Notes to the consolidated financial statements

1. Corporate Information

The consolidated financial statements comprise financial statements of Finolex Industries Limited ('FIL' or 'the Group') and its two associates for the year ended 31 March 2017.

FIL is incorporated and domiciled in India and its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. Its registered office is situated at Gat No.399, Village Urse, Taluka Maval, District Pune, India.

The Group is engaged in the business of manufacturing PVC pipes & fittings, manufacturing of PVC resin and power generation.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 26, 2017.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Rules').

The financial statements have been prepared on accrual basis and under historical cost convention, except for financial assets and financial liabilities that have been measured at fair value.

For all periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with generally accepted accounting principles in India ('Indian GAAP'), including the Accounting Standards ('AS' of 'Indian GAAP') specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. These financial statements for the year ended March 31, 2017 are the first financial statements that the Group has prepared in accordance with Ind AS. Refer Note 4 for information on first time adoption of Ind AS by the Group.

The financial statements are presented in INR and all values are rounded to the nearest Lakh (₹ 00,000), except when otherwise indicated.

3. Summary of significant accounting policies

3.1 Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

- A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3.2 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate, since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3.3 Fair value measurement

The Group measures financial instruments, such as non-current and current investments, at fair value, at each balance sheet date. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed in Note 42.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole

3.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured, regardless when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty other than excise duty.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually when goods are dispatched or on delivery, as per the terms of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.5 Foreign currencies

The Group's financial statements are presented in Indian Rupees ('₹'), which is its functional currency.

3.5.1 Transactions and balances

Initial recognition: Transactions in foreign currency are initially recorded at the functional currency spot rate of exchange at the date the transaction first qualifies for recognition.

3.5.2 Translation and exchange differences

Monetary items: Monetary assets and liabilities denominated in foreign currencies are translated at their respective functional currency exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

3.6 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

3.7 Taxes

3.7.1 Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the Profit or Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.7.2 Deferred Tax

Deferred tax is provided using the Balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

3.8 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

3.9 Property, plant and equipment

The Group has opted to disclose the previous GAAP (Indian GAAP) carrying value of Property, plant and equipment ('PPE') as the deemed cost under Ind-AS as at April 1, 2015.

Property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and and borrowing costs, if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals; the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives as specified in Schedule II to the Companies Act, 2013 which are as follows:

Asset	Useful life (in years)
Plant and machinery	3 to 25
Building	60
Factory Building	30
Furniture and fixtures	10
Office equipment's	5
Vehicles	8

In the case of Captive Power Plant the management, based on a technical evaluation, the management has estimated the life of asset to be 25 years which is lower than the life prescribed in Schedule – II.

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

The management undertakes a review of the residual values, useful lives and methods of depreciation of property, plant and equipment at the end of each reporting period and adjustments are made whenever necessary.

3.10 Leases

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

3.10.1 Group as a lessee

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

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit and loss on a straight-line basis over the lease term.

3.10.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.11 Borrowings costs

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

3.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets are amortised over a period of 6 years using straight line method.

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

3.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.13.1 Financial assets

3.13.1.1 Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through comprehensive income ('FVOCI') or fair value through other profit or loss ('FVTPL').

3.13.1.2 Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

3.13.1.3 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

a) At amortised cost

b) At fair value through Other Comprehensive Income ('FVTOCI')

c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

Notes to the consolidated financial statements

A financial asset shall be measured at amortised cost if both of the following conditions are met:

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

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the profit and loss statement. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

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

Such instruments are measured at fair value at initial recognition as well as at each reporting date fair value movements are recognised in the Other Comprehensive Income ('OCI'). Interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest earned on such instruments is reported as interest income using the EIR method.

Further, the Group may make an irrevocable election at initial recognition, to classify as FVOCI, particular investments in equity instruments (except equity instruments held for trading) that would otherwise be measured as FVTPL. The Group makes such an election on an instrument-by-instrument basis. Such instruments are measured at fair value on initial recognition as well as at each reporting date. All fair value changes are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss, even on de-recognition. However, the Group may transfer the cumulative gain/loss within equity. Dividend received on these equity investments is recorded in the profit and loss statement.

(c) Financial assets classified as measured at FVTPL

A Financial asset shall be measured at FVTPL, unless it is measured at amortised cost or at FVOCI. The Group classifies all equity or puttable financial instruments held for trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the statement of profit and loss. Further, the Group may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency.

