**
Balance (Current) as at March 31, 2018	**644.60**	**496.01**	**148.62**
Balance as at April 1, 2016			
Opening balance	877.57	640.12	**237.45**
Interest expense/(income)	59.90	**45.13**	**14.77**
Current service cost	40.00	**-**	**40.00**
Total amount recognised in profit or loss	**99.90**	**45.13**	**54.77**
Remeasurements			
(Gain)/loss from change in financial assumptions	19.78	-	19.78
Return on plan assets (excluding interest income)	-	3.26	(3.26)
Experience (gains)/losses	122.54	-	122.54
Total amount recognised in other comprehensive income	142.32	3.26	139.06
Employer contributions	-	222.28	**(222.28)**
Benefit payments	(334.55)	(334.52)	**(0.03)**
Balance (current) as at March 31, 2017	**785.23**	**576.26**	**208.97**

(ii) The net liability disclosed above relates to funded plan, as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Present value of funded obligations	644.60	**785.23**	**877.57**
Fair value of plan assets	496.01	576.26	640.12
	148.59	**208.97**	**237.45**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Deficit of funded plan

(iii) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligations are as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.73%	7.00%	7.42%
Salary escalation rate	7.00%	7.00%	7.00%
Employee attrition rate	3.00%	3.00%	3.00%
Retirement Age	58	58	58
Pre-retirement mortality	L.I.C (2006-08) Ultimate	L.I.C (2006-08) Ultimate	L.I.C (2006-08) Ultimate

(iv) Sensitivity analysis

The sensitivity of the obligation towards gratuity to changes in the weighted principal assumptions is:

Assumption

Impact on defined benefit obligation	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (change by 1%)	(32.90)	36.49	(35.12)	39.54
Salary escalation rate (change by 1%)	32.41	(29.71)	35.33	(31.90)
Attrition rate (change by 1%)	1.19	(1.68)	0.04	(0.07)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(v) The major categories of plan assets are as follows:

	Quoted/ Unquoted	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Gratuity				
Funds managed by LIC covered - 100%	Unquoted	496.01	576.26	640.12
		496.01	**576.26**	**640.12**

(vi) The expected maturity analysis of gratuity on an undiscounted basis is as follows:

	As at March 31, 2018	As at March 31, 2017
Less than a year	91.24	330.68
Between 1-2 years	157.08	132.80
Between 2-5 years	139.43	151.12
Over 5 years	210.83	182.77

Note 36. Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016:

Particulars	SBN	Other denominations	Total
Closing balance as at November 8, 2016	6.32	3.24	9.56
Add: Imprest cash with employees	2.32	-	2.32
Add: Deposited - received back from court	0.90	-	0.90
	9.54	**3.24**	**12.78**
Add: Withdrawal from bank accounts	-	14.72	14.72
Add: Receipts for permitted transactions	-	27.68	27.68
Add: Receipts for non-permitted transactions	0.66	-	0.66
Sub-total (A)	**10.20**	**45.64**	**55.84**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Particulars		SBN	Other denominations	Total
Less: Paid for permitted transactions		0.04	34.73	34.77
Less: Deposited in bank accounts		7.87	-	7.87
Less: Paid for non-permitted transactions				
(I) Advance to transporters		2.27	-	2.27
(ii) Expenses		0.02	-	0.02
	Sub-total (B)	**10.20**	**34.73**	**44.93**
Closing balance as at December 30, 2016	(A-B)	**-**	**10.91**	**10.91**

Explanation: The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs Number S.O. 3407(E) dated November 8, 2016.
The above disclosure is made as per the notification dated March 30, 2017 by Ministry of Corporate Affairs.

Note 37 Contingent liabilities and commitments:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Contingent liabilities:			
Claims against the company not acknowledged as debts			
(A) Income tax demands	1116.95	1116.95	2950.60
(B) Sales tax demands	358.84	1400.18	1295.51
(C) Excise demands	642.35	642.35	647.91
(D) Service tax demands	356.78	395.47	4.49
(E) Entry tax demands	58.68	90.89	88.60
(F) Additional demands towards cost of land	3.81	3.81	3.81
(G) Claims of workmen/ex-employees	147.50	147.50	147.50
(H) Other matters (also refer note 1 and 2 below)	7.32	7.32	48.05
B. Commitments:			
Estimated amount of contracts remaining to be executed on capital account [net of advances of ₹ 203.32 (as at March 31, 2017- ₹ 178.48)]	116.18	469.10	262.67

Notes:

1) The Company has given Corporate Guarantees aggregating ₹ 4,440.00 (March 31,2017 ₹ 11,440.00) to the banks on behalf of its wholly-owned subsidiary IDL Explosives Limited for the purpose of working capital requirements. The amount of loan outstanding as on March 31,2018 is ₹ 3218.55 (March 31,2017- ₹ 3895.14)

2) During the year ended March 31, 2013, the Holding Company through its then stepdown subsidiary GHGL London Limited, UK (immediate subsidiary being HGHL Holdings Limited) ('HGHL'), acquired Houghton International Inc. in USA. HGHL obtained a loan of USD 300 million from Lenders (SBI) to part finance the acquisition. During the year 2013-14, USD 120 million was repaid by HGHL to the Lenders. The amount of loan outstanding as on March 31, 2018 is ₹ 56,991.46 (March 31, 2017 - ₹ 81,130.42; April 1, 2016 - Rs 99,344.65). The said loan was extended on the basis of Letter of Comfort/Stand-By Letter of Credit Facility Agreement between the Company, HGHL (both being Co-Obligators to the said Facility) and lenders on the strength of guarantee of Gulf Oil International Limited, Cayman and Cash Deficit Undertaking from its specified subsidiaries and also from the Company, wherein they are obligated to make contributions to HGHL in case of deficiencies in resources for servicing the said facilities. Gulf Oil International Limited, Cayman has provided a Guarantee to the Holding Company for due serving and repayment of entire balance outstanding loan, as per repayment schedule of the Lender. Gulf Oil Lubricants India Limited has also provided the similar Cash Deficit Undertaking in favour of the SBLC lenders.

   In terms of the aforesaid agreement the loan is also secured by: (i) first pari-passu charge by way of equitable mortgage on land of the Company admeasuring 64.125 acres at Kukatpally, Hyderabad and (ii) first pari-passu charge along with existing lenders by way of equitable mortgage on land admeasuring 115.10 acres at Hyderabad and buildings, and plant & machinery belonging to Energetics Division. GHGL London Limited and its step down subsidiaries including Houghton International Inc. ceased to be subsidiaries of the Company, consequent to infusion of fresh equity to the extent of 90% by Gulf Oil International Limited in GHGL London Limited during the year 2013-14.

3) The Competition Commission of India passed an order in a case filed by a customer imposing a penalty of ₹ 2,894.76 during the year 2012-13. Against the said order, the Company filed an appeal in Competition Appellate Tribunal ("COMPAT"). The appeal was disposed of by reducing the penalty amount to ₹ 289.48. The Company filed an appeal in the Supreme Court and the appeal was admitted. The case was not heard by the Honorable Supreme Court during the year as the pleading are in progress before the Judicial Registrar and the same is pending to continue till the next date of hearing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

4) The Company had registered lease deeds of land on various dates with Sri Udasin Mutt (Mutt) for certain parcels of land at Kukatpally, Hyderabad for 99 years after obtaining permission from the then Government of Andhra Pradesh. However, the Mutt filed eviction proceedings before the AP Endowment Tribunal on various untenable grounds and claimed use and occupation charges.

   Aggrieved by the Tribunal Order, the Company filed a Writ Petition (WP) in 2011 in the Hon'ble High Court of Andhra Pradesh. The Mutt had also filed a separate WP in the AP High Court with regard to the Tribunal's decision on use and occupation charges. The AP High Court vide Common Order dismissed the WP filed by the Company and allowed the WP filed by the Mutt.