3.13.1.4 De-recognition

A financial asset (or, where applicable, a part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3.13.1.5 Impairment of financial assets

The Group applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Group.
- Trade receivables under Ind-AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

The impairment loss/ (gain) is recognised in the statement of profit and loss, except for impairment loss/ (gain) on financial assets measured at FVOCI, which shall be recognised in the OCI.

3.13.2 Financial liabilities

3.13.2.1 Classification

Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost or at fair value through profit or loss ('FVTPL').

3.13.2.2 Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated as such upon initial recognition at the initial date of recognition, if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

The Group has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities at amortised cost

This is the most relevant category to the Group. The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

3.13.2.3 De-recognition

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

3.13.3 Offsetting of financial instruments

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

3.15 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Raw materials	Purchase cost on a moving weighted average basis
Finished goods and work in progress	Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

3.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

3.17 Provisions

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

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

3.18 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Group discloses contingent liability when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

The Group does not recognise a contingent liability but only makes disclosures for the same in the financial statements.

3.19 Provision for employment benefits

3.19.1 Defined contribution plans

The Group has the following defined contribution plans: superannuation scheme, state governed provident fund scheme and employee state insurance scheme. The contributions paid and payable under the scheme are recognised in the period when the employee renders the related service.

3.19.2 Defined benefit plans

Post-employment benefit in the form of gratuity fund scheme is a defined benefit plan. The present value of obligation under the scheme is determined based on actuarial valuation using the projected unit credit method ('PUCM'). The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date on which the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'employee benefit expenses' in the statement of profit and loss:

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

Refer Note 39 for additional disclosures relating to Group's defined benefit plan.

3.19.3 Provision for compensated absences

Provision for short term compensated absences is recognised for accumulated leaves that are expected to be utilized within a period of twelve months from the balance sheet date. Long term compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each reporting date.

4. First time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first financial statements prepared by the Group in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with Indian GAAP.

Accordingly, the Group has prepared financial statements that comply with Ind AS as at March 31, 2017, along with comparative period data for the year ended March 31, 2016. In order to prepare the first financial statements in accordance with Ind AS, the opening Ind AS financial statements was prepared as at April 1, 2015, being the date of transition to Ind AS.

The principal adjustments made by the Group in restating its Indian GAAP financial statements, including the Balance Sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016, are explained in the following explanatory notes for first time adoption of Ind AS.

Notes to the consolidated financial statements

Exemptions and exceptions applied

Ind AS 101 allows first time adopters certain exemptions and exceptions from the retrospective application of certain requirements under Ind AS.

The Group has applied the following exemptions and exceptions in translating its Indian GAAP financial statements:

- Since there is no change in the functional currency, the Group has elected to continue with the carrying value of all its property, plant and equipment and intangible assets, as recognised in its Indian GAAP financial statements, as the deemed cost at the date of transition.

- The Group has elected to apply Ind AS 103 Business Combinations prospectively

- The Group has determined the classification and measurement of financial assets on the basis of the facts and circumstances that existed as at April 1, 2015, the date of transition to Ind AS.

- The Group has designated investments in equity instruments as measured at fair value through other comprehensive income on the basis of the facts and circumstances that exist at April 1, 2015, the date of transition to Ind AS.

- The Group has designated current investments as measured at fair value through profit or loss on the basis of the facts and circumstances that exist at April 1, 2015, the date of transition to Ind AS.

- The Group has assessed all arrangements for determining whether any of the arrangements contains a lease, in accordance with Appendix C of Ind AS 17-Leases, based on the facts and circumstances existing at April 1, 2015, the date of transition to Ind AS.

- The Group has classified certain investments in equity instruments as non-current assets held for sale, on the basis of the facts and circumstances that exist at April 1, 2015, the date of transition to Ind AS. The same has been measured at fair value as at April 1, 2015. Any difference between its fair value thus computed and the carrying value under Indian GAAP was recognised directly in retained earnings as at April 1, 2015.

- The Group has applied the requirements for de-recognition of financial instruments, as required in Ind AS 109-Financial Instruments prospectively for financial transactions occurring on or after April 1, 2015, the date of transition to Ind AS.

- The Group shall continue to measure and disclose the sales tax deferral loan as per Indian GAAP principles until it is repaid, as Ind AS 101 prohibits retrospective recognition of benefit of the government loan at a below market rate of interest.

Estimates

The estimates as at April 1, 2015 and as at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies).

The estimates used by the Group to present these amounts in accordance with principles of Ind AS reflect conditions as at April 1, 2015 and for the year ended March 31, 2016.

Notes to the consolidated financial statements

Reconciliation of equity as at April 1, 2015

(All amounts in ₹ Lakhs, unless otherwise stated)

Assets		Notes	Indian GAAP	Regrouping	Re-measurement	Ind-AS
A	**ASSETS**					
1	**Non-current assets**					
	(a) Property, plant and equipment	4	86,457.77	-	-	86,457.77
	(b) Capital work-in-progress		1,039.74	-	0.01	1,039.75
	(c) Intangible assets	4	318.81	-	-	318.81
	(d) Financial Assets					
	i) Investments	4.1	12,461.09	(75.00)	57,204.28	69,590.37
	ii) Loans	4.3	1,510.29	(1,508.20)	-	2.09
	iii) Other financial assets	4.3	-	135.16	-	135.16
	(e) Tax assets (net)	4.5	4,370.19	-	0.02	4,370.21
	(f) Other non current assets	4.4	-	1,373.04	0.01	1,373.05
	Sub-total non-current assets		**106,157.89**	**(75.00)**	**57,204.32**	**163,287.21**
2	**Current assets**					
	(a) Inventories		55,865.10	-	0.01	55,865.11
	(b) Financial assets					-
	i) Investments	4.1	5,505.00	-	54.51	5,559.51
	ii) Trade receivables		4,870.44	-	0.01	4,870.45
	iii) Cash and cash equivalents		1,230.03	-	(0.01)	1,230.02
	iv) Loans	4.3	12,286.28	(12,270.20)	-	16.08
	(c) Current tax assets (net)	4.5	-	1,759.05	-	1,759.05
	(d) Other Current Assets		-	10,511.15	-	10,511.15
	Sub-total current assets		**79,756.85**	**-**	**54.52**	**79,811.37**
3	Non-current assets held for sale	4.1	-	75.00	-	75.00
	Total assets		**185,914.74**	**-**	**57,258.84**	**243,173.58**
B	**EQUITY AND LIABILITIES**					
1	**Equity**					
	(a) Equity Share Capital		12,409.54	-	-	12,409.54
	(b) Other Equity	4.10	66,330.45	-	58,776.71	125,107.16
	Total equity		**78,739.99**	**-**	**58,776.71**	**137,516.70**
	LIABILITIES					
2	**Non current liabilities**					
	(a) Financial liabilities					
	i) Borrowings	4.6	18,365.80	-	(37.28)	18,328.52
	ii) Other financial liabilities		-	39.01	-	39.01
	(b) Provisions		864.12	-	-	864.12
	(c) Deferred tax liabilities (net)	4.13	11,077.76	-	1,497.55	12,575.31
	(d) Other current liabilities	4.7	39.01	(39.01)	-	-
	Sub-total non-current liabilities		**30,346.69**	**-**	**1,460.27**	**31,806.96**
3	**Current liabilities**					
	(a) Financial liabilities					
	i) Borrowings		40,340.14	-	-	40,340.14
	ii) Trade payables		20,000.10	-	0.01	20,000.11
	iii) Other financial liabilities	4.8	-	8,219.94	-	8,219.94
	(b) Other current liabilities	4.8	13,417.16	(8,219.94)	(0.01)	5,197.21
	(c) Provisions	4.9	3,070.66	-	(2,978.14)	92.52
	Sub-total current liabilities		**76,828.06**	**-**	**(2,978.14)**	**73,849.92**
	Total liabilities		**107,174.75**	**-**	**(1,517.87)**	**105,656.88**
	Total equity and liabilities		**185,914.74**	**-**	**57,258.84**	**243,173.58**