   Both the parties filed Special Leave Petition (SLP) in 2013 before the Hon'ble Supreme Court against the aforesaid Common Order. The Hon'ble Supreme Court directed the parties to maintain status quo in all respects. Subsequently in August 2014, the Hon'ble Supreme Court while granting leave, directed the Company to deposit ₹ 100.00 per annum provisionally towards use and occupation of the subject land. The Company has been depositing ₹ 100.00 every year for the years 2014 to 2017, totaling to ₹ 400.00 as at March 31, 2018 (Rs 300.00 as at March 31, 2017). The Appeals have not been listed for hearing.

Note 38 First time Ind AS adoption reconciliations

These consolidated financial statements have been prepared in accordance with the Ind AS. For the purpose of transition from previous GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101"), with effect from April 1, 2016 ("transition date").

In preparing its Ind AS balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains how the transition from previous GAAP to Ind AS has affected the Company's balance sheet and financial performance.

Exemptions applied

Optional exemptions availed

Deemed cost of investment in subsidiaries

As per Ind AS 101, the entity may elect to use the fair value of investment in subsidiaries at the date of transition as the deemed cost. Accordingly, the Company has recognised the fair value of a subsidiary as the deemed cost at the date of transition.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Mandatory exemptions availed

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVTOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

Classification and measurement of financial assets/ liabilities

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at April 1, 2016.

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occuring on or after April 1, 2016 (the transition date).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

I) Reconciliation of equity at date of transition to Ind AS as at April 1, 2016

	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	4	97136.53	93337.29	3799.24
Capital work-in-progress		1518.11	-	1518.11
Investment property	4,9	-	(29609.03)	29609.03
Intangible assets		34.64	-	34.64
Biological assets other than bearer plants		-	-	-
Financial assets				
(a) Investments	3,5	110.87	(14.44)	125.31
(b) Loans	1	97241.15	-	97241.15
(c) Other financial assets	1	220.14	-	220.14
Income tax assets (net)	2	552.96	-	552.96
Deferred tax assets (net)	2	554.49	(156.04)	710.53
Other non-current assets		5049.00	3240.36	1808.64
Total non-current assets		**202417.88**	**66798.14**	**135619.75**
Current assets				
Inventories		10847.26	3268.02	7579.24
Financial assets				
(a) Trade receivables		7613.94	517.28	7096.66
(b) Cash and cash equivalents		2101.67	-	2101.67
(c) Bank balances other than cash and cash equivalents		1197.77	-	1197.77
(d) Loans		18501.34	-	18501.34
(e) Other financial assets	1	2117.36	1071.14	1046.22
Other current assets	1	2125.37	(22.34)	2147.71
Total current assets		**44504.73**	**4834.10**	**39670.61**
TOTAL ASSETS		**246922.61**	**71632.24**	**175290.36**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		991.45	-	991.45
Other equity		101658.56	68756.79	32901.77
Total equity		**102650.01**	**68756.79**	**33893.22**
Non-current liabilities				
Financial liabilities				
(a) Borrowings	1	101341.46	2025.50	99315.96
(b) Other financial liabilities		30.16	-	30.16
Provisions		9113.41	13.42	9099.99
Deferred tax liabilities (net)	2	239.55	(37.60)	277.15
Total non-current liabilities		**110724.58**	**2001.32**	**108723.26**
Current liabilities				
Financial liabilities				
(a) Borrowings		5710.49	-	5710.49
(b) Trade payables		5110.19	68.34	5041.85
(c) Other financial liabilities	1	19683.01	(68.32)	19751.33
Provisions	8	1095.83	874.11	221.71
Current tax liabilities		2.31	-	2.31
Other current liabilities		1946.19	-	1946.19
Total current liabilities		**33548.02**	**874.13**	**32673.88**
TOTAL EQUITY AND LIABILITIES		**246922.61**	**71632.24**	**175290.36**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

II) Reconciliation of equity as at March 31, 2017

	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	4	30119.66	26024.01	4095.65
Capital work-in-progress		1678.09	-	1678.09
Investment property	4,9	-	(29622.17)	29622.17
Intangible assets		41.26	-	41.26
Biological assets other than bearer plants				
Financial assets				
(a) Investments	3,5	108.62	(15983.74)	16092.36
(b) Loans	1	72339.00	-	72339.00
(c) Other financial assets	1	670.80	-	670.80
Income-tax assets (net)	2	465.69	-	465.69
Deferred tax assets (net)	2	396.13	(154.27)	550.40
Other non-current assets		4028.16	2050.87	1977.29
Total non-current assets		**109847.41**	**(17685.31)**	**127532.71**
Current assets				
Inventories		9902.94	3510.16	6392.78
Financial assets				
(a) Trade receivables		8754.39	198.37	8556.02
(b) Cash and cash equivalents		1521.89	-	1521.89
(c) Bank balances other than cash and cash equivalents		1859.73	-	1859.73
(d) Loans	1	24924.45	-	24924.45
(e) Other financial assets	1	1539.63	1051.52	488.11
Other current assets		2096.84	17.01	2079.83
Total current assets		**50599.86**	**4777.05**	**45822.81**
TOTAL ASSETS		**160447.27**	**12908.25**	**173355.52**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		991.45	-	991.45
Other equity		37098.18	(13634.49)	50725.67
Total equity		**38082.63**	**(13634.49)**	**51717.12**
Non-current liabilities				
Financial liabilities				
(a) Borrowings	1	74326.50	969.58	73356.92
(b) Other financial liabilities		30.16	-	30.16
Provisions		9045.43	(198.56)	9243.99
Deferred tax liabilities (net)	2	252.33	(44.78)	297.11
Total non-current liabilities		**83654.42**	**726.44**	**82928.18**
Current liabilities				
Financial liabilities				
(a) Borrowings		3895.14	-	3895.14
(b) Trade payables		4022.52	68.32	3954.20
(c) Other financial liabilities	1	28002.76	(68.32)	28071.08
Provisions	8	159.58	-	159.58
Current tax liabilities		197.57	-	197.57
Other current liabilities		2432.65	-	2432.65
Total current liabilities		**38710.22**	**-**	**38710.22**
TOTAL EQUITY AND LIABILITIES		**160447.27**	**(12908.25)**	**173355.52**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

III) Reconcilation of Statement of profit and loss for the year ended March 31, 2017

		Notes	Previous GAAP	Adjustments	Ind AS
I.	**Income**				
	Revenue from operations	6	55420.01	(292.84)	55712.85
	Other income	1,3,5	7811.88	(32.11)	7843.99
	Total Revenue (I)		63231.89	(324.95)	63556.84
II.	**Expenses**				
	Cost of materials consumed		29140.24	(28.76)	29169.00
	Purchase of stock-in-trade		698.68	-	698.68
	Changes in inventories of finished goods and work-in-progress		(72.24)	(242.14)	169.90
	Excise duty	6	5854.68	0.01	5854.67
	Employee benefits expense	7	5599.64	(146.72)	5746.36
	Finance costs		6277.77	67.91	6209.86
	Depreciation and amortisation expense		554.64	-	554.64
	Other operating expenses		11153.12	26.07	11127.05
	Total expenses (II)		**59206.53**	**323.63**	**59530.16**
III.	**Profit before exceptional items and tax (I-II)**		**4025.35**	**(1.33)**	**4026.68**
	Add: Exceptional items		714.85	-	714.85
IV.	**Profit before tax**		4740.20	(1.33)	4741.53
V.	**Tax expense**				
	Current tax		1231.89	-	1231.89
	Deferred tax include MAT credit	2	217.29	(26.83)	244.12
	Total tax expense		1449.18	(26.83)	1476.01
VI	**Profit for the Year (IV-V)**		3291.02	25.51	3265.52
VII	**Other comprehensive income**				
	A. Items that may be reclassified subsequently to Profit or loss				
	(a) Exchange differences on translation of financial statements of foreign operations		-	(3.90)	3.90
	B. Items that will not be reclassified subsequently to profit or loss				
	(a) Remeasurements of the defined benefit plans		-	51.65	(51.65)
	(b) Net changes in fair values of instruments in equity shares carried at fair value through other comprehensive income		-	(15965.94)	15965.94
	(c) Income tax relating to items that will not be reclassified to profit or loss		-	(17.87)	17.87
VIII	**Total other comprehensive income**		-	(15936.06)	15936.06
IX	**Total comprehensive income for the year**		**3291.02**	**(15910.56)**	**19201.58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