Notes to the consolidated financial statements

Reconciliation of total comprehensive income for the year ended March 31, 2016

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Indian GAAP	Regrouping	Re-measurement	Ind-AS
Income					
Revenue from operations					
Sale of Products		279,154.21	-	0.01	279,154.22
Less : Excise duty		36,120.94	-	(36,120.94)	-
Sale of Products (net)	4.14	243,033.27	-	36,120.95	279,154.22
Operating income	4.1	2,249.82	-	2,908.35	5,158.17
Revenue from operations		245,283.09	-	39,029.30	284,312.39
Other income		3,819.49	-	51.83	3,871.32
Total Revenue (I)		249,102.58	-	39,081.13	288,183.71
Expenses	4.14				
Cost of raw materials and components consumed		161,384.82	46.65	36,120.93	197,552.40
Changes in inventories of finished goods, stock-in -trade and work-in-progress	4.11	3,337.79	-	-	3,337.79
Employee benefits expense		9,340.37	(52.00)	(38.48)	9,249.89
Finance costs		4,464.34	(13.96)	20.59	4,470.97
Depreciation and amortisation expense		5,057.36	-	0.01	5,057.37
Other Expenses		33,709.29	19.31	-	33,728.60
Total expenses (II)		217,293.97	-	36,103.05	253,397.02
Profit before share of (profit)/loss of an associate, exceptional items and tax (I-V)		31,808.61	-	2,978.08	34,786.69
Share of (profit)/loss of an associate before tax		(628.24)	-	(420.31)	(1,048.55)
Exceptional items		(2,447.79)	-	-	(2,447.79)
Profit before tax		34,884.64	-	3,398.39	38,283.03
Tax expense					
Current tax		10,266.76	-	479.91	10,746.67
Deferred tax		722.92	-	1,036.27	1,759.19
Total tax expense		**10,989.68**	**-**	**1,516.18**	**12,505.86**
Profit for the year		**23,894.96**	**-**	**1,882.21**	**25,777.17**
Other comprehensive income	4.12				
A. Items that will not be reclassified to profit or loss					
Re-measurement of defined benefit plans	4.11	-	-	(38.48)	(38.48)
Income tax effect		-	-	13.32	13.32
Share of other comprehensive income of associate accounted for using the equity method		-	-	(0.65)	(0.65)
Net gain / (loss) on FVOCI equity instruments	4.1	-	-	(1,004.21)	(1,004.21)
Income tax effect		-	-	39.47	39.47
Net items of OCI not to be reclassified to profit or loss (A)		**-**	**-**	(990.55)	**(990.55)**
B. Items that will be reclassified to profit or loss					
Items that will be reclassified to profit or loss		-	-	-	-
Income tax effect		-	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (B)		-	-	-	-
Total other comprehensive income for the year, net of tax [A+B]		-	-	(990.55)	(990.55)
Total comprehensive income for the year, net of tax		**23,894.96**	**-**	**891.66**	**24,786.62**

Notes to the consolidated financial statements

Reconciliation of equity as at March 31, 2016

(All amounts in ₹ Lakhs, unless otherwise stated)

Assets			Notes	Indian GAAP	Regrouping	Re-measurement	Ind-AS
A	**ASSETS**						
1	**Non-current assets**						
	(a)	Property, plant and equipment	A	84,697.96	-	0.01	84,697.97
	(b)	Capital work-in-progress		661.56	-	(0.01)	661.55
	(c)	Intangible assets		266.62	-	-	266.62
	(d)	Financial Assets					
		i) Investments	B	15,683.23	-	52,834.45	68,517.68
		ii) Loans	C	6,978.96	(6,978.51)	-	0.45
		iii) Other financial assets		-	5,243.49	-	5,243.49
	(e)	Tax assets (net)	D	708.03	-	0.02	708.05
	(f)	Other non current assets	E	-	1,735.02	-	1,735.02
	Sub-total non-current assets			**108,996.36**	**-**	**52,834.47**	**161,830.83**
2	**Current assets**						
	(a)	Inventories		44,722.23	-	-	44,722.23
	(b)	Financial assets					-
		i) Investments		16,765.05	-	105.84	16,870.89
		ii) Trade receivables		1,762.92	-	0.01	1,762.93
		iii) Cash and cash equivalents		1,041.18	-	(0.02)	1,041.16
		iv) Loans	F	12,305.69	(12,282.85)	0.02	22.86
	(c)	Current tax assets (net)	G	-	1,781.04	-	1,781.04
	(d)	Other Current Assets	H	-	10,501.81	-	10,501.81
	Sub-total current assets			**76,597.07**	**-**	**105.85**	**76,702.92**
3	**Non-current assets held for sale**		I	-	-	-	-
	Total assets			**185,593.43**	**-**	**52,940.32**	**238,533.75**
B	**EQUITY AND LIABILITIES**						
1	**Equity**						
	(a)	Equity Share Capital		12,409.54	-	-	12,409.54
	(b)	Other Equity	J	87,016.88	-	59,623.75	146,640.63
	Total equity			**99,426.42**	**-**	**59,623.75**	**159,050.17**
	LIABILITIES						
2	**Non current liabilities**						
	(a)	Financial liabilities					
		i) Borrowings	K	-	37.28	(37.28)	-
		ii) Other financial liabilities		-	39.21	-	39.21
	(b)	Provisions		1,121.70	-	-	1,121.70
	(c)	Deferred tax liabilities (net)		11,800.68	-	2,562.64	14,363.32
	(d)	Other non-current liabilities		39.21	(39.21)	-	-
	(e)	Government grant		-	-	5,275.74	5,275.74
	Sub-total non-current liabilities			**12,961.59**	**37.28**	**7,801.10**	**20,799.97**
3	**Current liabilities**						
	(a)	Financial liabilities					
		i) Borrowings		11,171.20	-	-	11,171.20
		ii) Trade payables		24,318.75	-	-	24,318.75
	iii)	Other financial liabilities	L	-	14,402.11	20.60	14,422.71
	(b)	Other current liabilities		22,670.24	(14,439.39)	(0.02)	8,230.83
	(c)	Provisions		15,045.23	-	(14,935.82)	109.41
	(d)	Government grant		-	-	430.71	430.71
	Sub-total current liabilities			**73,205.42**	**(37.28)**	**(14,484.53)**	**58,683.61**
	Total liabilities			**86,167.01**	**0.00**	**(6,683.43)**	**79,483.58**
	Total equity and liabilities			**185,593.43**	**0.00**	**52,940.32**	**238,533.75**