IV) Reconciliation of total equity as at March 31, 2017

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Total equity as reported under previous GAAP		38082.63	102650.29
Adjustments:			
Expected credit loss allowance	9	(47.06)	(73.13)
Amortisation of transaction cost on borrowings		(2208.09)	(2276.00)
Equity instruments valued through other comprehensive income	3	15965.94	-
Other adjustments (this includes impact of fair valuation of Investments)	3	(185.08)	(87.08)
Reversal of provision for proposed dividend		-	887.27
Deferred tax on Ind AS adjustments	2	108.78	118.45
Revaluation reserve created under previous GAAP setted off against gross book value of property, plant and equipment	10	-	(67326.58)
Total equity as per Ind AS		**51717.12**	**101219.80**

V) Reconciliation of total comprehensive income for the year ended March 31, 2017.

Particulars	Notes	As at March 31, 2017
Profit after tax reported under previous GAAP		3291.02
Add/ (less):		
i) Other adjustments (Majorly includes amortisation of transaction cost on borrowings)		(76.40)
ii) Provision/ (reversal) for expected credit loss		26.07
iii) Others (like remeasurement of defined benefit liability etc)	7	51.65
iv) Deferred tax effect on above adjustments	2	(26.82)
Net Profit as per Ind AS		**3265.52**
Other comprehensive Income		
- Net actuarial gain/(loss) on defined benefit plan	7	(51.65)
- Income tax relating to items that will not be reclassified to profit and loss		17.87
- Equity instrument valued through other comprehensive income		15965.94
- Items that will be reclassified to profit or loss		
- Exchange differences on translation of foreign operations		3.90
Total comprehensive income as per Ind AS		**19201.58**

VI Impact of Ind AS adoption on statement of cash flow for the year ended March 31, 2017

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	2646.76	56.63	2703.39
Net cash flow from investing activities	25296.01	(1104.92)	24191.09
Net cash flow from financing activities	(27389.34)	(84.92)	(27474.26)
Net increase / (decrease) in cash and cash equivalents during the year	553.43	(1133.21)	(579.78)
Cash and cash equivalents as at April 1, 2016	2101.67	-	2101.67
Cash and cash equivalents as at March 31, 2017	2655.10	(1133.21)	1521.89

Notes to the first time Ind AS adoption reconciliations

1 Financial guarantee income

Under previous GAAP, financial guarantees given by the Company for borrowings taken by its subsidiaries were disclosed as contingent liabilities. Guarantee commission received from subsidiaries are treated is credited to statement of P&L as other gains/(losses). Financial guarantee contracts have been recognised at fair value at the inception in accordance with Ind AS 109.

2 Deferred tax adjustments

Under Ind AS, deferred tax is recognized on the temporary differences arising between the book value of assets/ liabilities and their corresponding tax base. Accordingly, the deferred tax is recognized on the temporary differences on the following items:

i) Indexation benefit available on land.

ii) Other Ind AS adjustments made on transition to Ind AS.

The application of Ind AS 12 has resulted in recongnation of deferred tax on new temporary differences which were not required under previous GAAP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

3 Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017.

4 Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment

5 Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments

6 Excise duty on sales

Under Previous GAAP, excise duty on sales are netted off against the revenue from operations, where as under Ind AS, the Excise duty on sales are classified as expenses for the period. This does not have any impact on the net profit for the year ended March 31, 2017

7 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by 20 lakhs.

8 Provision for proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting evenets. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

9 Expected credit loss

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts

10 Revaluation Reserve on Land

Under Ind AS, the investment property has to be carried at cost. Hence the revaluation reserve on land is reversed with the corresponding impact on Investment property.

Note 39 A : Related party disclosure

(i) Information relating to related party transactions as per “Indian Accounting Standard (Ind AS 24-Related party disclosures)

a Ultimate Holding Company

AMAS Holding SPF

b Holding Company:

Hinduja Power Limited

c Key Management Personnel:

Mr. S Pramanik, Managing Director

Mr. Ravi Jain, Chief Financial Officer

Mr. A. Satyanarayana, Company Secretary

Mr. Ajay P. Hunduja, Chairman & Non Executive Director

Mr. Ramkrishan P Hinduja, Vice Chairman & Non Executive Director

Mr. Ashok Kini, Independent Director

Ms. Kanchan Chitale, Independent Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Mr. K. N. Venkatasubramanian, Independent Director

Mr. MS Ramachandran, Independent Director

(ii) Details of transactions between the Company and Related Parties and the status of outstanding balances at the Year ended March 31, 2018:

Nature of transaction	Name of the related party	Holding Company		Key management personnel	
		2017-18	2016-17	2017-18	2016-17
Dividend paid on equity shares	Hinduja Power Limited	554.74	519.58	-	-
	S. Pramanik	-	-	0.12	0.10
Directors remuneration, perquisites,sitting fees and commission	S. Pramanik	-	-	161.57	143.97
	Ajay P. Hinduja	-	-	17.20	17.70
	Ramkrishan P.Hinduja	-	-	2.10	4.38
	K. N. Venkatasubramanian	-	-	14.45	14.20
	Kanchan Chitale	-	-	15.41	15.57
	M. S. Ramachandran	-	-	11.24	10.08
	Ashok Kini	-	-	14.30	13.77
Other key management remuneration	Ravi Jain	-	-	71.08	64.80
	A. Satyanarayana	-	-	25.25	23.20

Note 39 B Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) Committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013. Expenditure incurred under Section 135 of the Companies Act, 2013 on CSR activities are as below:

Gross amount required to be spent by the Company during the year ended March 31, 2018 is ₹ 66.02 lakhs (March 31, 2017: 38.12 lakhs)

	As at March 31, 2018	As at March 31, 2017
Amount spent during the year on		
(i) Construction/acquisition of an asset	20.02	-
(ii) On purpose other than (i) above	46.00	38.12
	66.02	**38.12**

Note 40 Earnings Per Share (EPS)

	As at Mar 31, 2018	As at Mar 31, 2017
Profit after tax	3342.71	3265.52
Number of shares outstanding at the year end (in lakhs)	495.72	495.72
Weighted average number of equity shares (in lakhs)	495.72	495.72
Basic (Rs)	6.74	6.59
Diluted (Rs)	6.74	6.59

Note 41 Segment Information

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies. Business segments of the Group are primarily enterprises in Energetics and Explosives, Mining & Infrastructure and Property Development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

For the year ended March 31, 2018

Particulars	Energetics and Explosives	Mining & Infrastructure	Property Development	Unallocated	Total
Revenue (including other income)	50040.69	200.42	92.39	6205.37	56538.87
Inter-segment revenue	-	-	-	-	-
Total revenue	**50040.69**	**200.42**	**92.39**	**6205.37**	**56538.87**
Costs					
Finance costs	859.57	0.79	-	3773.75	4634.11
Segment costs	45406.83	-	59.72	1661.80	47128.35
Inter-segment costs	-	-	-	-	-
Segment results	**3774.29**	**199.63**	**32.67**	**769.82**	**4776.41**
Other information					
Segment assets	26180.21	40.02	31048.98	123277.07	180546.28
Total assets	**26180.21**	**40.02**	**31048.98**	**123277.07**	**180546.28**
Segment liabilities	13697.14	55.18	33.18	84746.68	98532.18
Total liabilities	**13697.14**	**55.18**	**33.18**	**84746.68**	**98532.18**