Notes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and reconciliation of statement of profit and loss for the year ended March 31, 2016

4.1 Investments

Under Indian GAAP, the Group classified all investments acquired with the intention of being held for more than 1 year as non-current investments. Under Ind AS, the Group has classified an investment as non-current asset held for sale, as their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Refer Note 17 for further details.

Under Indian GAAP, the Group accounted for long term investments in quoted and unquoted equity shares and units of mutual funds as investments measured at cost less provision for other than temporary diminution in the value of investments and for current investments in quoted and unquoted mutual fund and indexed linked debentures, as investments measured at lower of cost and fair value, determined on individual basis. Under Ind AS, the Group has designated such instruments as financial assets at fair value through profit or loss or fair value through other comprehensive income. Ind AS requires such financial assets to be measured at fair value. On the date of transition to Ind AS, the difference between the fair value and the Indian GAAP carrying value of the instruments has been recognised as an adjustment against the retained earnings, net off related deferred tax.

4.2 Government Grant

Under Indian GAAP, incentives accrued under the Industrial Promotion Subsidy under the Package Scheme of Incentives is considered to be in the nature of promoters' contribution and is recognised directly in the balance sheet as capital reserve. Under Ind AS, these incentives qualify as grant related to assets. This is disclosed as deferred income in the balance sheet and recognised in the statement of profit and loss over the life of the property, plant and equipment..

4.3 Long term loans and short term loans

Under Indian GAAP, the Group classified all its advances, including advance tax, deposits held under protest, advances for capital purchases, statutory balances, as part of long term loans and advances, in the absence of distinction between financial and non-financial assets. Under Ind AS, financial and non-financial assets have to be classified and measured separately, hence, certain items forming part of long term loans and advances in Indian GAAP have been regrouped to other non-current assets under Ind AS.

Notes to the consolidated financial statements

A quantitative reconciliation as on 1st April 2015 is as follows:

Non-current loans

(All amounts in ₹ Lakhs, unless otherwise stated)

	Amount	Amount
Long term loans and advances as per Indian GAAP		5,880.51
Less: Classified as other non-current assets		
Vendor advances	637.60	
Deposits held in protest	509.14	
Capital Advances	102.75	
Prepaid Expenses	62.64	
Statutory balances	60.92	1,373.05
Less: Classified as other financial asset		
Security deposit	133.62	
Other deposit	1.54	135.16
Less: Classified as non-current tax assets (net)		**4,370.21**
Less: Classified as non-current loans		**2.09**

Current loans

(All amounts in ₹ Lakhs, unless otherwise stated)

	Amount	Amount
Short term loans and advances as per Indian GAAP		12,286.28
Less: Classified as other current assets		
Statutory balances	9,162.32	
Vendor advances	1,083.91	
Prepaid Expenses	264.92	10,511.15
Less: Classified as current tax assets (net)		**1,759.05**
Less: Classified as current loans		**16.08**

4.4 Other non-current assets

Other non-current assets consist of amounts classified from Indian GAAP long term loans and advances (refer Note 4.3 above).

4.5 Current tax assets (net)

This comprises of advance tax reclassified from short term loans and advances in Indian GAAP. Refer Note 4.3 above for details.

4.6 Debentures at amortised cost

Under Indian GAAP, the Group recognised the liability at cost and the issue expenses were recognised as an expense in the period in which they were incurred. Under Ind AS, the liability is measured at amortised cost following effective interest rate method. The issue expenses are factored in the computation of effective interest rate and hence will get amortised over the period and not in the year in which they are incurred. On the date of transition to Ind AS, adjustment arising on account measuring financial liability at amortised cost has been recognised as an adjustment against the retained earnings.