For the year ended March 31, 2017

Particulars	Energetics and Explosives	Mining & Infrastructure	Property Development	Unallocated	Total
Revenue (including other income)	55118.91	684.43	167.43	7586.07	63556.84
Inter-segment revenue	-	-	-	-	-
Total revenue	**55118.91**	**684.43**	**167.43**	**7586.07**	**63556.84**
Costs					
Finance costs	873.16	14.02	-	5322.68	6209.86
Segment costs	50260.49	543.73	57.38	1743.85	52605.45
Inter-segment costs	-	-	-	-	-
Segment results	**3985.26**	**126.68**	**110.05**	**519.54**	**4741.53**
Other information					
Segment assets	25262.95	307.59	31054.38	116730.60	173355.52
Total assets	**25262.95**	**307.59**	**31054.38**	**116730.60**	**173355.52**
Segment liabilities	13400.71	108.49	33.15	108096.05	121638.40
Total liabilities	**13400.71**	**108.49**	**33.15**	**108096.05**	**121638.40**

Geographical segments

Revenues, net	Year ended March 31, 2018	Year ended March 31, 2017
India	47717.06	52939.51
Rest of the world	8821.80	10617.33
Total	**56538.86**	**63556.84**

Assets	Year ended March 31, 2018	Year ended March 31, 2017
India	60957.69	57137.53
Rest of the world	119588.59	116218.00
Total	**180546.28**	**173355.53**

Significant clients

No customer individually account for more than 10% of the revenue in the year ended March 31, 2018 and March 31, 2017.

Segment revenue and results

Amount that are not directly attributable and that can not be allocated to a business segment on a reasonable basis are shown as unallocable.

Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets and current assets. Segment liabilities comprise of liabilities which can be directly allocated against the respective segments. Assets and liabilities that have not been allocated between segments are shown as part of unallocated corporate assets and liabilities respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees lakhs, except share data unless otherwise stated)

Note 42 Other Notes

(i) The Company has adopted the cost model as its accounting policy in accordance with the Accounting Standard 10 – Property, Plant and Equipment (Revised). In accordance with the transition provisions prescribed in the accounting standard, the Company has adjusted the amount of ₹ 67,326.58 Lakhs outstanding as at March 31, 2016 in the Revaluation Reserve against the carrying amount of the land.

(ii) The Honourable Supreme Court vide its order dated November 16, 2007 held that the stock transfers constituted inter-state sale in respect of assessment year viz., 1976-77 to 1983-84, 1989-90 & 1990-91 and also directed the authorities to examine the factual aspects and assess tax on supplies made by the Company to the subsidiaries of Coal India Limited (CIL) as inter-state sale. The Company filed writ petitions in the Honourable High Court of Odisha in August 2009 impleading other State Governments, CIL and its subsidiary companies seeking directions for issues of Form 'C' and pass over of local sales tax to the State of Odisha. In terms of the liberty granted by The Honourable Supreme Court the Company has filed writ petition in the Odisha High Court and obtained stay. The writ petition is pending.

Note 43 Interest in other entities

The Group's subsidiaries as at March 31, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Country of Incorporation	Relationship	% of holding and voting power	
			As at March 31, 2018	As at March 31, 2017
IDL Buildware Limited	India	Subsidiary	100	100
HGHL Holdings Limited	United Kingdom	Subsidiary	100	100
IDL Explosives Limited	India	Subsidiary	100	100
Gulf Carosserie India Limited	India	Subsidiary	100	95

Note 44 Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary/ associates/joint venture.

Name of the entity	Net assets as at March 31, 2018		Share of profits or loss for the year ended March 31, 2018		Share in Other Comprehensive Income for the year ended March 31, 2018		Share in total Comprehensive Income for the year ended March 31, 2018	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Holding Company								
GOCL Corporation Limited	44.31%	38276.79	53.14%	2221.64	0.10%	27.58	7.02%	2249.22
Subsidiary Companies								
IDL Explosives Limited	4.69%	4047.52	33.20%	1388.05	-	(0.85)	4.33%	1387.20
IDL Buildware Limited	0.02%	18.04	0.13%	5.25	-	-	0.02%	5.25
Gulf Carosserie India Limited	(0.08%)	(69.73)	(0.01%)	(0.30)	-	-	-	(0.30)
HGHL Holdings Limited	51.07%	44114.36	13.54%	565.99	99.90%	27837.17	88.64%	28403.16
Gross total	**100%**	**86386.98**	**100%**	**4180.63**	**100%**	**27863.90**	**100%**	**32044.53**
Adjustment arising on consolidation		(4372.87)		(837.92)		-		(837.92)
Total		**82014.11**		**3342.71**		**27863.90**		**31206.61**

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number:116231W/W-100024

***for* and on behalf of the Board of Directors of**
GOCL Corporation Limited
CIN :L24292TG1961PLC000876

Sriram Mahalingam
Partner
Membership number: 049642

Ravi Jain
Chief Financial Officer

S. Pramanik
Managing Director
DIN : 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

Place : Hyderabad
Date : May 30, 2018

A. Satyanarayana
Company Secretary

NOTICE OF THE FIFTY SEVENTH ANNUAL GENERAL MEETING

GOCL Corporation Limited

(Formerly Gulf Oil Corporation Limited)

CIN: L24292TG1961PLC000876
Regd. Office: Kukatpally, Post Bag No.1, Sanathnagar (IE) P.O, Hyderabad-500018, India
Tel: 040-23810671-79, Fax No.: 040-23813860 | Website: www.goclcorp.com; Email: secretarial@goclcorp.com

NOTICE is hereby given that the Fifty Seventh Annual General Meeting of GOCL Corporation Limited (CIN: L24292TG1961PLC000876) will be held at Hyder Mahal, Hotel ITC Kakatiya, Begumpet, Hyderabad-500016 at 2.30 p.m. on Thursday, the 27th day of September, 2018 to transact the following business:

ORDINARY BUSINESS:

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

1. **To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended March 31, 2018:**

   "RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board and Auditors thereon be and are hereby received, considered and adopted."

2. **To receive, consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2018:**

   "RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 together with the report of the Board and Auditors thereon be and are hereby received, considered and adopted."

3. **Confirmation of Interim Dividend on Equity Shares:**

   "RESOLVED THAT the Interim Dividend of ₹ 1.60/- per equity share of ₹ 2/- each (80%) declared and paid by the Board for the financial year 2017-18, be and is hereby confirmed and approved as the Final Dividend."

4. **Re-appointment of Mr. Ajay P. Hinduja (DIN: 00642192), as a Director liable to retire by rotation:**

   "RESOLVED THAT Mr. Ajay P. Hinduja (DIN: 00642192), who retires by rotation and being eligible offers himself for reappointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

5. **Issue of Further Capital / Securities:**

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

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62, 71 and all other applicable provisions, if any, of the Companies Act, 2013, the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the rules made thereunder, and all the applicable laws, Rules, Guidelines, Regulations, Notifications and Circulars, if any, issued by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), the Government of India (GOI), the Foreign Investment Promotion Board (FIPB), and other concerned and relevant authorities, and other applicable Indian laws, rules and regulations, if any, and relevant provisions of Memorandum and Articles of Association of the Company and the Listing Agreement(s) entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to such approval(s), consent(s) permission(s) and/ or sanction(s) asmay be required from GOI, FIPB, RBI, SEBI and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction which may be agreed by the Board of Directors of the Company ("the Board") (which term shall be deemed to include 'Offering Committee' or any other Committee constituted or hereafter be constituted for the time being exercising the powers conferred on the Board by this Resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, Securities (as defined below) in the form of Equity or other Shares, Warrants, Bonds or Debentures, Depository Receipts, (whether Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Indian Depositary Receipts (IDRs) or any other form of Depository Receipts), or any other debt instrument either convertible or nonconvertible into Equity or any other Shares whether optionally or otherwise, including Foreign Currency Convertible Bonds representing any type of securities (FCCBs), whether expressed in Foreign Currency or Indian Rupees (all or any of which are hereinafter referred to as "Securities") whether secured or unsecured, and further the Board be and is hereby authorized, subject to applicable laws and regulations, to issue the Securities to investors (including but not limited to Foreign Banks, Financial Institutions, Foreign Institutional Investors, Qualified Institutional Buyers, Qualified Foreign Investors (QFIs), Mutual Funds, Companies, other Corporate Bodies, Non- Resident Indians, Foreign Nationals and other eligible investors as may be decided by the Board (hereinafter referred to as "Investors") whether or not such Investors are members, promoters or directors of the company or their relatives or associates, by way of one or more private and/ or public offerings (and whether in any domestic and/ or international market(s), through a public issue(s), private placement(s), Qualified Institutional Placement(s) (QIP), preferential issue(s) or a combination thereof in such manner and on such terms and conditions as the Board deems appropriate at its absolute discretion provided that the issue size shall not exceed US$100 million or ₹ 670 crores inclusive of such premium as may be payable on the Equity Shares or any other Security, at such time or times and at such price or prices and in such tranche or tranches as the Board in its absolute discretion deem fit.

RESOLVED FURTHER THAT in the event of a QIP in terms of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, in accordance with Regulation 86(1)(a) of the SEBI Regulations, or issuance of ADRs/GDRs/ FCCBs as above mentioned, the 'Relevant Date' for determining the price of the Specified Securities to be allotted, if any, shall mean, in case of allotment of equity shares, the date of the meeting in which the Board or a Committee thereof decides to open the proposed issue and in case of allotment of convertible securities, either the date of the meeting in which the Board or Committee thereof decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, or such other date or time as may be provided under applicable law, from time to time.

RESOLVED FURTHER THAT in the event of a QIP as aforesaid, a minimum of 10% of the Specified Securities shall be allotted to Mutual Funds and if the Mutual Funds do not subscribe to the said minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIBs, and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

RESOLVED FURTHER THAT in case of a QIP as aforesaid, the Board may at its absolute discretion issue equity shares (including upon conversion of the Securities) at a discount of not more than five per cent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issuance of the Securities shall be subject to such terms or conditions as are in accordance with prevalent market practices and applicable Laws and Regulations, including but not limited to, the terms and conditions relating to payment of interest, dividend, premium on redemption, the terms for issue of additional Shares or variations in the price or period of conversion of Securities into Equity Shares or terms pertaining to voting rights or options for redemption of Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to seek, at its absolute discretion, listing of Securities issued and allotted in pursuance of this resolution, on any Stock Exchanges in India, and / or Luxembourg / London / Nasdaq / New York Stock Exchanges and/or any other Overseas Stock Exchanges.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred above as may be necessary in accordance with the terms of offering, and that the Equity Shares so allotted shall rank in all respects pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT subject to the approval(s), consent(s), permission(s) and/ or sanction(s) stated above, the Company be and is hereby authorized to retain oversubscription/ green-shoe issue option up to 25% of the amount issued and the Board be authorised to decide the quantum of oversubscription to be retained as also any other matter relating to or arising therefrom.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including, if necessary, creation of such mortgages and/or charges in respect of the Securities on the whole or any part of the undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013 or otherwise and to execute such documents or writings as it may consider necessary or proper and incidental to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to decide upon, as it may at its discretion deem necessary, expedient or desirable in relation to all or any of aforesaid purpose including without limitation to the utilization of issue proceeds, finalizing the pricing, terms and conditions relating to the issue of aforesaid Securities including amendments or modifications thereto as may be deemed fit by them, to sign, execute and issue consolidated receipt/s for the Securities, listing application, various agreements such as Subscription Agreement, Depository Agreement, Trustee Agreement, undertakings, deeds, declarations, Letters and all other documents or papers and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid offering of Securities or anything in relation thereto, including but not limited to the post issue formalities and with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such creation, issuance, offer or allotment of the Securities as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such arrangements/ agreements as may be required for appointing Managers (including lead managers), merchant bankers, underwriters, financial and/or legal advisors, tax advisors, consultants, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and/ or all such agencies as may be involved or concerned in such offerings of Securities, whether in India or abroad, and to remunerate all such agencies including the payment of commissions, brokerage, fees or the likes, and also to seek the listing of such Securities or Securities representing the same in one or more stock exchanges whether in India or outside India, as it may be deem fit.

RESOLVED FURTHER THAT

i. the Specified Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.

ii. the Equity Shares that may be issued and allotted on conversion of the Specified Securities issued through the Qualified Institutions Placement as aforesaid shall rank pari passu with the then existing Equity Shares of the Company in all respects including dividend; and

iii. The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of the Specified Securities that may be issued through the Qualified Institutions Placement shall be appropriately adjusted in accordance with the SEBI Regulations for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Specified Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets and the Board, subject to applicable laws, regulations and guidelines, be and is hereby authorised to dispose off such Specified Securities that are not subscribed in such manner as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to finalisation and approval of the preliminary as well as final offer document(s), determining the form, manner and timing of the issue, including the investors to whom the Specified Securities are to be issued and allotted, the number of Specified Securities to be allotted, issue price, face value, premium amount on issue/ conversion of Specified Securities, if any, rate of interest, execution of various agreements/deeds/ documents/undertakings, creation of mortgage/charge/encumbrance in addition to the existing mortgages, charges and hypothecation by the Company as may be necessary on such of the assets of the Company both present and future, in such manner as the Board may direct, in accordance with Section 180(1)(a) of the Companies Act, 2013, in respect of any of the Specified Securities issued through the Qualified Institutions Placement, either on pari passu basis or otherwise, and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the Specified Securities and utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members to that end and intent that the Members shall be deemed to have given their approval thereto expressly by virtue of this resolution."

6. Ratification of Remuneration to the Cost Auditors:

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members be and is hereby accorded ratifying the appointment and payment of remuneration not exceeding ₹ 1,00,000 (Rupees One Lakh only) to M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad, (Registration No.000042) to conduct the audit of the cost records of the Company for the financial year 2018-19 excluding taxes thereon and reimbursement of out of pocket expenses thereon."

By Order of the Board

Mumbai — A.Satyanarayana
August 10, 2018. — **Company Secretary**

1. **Pursuant to the Secretarial Standards notified under Section 118 of the Companies Act, 2013 Shareholders may please note that no Gifts / Compliments shall be distributed at the venue of the meeting.**
2. **Shareholders / Proxies only are allowed to attend the Meeting.**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

   Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. The notice of AGM is being sent to those members / beneficial owners whose name appears in the register of members / list of beneficiaries received from the depositories as on August 17, 2018.

4. Members are requested to update their preferred e-mail IDs with the Company / DPs / RTA, which will be used for the purpose of future communications. Members whose e-mail ID is not registered with the Company are being sent physical copies of the Notice of 57th Annual General Meeting, Annual Report, notice of e-voting etc., at their registered address through permitted mode.

   Members whose e-mail IDs are registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company at its registered office address or to the RTA, Karvy Computershare Private Limited (Unit: GOCL Corporation Limited), at Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.

5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Relevant documents referred to in the accompanying Notice and Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during the business hours up to the date of the Meeting.

8. The Register of Members and Share Transfer Books will be closed from September 21 to September 28, 2018 (both days inclusive) in connection with the ensuing Annual General Meeting

9. (a) In terms of Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the IEPF Rules'), amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, will be transferred as per the details mentioned below to the Investor Education and Protection Fund (IEPF) Authority.