4.7 Other current financial liabilities

Under Indian GAAP, the Group classified all its liabilities such as payables to employees and provision for expense, as part of other current liabilities, in the absence of distinction between financial and non-financial liabilities. Under Ind AS, financial and non-financial liabilities have to be classified and measured separately. Hence, such items forming part of other current liabilities in Indian GAAP have been reGrouped to 'other current financial liabilities' in Ind AS.

4.8 Other current liabilities

Under Indian GAAP, current liabilities included current portion of long term borrowings, payables to employees and provision for expense (as discussed on Note 4.7 above). It also included interest accrued but not due on Group's borrowings, which is now included in the value of borrowings computed as per the amortised cost method.

4.9 Short term provisions

Under Indian GAAP, the Group recognised as a liability, provision for dividend in the year to which it relates, even though the same is subsequently approved by the shareholders in the Annual General Meeting ('AGM'). However, under Ind AS, liability will be recognised in the financial statement after it is approved by the shareholders in the AGM. Consequently, proposed dividend relating to FY 2015-16 that was recognised as a provision in Indian GAAP as at March 31, 2015, will be recognised under Ind AS in the year ended March 31, 2016, by corresponding debit to retained earnings.

4.10 Other equity

Adjustments in other equity are on account of changes in measurement basis arising out of Ind AS conversion. A quantitative reconciliation of the same is as follows:

(All amounts in ₹ Lakhs, unless otherwise stated)

	Amount
Other equity	66,330.45
Reversal pf provision for proposed dividend and tax thereon (Refer Note 4.9 above)	2,978.14
Adjustment on account of change in measurement basis for long term borrowings (Refer Note 4.6 above)	37.28
Fair value of financial instruments	53,869.97
Reversal of provision for diminution in value of investment	279.31
Deferred tax adjustment	(116.07)
Investment in associate	1728.08
Total	**125,107.16**

Further, the Group had a Capital reserve (₹ 60 Lakh as at March 31, 2015) created out of receipt of government grants in prior years and a Contingency reserve (₹ 1,215 Lakh as at March 31, 2015) created for certain mark to market losses not recognised as a provision in prior years. These reserves are treated as part of retained earnings under Ind AS.

4.11 Defined benefit obligation

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI net off tax.

4.12 Other comprehensive income

Under Indian GAAP, there were no requirements to separately disclose Other Comprehensive Income ('OCI') and hence, the Group had not presented other comprehensive income (OCI) separately. Hence, the Group has reconciled the profit under Indian GAAP to the profit as per Ind-AS. Further, the profit under Ind-AS is reconciled to total comprehensive income as per Ind-AS.

4.13 Deferred taxes

Indian GAAP requires deferred taxes to be accounted using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12- Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

4.14 Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty.. Thus sale of goods under Ind AS has increased with a corresponding increase in cost of material consumed.

4.15 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

5. Significant accounting judgements, estimates and assumptions

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

5.1 Judgements

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

5.1.1 Non-current asset held for sale

On March 16, 2015, the Board of Directors of the Group had decided to sell the Group's investment in equity instruments of Rajasthan Olive Cultivation Limited. Subsequently the Group had written a letter dated June 2, 2015 to the Rajasthan State Agriculture Board ('State Board') (the majority shareholder in Rajasthan Olive Cultivation Limited) expressing its intent to sell its shares to the State Board at face value. The Group had an active plan to execute the sale. If the Group does not receive a response from the State Board, the Group plans to sell these shares to external parties. Accordingly, this investment was classified as non-current asset held for sale as on April 1, 2015 on account of the following factors:

- The asset was available for sale in the present condition
- The sale was highly probable, which was evident from the following:
- The Group's management had a committed to plan to sell the non-current asset
- Active program to locate buyer and complete the plan was initiated
- The sale was expected to be executed within one year

During the year ended March 31, 2016, the Company sold this investments in Rajasthan Olive Cultivation Limited.

5.1.2 Classification of non-current investments

The Group has classified investments in Finolex Plasson Industries Limited and Pawas Port Limited as investment in associate.

The non-current investments in equity shares of Finolex Infrastructure Limited and I2IT Private Limited, which the Group considers to be strategic in nature have been classified as investments measured at fair value through Other Comprehensive Income.

5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the

Group's control. Such changes are reflected in the assumptions when they occur.