   (b) Members who have not encashed their dividend warrant for respective financial years, are requested to write to the Company/Registrar and Share Transfer Agent (RTA) at least a month before the due date, as under:

Details of the Unclaimed / Unpaid Dividend Accounts	Date of declaration	Due date to transfer to IEPF
Unpaid Dividend A/c 2010-11	23.09.2011	29.10.2018
Unpaid Dividend A/c 2011-12	21.09.2012	27.10.2019
Unpaid Dividend A/c 2012-13	30.09.2013	05.11.2020
Unpaid Dividend A/c 2013-14 (Interim)	26.03.2014	02.05.2021
Unpaid Dividend A/c 2014-15	23.09.2015	29.10.2022
Unpaid Dividend A/c 2015-16	22.09.2016	28.10.2023
Unpaid Dividend A/c 2016-17	29.08.2017	04.10.2024
Unpaid Dividend A/c 2017-18 (Interim)	23.03.2018	29.04.2025

   (c) Members are requested to note that pursuant to the applicable provisions of the Companies Act, 2013, the IEPF Rules, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years, are required to be transferred to the demat account of the IEPF Authority. In line with the said provisions, the Company had issued individual letters on December 6, 2016 to the concerned shareholders requesting them to claim their unclaimed dividends. The Company had also published a notice dated December 7, 2016 in Business Standard (English) and Namaste Telangana (Telugu) newspapers in connection with transfer of such equity shares of the Company to the demat account of the IEPF Authority.

   (d) In compliance with the aforesaid provisions of the IEPF Rules, the Company had effected transfer of 2,45,579 shares of 11,778 shareholders to the demat account of the IEPF Authority.

   (e) Members are informed that once the unclaimed dividend or the shares are transferred to IEPF, the same may be claimed by the Members from the IEPF Authority by making an application in the prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the Registered Office of the Company for forwarding to the IEPF along with the verification report.

   (f) As mentioned above, the unclaimed dividend for 2010-11 would become due for transfer to IEPF shortly. In compliance with the IEPF Rules, the

Company has sent individual notices on July 6, 2018 and published notices on July 11, 2018 in Business Standard (English) and Nava Talangana (Telugu) requesting the concerned members to claim their dividends.

10. Details of Unclaimed Shares:

    The details of shares remaining unclaimed in the unclaimed suspense account are furnished in the Corporate Governance Report forming part of this Annual Report.

11. Members holding shares in dematerialized mode are requested to instruct their respective Depository Participants regarding Bank Accounts in which they wish to receive the dividend. However, the Bank details as furnished by the respective Depositories to your Company / RTA will be used for the purpose of distribution of dividend and other entitlements through National Automated Clearing House (NACH), National Electronic Clearing Service (NECS) or any other method of direct credit as directed by the Stock Exchanges. Your Company/ Registrar and Share Transfer Agents will not act on any direct request from Members holding shares in dematerialized form for change/ deletion of such Bank details.

12. Members holding shares in physical form, are requested to inform the Company/ Registrar and Share Transfer Agent – Karvy Computershare Private Limited (Karvy) of any change in their addresses/ bank account details immediately for future communication at their correct addresses/ to receive dividend and other entitlements through National Automated Clearing House (NACH), National Electronic Clearing Service (NECS) or any other method of direct credit as directed by the Stock Exchanges and Members holding shares in demat form are requested to notify change of address and bank mandates to their Depository Participants.

13. Since securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, members holding shares in physical from are requested to get their shares dematerialized at the earliest.

14. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Transfer Agent to enable them to consolidate their holdings into one folio.

15. As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 brief information/resume, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding (in case of Non-executive Director) and relationships between directors inter-se, of Directors being appointed/reappointed, are annexed. Mr. Ramkrishan P. Hinduja and Mr. Ajay P Hinduja are relatives of each other.

16. Members requiring any clarification/information on any report/statements, are requested to send their queries to the Registered Office of the Company, at least 10 days before the date of the AGM.

17. Members are requested to quote their folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Registrar and Share Transfer Agent.

18. **The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account details viz., Name and Branch of the Bank, Bank Account Number, MICR code, IFSC code by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form have to submit their PAN and Bank Account details to the Company / Karvy.**

    As the securities of listed entities are to be traded or transferred compulsorily in demat form w.e.f. December 5, 2018 as per the SEBI mandate, Members holding shares in physical form, are requested to get their shares dematerialized at the earliest.

19. In compliance with the provisions of Section 108 of the Companies Act, 2013 and rules made thereunder read with Regulation 44 of SEBI (LODR) Regulations, 2015, Members have been provided with the facility to cast their vote electronically, through the e-voting services from a place other than the venue of the Meeting ("remote e-voting") provided by Karvy Computershare Private Limited (Karvy), on all resolutions set forth in this Notice.

20. **E-voting**

    In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper will be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting through ballot / polling paper.

21. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.

22. As per the MCA's 'Green Initiative in Corporate Governance', Notice of the 57th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same.

23. For members who have not registered their email address, physical copies of the Notice of the 57th Annual General Meeting of the Company, inter alia,

indicating the process and manner of e-voting is being sent through the permitted mode. You are requested to register your email ID with your Depository Participant (if you are holding demat shares) and the Company / RTA (Karvy) if you are holding physical shares.

24. Mr. A. Ravi Shankar (FCS:5335; CP:4318), and Mr. K .V. Subramanyam (FCS:5400; CP: 4815), both Partners of M/s Ravi & Subramanyam, Company Secretaries, Hyderabad have been appointed, on alternate basis, as the Scrutinizer(s) to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.

25. The remote e-voting facility will be available during the following period:

    Commencement of remote e-voting: From 10:00 a.m. (IST) on September 24, 2018

    End of remote e-voting: Upto 5:00 p.m. (IST) on September 26, 2018.

    The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

26. **The voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. Thursday, September 20, 2018.**

27. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off date i.e. Thursday, September 20, 2018 shall only be entitled to avail the facility of remote e-voting / physical voting.

28. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Thursday, September 20, 2018 may obtain the User Id and password in the manner as mentioned below:

    If the mobile number of the member is registered against Folio No. / DPID & Client ID, the member may send SMS:

    MYEPWD<space> E-Voting Event Number +Folio no. or DPID & Client ID to +91-9212993399

    Example for NSDL:
    MYEPWD<SPACE>IN12345612345678

    Example for CDSL:
    MYEPWD<SPACE>1402345612345678

    Example for Physical: MYEPWD<SPACE>
    XXXX1234567890

    If e-mail address or mobile number of the member is registered against Folio No. / DPID & Client ID, then on the home page of https://evoting.karvy.com, the member may click “Forgot Password” and enter Folio No. or DPID & Client ID and PAN to generate a password.

29. The instructions for e-voting are as under:

    a. Use the following URL for e-voting: https://evoting.karvy.com

    b. Enter the login credentials i.e., user id and password mentioned below: User ID:-

       For Members holding shares in Demat Form:-

       a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID

       b) For CDSL :- 16 digits beneficiary ID

          For Members holding shares in Physical Form:-

       Event no. followed by Folio Number registered with the company.

       Password: as e-mailed. In case of shareholders who have not registered their e-mail addresses, their Password has been communicated in the physical ballot form sent to them.

       Captcha: Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

    c. After entering the details appropriately, click on LOGIN.

    d. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numericvalue (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

    e. You need to login again with the new credentials.

    f. On successful login, the system will prompt you to select the EVEN i.e., GOCL CORPORATION LIMITED.

    g. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date i.e. Thursday, September 20, 2018 will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click “FOR” / “AGAINST” as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option “ABSTAIN” in case you wish to abstain from voting. If you do not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

h. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

i. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed.

   Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote.

   During the voting period, shareholders can login any number of times till they have voted on the resolution.

j. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authorisation letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at secretarial@goclcorp.com.

k. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

l. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.karvy.com or contact Mr. Sandeep Sanghi, Deputy Manager, Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 at 1800 345 4001 (toll free) / 040-67161791 or send an email request to evoting@karvy.com/sanghi.sandeep@karvy.com.

m. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

30. The Scrutinizer(s) after scrutinizing the votes cast at the meeting (physical voting) and through remote e-voting, will make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting/Managing Director of the Company. The results shall be submitted to the Stock Exchanges, where the shares of the Company are listed, within forty eight hours from the conclusion of the Annual General Meeting and same will be placed by theCompany on its website: www.goclcorp.com and on the website of Karvy (https://evoting.karvy.com).

31. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

32. Attendance slip, Proxy form and the route map of the venue of the Meeting are annexed hereto.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 5-6 of the accompanying Notice of AGM.

Item No.5:

The Shareholders had passed a similar Resolution in the last AGM. However, the Company could not raise any amount as plans for deployment are yet to be finalised. The validity period of the shareholders resolution is one year and hence the need to pass the resolution once again.

It is therefore proposed that the Board of Directors be authorised by way of enabling resolution to raise additional long term resources to part finance the Company's capital expenditure needs and / or for other general corporate purposes, including refinancing of expensive debt, expansion, diversification projects and other permissible uses, depending upon market dynamics, to raise an

amount not exceeding US$ 100 millions or 670 crores through issue of Foreign Currency Convertible Bonds (FCCBs) and / or American Depository Receipts (ADRs) or Global Depository Receipts (GDRs) and/or Qualified Institutions Placement, Qualified Foreign Investors (QFIs) and/or any other suitable financial instruments as contained in the Resolution. The salient features are mentioned in the resolution and will be issued on such terms and conditions as may be appropriate at the time of issue.

The FCCBs/ADRs/GDRs/any other financial instruments including Qualified Institutions Placement, would be listed on the London and/or any other Stock Exchange within or outside India. The Special Resolution gives adequate flexibility and discretion to the Board to finalise the terms of the issue in consultation with the lead managers, underwriters, legal advisers and experts or such other authorities as need to be consulted including in relation to the pricing of the issue. The consent of the shareholders, is therefore, sought to authorise the Board of Directors as set out in the Resolution to issue in one or more tranches, the securities referred to therein in the Indian market to eligible investors or international market to Foreign Financial Institutions, to Foreign Investors/ Collaborators/Companies and/or to Foreign Investment Institutions operating in India, whether shareholders of the Company or not,through a public issue or private placement basis and/or preferential basis or Qualified Institutions Placement.

None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested in the proposed resolution.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No.6:

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration paid / payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, (Registration No.000042), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2019 on the remuneration provided in the resolution.

None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested in the proposed resolution.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

By Order of the Board

Mumbai,
August 10, 2018.

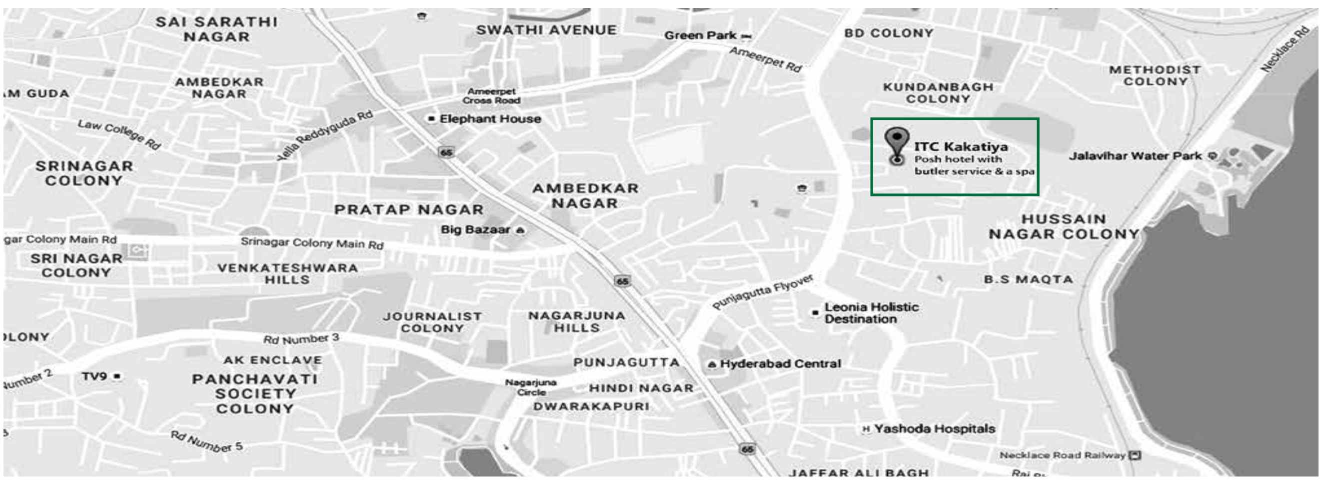
A.Satyanarayana
Company Secretary

Details of Director seeking re-appointment in the forthcoming Annual General Meeting
(Pursuant to Secretarial Standards and Regulation 36(3) of SEBI (LODR) Regulations, 2015)

Name of the Director	**Mr. Ajay P. Hinduja**
DIN	00642192
Date of Birth	December 12, 1967
Age	50 years
Date of Appointment	August 11, 2014
Profile	Mr. Ajay P. Hinduja has varied experience in the International Banking and Management arena.
Qualification	Mr. Ajay P. Hinduja holds a degree from the University of Geneva with specialization in Finance and Economics.
Expertise in specific functional area	International Banking, Financial Services and Management
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid.	Appointment as Non-Executive, Non-Independent Director liable to retire by rotation. He is entitled to receive commission and sitting fee as per the provisions of the Companies Act, 2013 as amended from time to time.
Remuneration last drawn by such person	Commission for the FY 2016-17 (paid in the year 2017-18): ₹ 11.50 Lakhs. Commission for the FY 2017-18 (payable during 2018-19) : ₹ 10.50 Lakhs.
Date of first appointment on the Board	August 11, 2014
Chairmanship/Membership of Committees of the Board of Directors of the Company	CSR Committee – Member NRC Committee - Member
Other Directorships and Chairmanship/ Membership of Committees of other Boards	Nil
Number of shares held in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is related to Mr. Ramkrishan P Hinduja, Vice Chairman.
Number of Meetings of the Board attended during the year	6 out of 6

Location / Route Map of AGM Venue:

Hotel ITC Kakatiya, Begumpet, Hyderabad, Telangana



Landmark: opp. to Chief Minister's Camp Office

NOTES

GOCL Corporation Limited

Regd. Office: Kukatpally, Post Bag No. 1,
Sanathnagar (IE) P.O. Hyderabad - 500 018, Telangana
CIN: L24292TG1961PLC000876

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s): Registered address:		E-mail ID: Folio No/ DP ID*: Client Id*:	

* Applicable for Investors holding shares in electronic / demat form.

I/We, being the member(s) of __________shares of GOCL Corporation Limited, hereby appoint:

1) ____________________ of ____________________ having e-mail id ____

Signature_________________________ or failing him/her

2) ____________________ of ____________________ having e-mail id ____

Signature_________________________ or failing him/her

3) ____________________ of ____________________ having e-mail id ____

Signature____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting of the Company to be held on Thursday, the 27th day of September, 2018 at 2.30 p.m. at Hyder Mahal, Hotel ITC Kakatiya, Begumpet, Hyderabad-500016 and at any adjournment thereof in respect of/against such resolution(s) as are indicated below:

S.No.	Resolutions	For	Against
Ordinary Business:			
1	To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018.		
2	To receive, consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2018.		
3	To Confirm Interim Dividend paid on Equity Shares for the Financial Year ended March 31, 2018.		
4	Re-appointment of Mr. Ajay. P. Hinduja (DIN: 00642192), as a Director liable to retire by rotation.		
Special Business:			
6	Issue of Further Capital/ Securities.		
7	Ratification of Remuneration to the Cost Auditors.		

Signed this…….......................................the day of………....................2018

Signature of Shareholder(s)..

Signature of Proxy holder(s)..