5.2.1 Defined benefit plans

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

5.2.2 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of balance sheet cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the discounted cash flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Please refer Note 40 for further details of fair valuation approach and inputs used for various financial instruments.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

6.1 Property, plant and equipment

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Cost				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions	Disposals	**As at March 31, 2017**	As at April 1, 2016	Additions	Disposals	**As at March 31, 2017**	**As at March 31, 2017**	As at March 31, 2016
Freehold land	6,778.34	89.05	-	**6,867.39**	-	-	-	**-**	**6,867.39**	6,778.34
Leasehold land	76.31	-	-	**76.31**	0.75	1.49	-	**2.24**	**74.07**	75.56
Buildings	15,426.92	134.60	12.24	**15,549.28**	608.83	628.10	9.78	**1,227.15**	**14,322.13**	14,818.09
Plant and machinery	66,017.23	5,515.50	127.02	**71,405.71**	3,984.17	4,607.07	61.31	**8,529.93**	**62,875.78**	62,033.06
Office equipments	83.99	40.67	2.59	**122.07**	(25.46)	41.26	2.20	**13.60**	**108.47**	109.45
Furniture & fixtures	353.24	40.84	1.89	**392.19**	63.87	64.13	0.56	**127.44**	**264.75**	289.37
Vehicles	562.92	161.34	52.79	**671.47**	(31.18)	89.71	40.71	**17.82**	**653.65**	594.10
Total	**89,298.95**	**5,982.00**	**196.53**	**95,084.42**	**4,600.98**	**5,431.76**	**114.56**	**9,918.18**	**85,166.24**	**84,697.97**
Capital work-in-progress	661.55			**2,174.85**					**2,174.85**	661.55

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Cost				Accumulated Depreciation				Net Block
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at March 31, 2016
Freehold land	6,738.61	39.73	-	6,778.34		-	-	-	6,778.34
Leasehold land	76.31	-	-	76.31		0.75	-	0.75	75.56
Buildings	15,245.04	218.34	36.46	15,426.92		625.71	16.88	608.83	14,818.09
Plant and machinery	63,532.44	2,798.28	313.49	66,017.23		4,141.86	157.69	3,984.17	62,033.06
Office equipments	143.78	59.52	119.31	83.99		57.17	82.63	(25.46)	109.45
Furniture & fixtures	334.86	18.83	0.45	353.24		64.21	0.34	63.87	289.37
Vehicles	386.73	470.49	294.30	562.92		81.36	112.54	(31.18)	594.10
Total	**86,457.77**	**3,605.19**	**764.01**	**89,298.95**		**4,971.06**	**370.08**	**4,600.98**	**84,697.97**
Capital work-in-progress	1,039.75			661.55					661.55

Movable property, plant and equipment :

For details of property, plant and equipments pledged as security for liabilities, please refer to Note 20 & 25

Capital work in progress:

Capital work-in-progress ('CWIP') comprises cost of assets that are not yet installed and ready for their intended use at the balance sheet date.

Also refer Note 4 on first time adoption

6.2 Intangible Assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Cost				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions	Disposals	**As at March 31, 2017**	As at April 1, 2016	Additions	Disposals	**As at March 31, 2017**	**As at March 31, 2017**	As at March 31, 2016
Computer Software	352.93	152.82	-	**505.75**	86.31	72.88	-	**159.19**	**346.56**	266.62

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Cost				Accumulated Depreciation				Net Block
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at March 31, 2016
Computer Software	318.81	34.12	-	352.93	-	86.31	-	86.31	266.62

Refer Note 4 on first time adoption

Notes to the consolidated financial statements

7 Non-current investments

Non-current investments consist of the following:

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Investments carried at FVOCI	115,485.24	63,632.16	65,246.39
Investments carried at FVTPL	320.85	462.99	479.71
Investments carried at amortised cost	-	-	-
Investments carried at cost	4,896.40	4,422.53	3,864.27
	120,702.49	68,517.68	69,590.37

Investments carried at FVOCI

Non-current investments comprise of investments in equity instruments of different entities. These investments are classified as investments measured at fair value through Other Comprehensive Income upon initial recognition as the Group considers these investments to be strategic in nature.