Affix
Revenue
Stamp

Notes:

1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 57th Annual General Meeting.
3) Please complete all details including details of member(s) in the above before submission.

GOCL Corporation Limited

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CIN: L24292TG1961PLC000876

ATTENDANCE SLIP

(Please fill attendance slip and hand it over at the entrance of the Meeting Hall)

DP Id*			Folio No.	
Client Id *			No. of shares	

Full Name of the Member/ Proxy attending the meeting	

I hereby record my presence at the 57th Annual General Meeting of the Company held on Thursday, the 27th day of September, 2018 at 2.30 p.m. at Hyder Mahal, Hotel ITC Kakatiya, Begumpet, Hyderabad-500016.

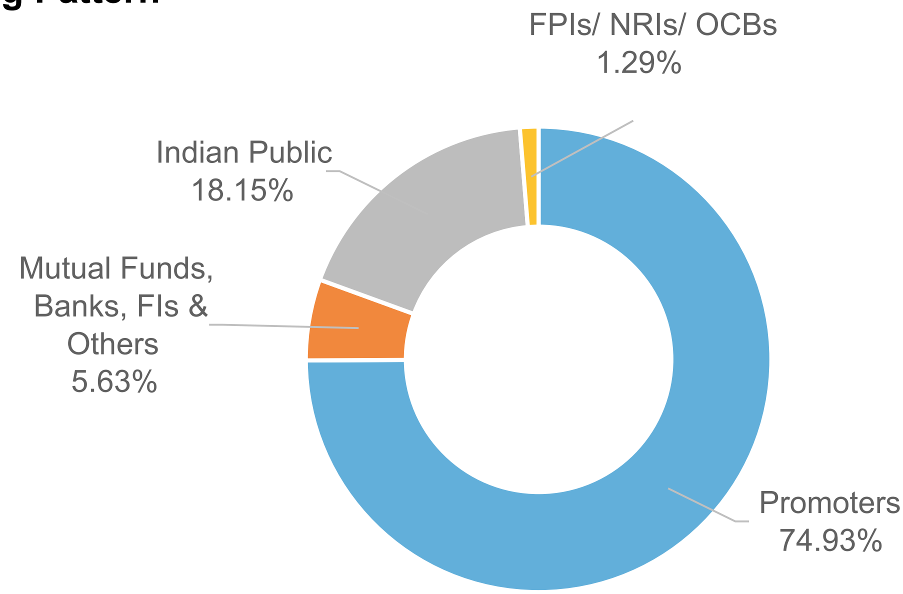
**Applicable for investors holding shares in electronic form.*

Signature of Shareholder / proxy

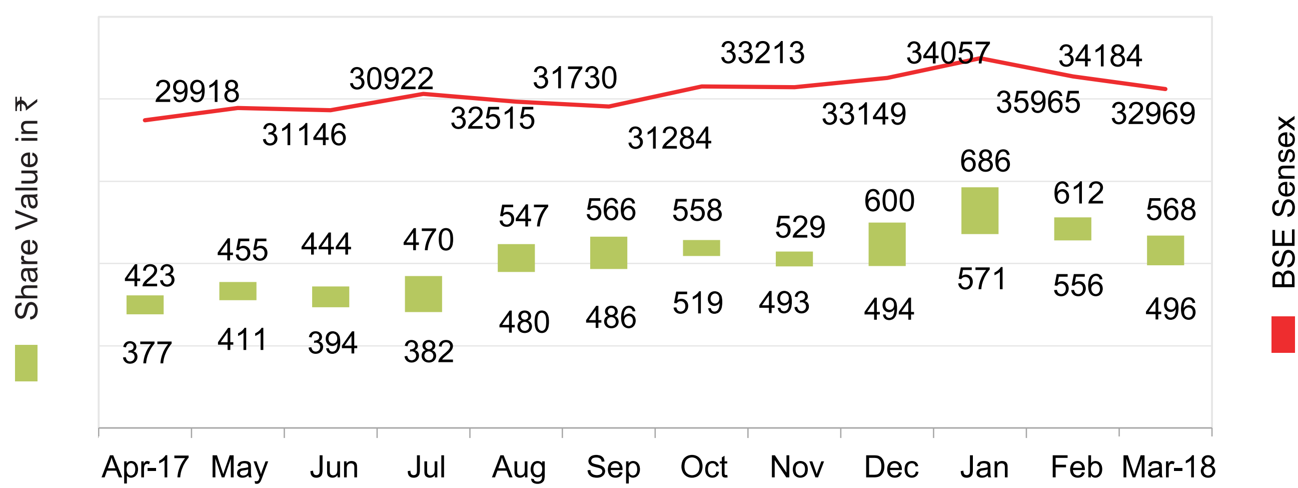
Notes:

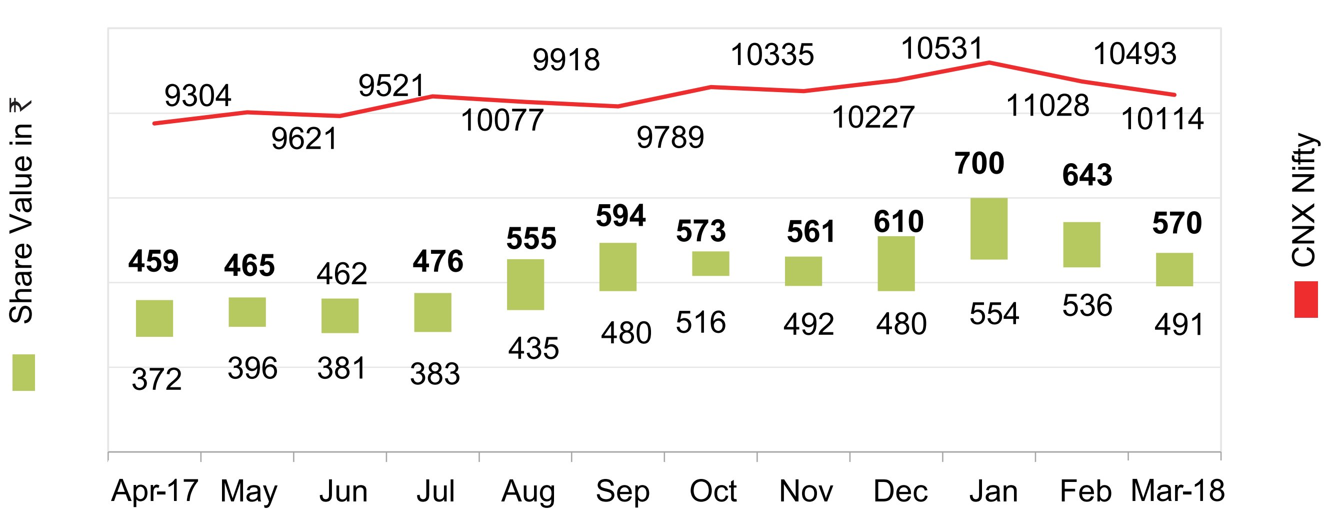
1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance, duly signed.
2. Shareholder/Proxy holder is requested to bring their copies of the Annual Report and Accounts with them to the Meeting.

Shareholding Pattern



Share Price Movement





GOCL Corporation Limited

(Formerly Gulf Oil Corporation Limited)
CIN: L24292TG1961PLC000876

Registered Office
Kukatpally, Post Bag No. 1
Sanathnagar (IE) P.O.
Hyderabad 500018

Corporate Office
IDL Road
Kukatpally,
Hyderabad 500072

www.goclcorp.com

Manufacturing Facilities
Hyderabad | Rourkela | Singrauli | Korba
Rajrappa | Ramagundam | Dhanbad | Udaipur

Regional Offices
Asansol | Bengaluru | Bilaspur | Chandigarh | Delhi
Dhanbad | Hyderabad | Kolkata | Mumbai | Nagpur
Ranchi | Udaipur