List of investments under each category

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	No. of shares*			Value of investments		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Investments in equity shares						
Quoted and listed						
Equity Shares of ₹ 2 each in Finolex Cables Ltd. (FVTOCI)	22,187,075	22,187,075	22,187,075	114,622.66	62,341.24	63,075.64
Equity Shares of ₹ 2 each in Gulf Oil Corporation Ltd. (FVTPL)	9,900	9,900	9,900	35.94	13.46	14.29
Equity Shares of ₹ 10 each in Gold Crest Corporation Ltd. (FVTPL)	12,400	12,400	12,400	4.26	3.61	3.60
				114,662.86	62,358.31	63,093.53
Unquoted						
Associate Companies						
Equity Shares of ₹ 10 each in						
a) Finolex Plasson Industries Ltd. (Cost)	4,635,000	4,635,000	4,635,000	4,417.53	3,859.27	749.77
Less: share in associate						(359.93)
Add: Accumulated income from associate for previous years						3,469.43
Less: dividend received during the year				(115.88)	(92.70)	
Add: Share in current year profit of associate				932.42	1,048.55	
Add: Share in current year OCI of associate				5.75	0.65	
Less: Share in current year tax				(428.74)	(479.91)	
Less: Share in current year deferred tax				80.32	81.67	

Notes to the consolidated financial statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	No. of shares*			Value of investments		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Total value of investment in associate				**4,891.40**	4,417.53	3,859.27
b) Pawas Port Ltd. (Cost)	**49,994**	49,994	49,994	**5.00**	5.00	5.00
Other Companies						
Equity Shares of ₹ 10 each in						
a) I2IT Private Limited (FVTOCI)	**-**	-	61,000,000	**-**	-	878.40
b) Finolex Infrastructure Ltd. (FVTOCI)	**5,373,938**	5,343,404	5,343,404	**862.58**	1,290.92	1,292.35
c) The Saraswat Co-op Bank Ltd. (FVTPL)	**1,000**	1,000	1,000	**0.10**	0.10	0.10
Units of ₹ 100,000 each in Peninsula Realty Fund	**381**	483	500	**280.55**	445.82	461.72
				6,039.63	6,159.37	6,496.84
Total				**120,702.49**	68,517.68	69,590.37

* No. of shares are in full figures

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Aggregate value of quoted investments (cost)	**10,266.19**	10,266.19	10,266.19
Aggregate market value of quoted investments	**114,662.86**	62,358.31	63,093.53
Aggregate value of unquoted investments (cost)	**1,772.00**	1,772.00	2,399.21
Aggregate value of unquoted investments (fair value)	**6,039.63**	6,159.37	6,496.84

Fair Value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 42 and fair value hierarchy disclosures for investment are stated in Note 43.

Risk Management Strategy

Refer Note 44 on risk management objectives and policies for financial instruments.

8 Non-current loans

(Unsecured, considered good)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Loans			
Loans to employees	**1.26**	0.45	2.09
Total Loans	**1.26**	0.45	2.09

Loans are non-derivative financial assets carried at amortised cost which generate a fixed interest income for the Group.

Notes to the consolidated financial statements

9 Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Security Deposits, carried at amortised cost	**182.32**	147.06	133.62
Claims receivable (under mega incentive schemes)	**5,443.48**	5,070.11	-
Other Deposits			
Unsecured, considered good	**106.05**	26.32	1.54
Doubtful	**65.00**	65.00	65.00
	171.05	91.32	66.54
Less: Provision for doubtful deposits	**(65.00)**	(65.00)	(65.00)
	106.05	26.32	1.54
Total other financial assets	**5,731.85**	5,243.49	135.16

Security deposits comprise of deposit with various government agencies and others.

Other deposits primarily relate to inter-corporate deposit.

10 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital Advances	**2,427.72**	633.92	102.75
Other Advances			
Advances to vendors			
Unsecured, considered good	**582.60**	442.60	637.60
Doubtful	**504.76**	504.76	148.24
	1,087.36	947.36	785.84
Less: Provision for doubtful advances	**(504.76)**	(504.76)	(148.24)
	582.60	442.60	637.60
Amounts deposited under protest	**509.14**	509.14	509.14
Prepaid expenses	**43.82**	87.14	62.64
Claims Receivable			
- VAT and sales tax	**60.92**	62.22	60.92
Total	**3,624.20**	1,735.02	1,373.05

Amounts deposited under protest primarily relates to amount deposited in Dispute Resolution Panel for dispute with Deutsche Bank (₹ 500 Lakhs).

11 Inventories

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Raw materials	27,836.04	23,605.39	31,886.30
Work-in-progress	2,585.59	3,746.79	3,703.34
Finished goods	19,913.19	12,861.30	16,242.54
Stores and spares	5,197.21	4,357.75	3,856.58
Packing material	208.00	151.00	176.35
Total	55,740.03	44,722.23	55,865.11

Raw materials include goods in transit of ₹ 4,486.91 Lakhs (₹ 5,473.37 Lakhs as at March 31, 2016 and ₹ 7,549.44 Lakhs as at April 1, 2015)

*Refer Note 3.14 for basis of valuation

12 Current investments

Current investments comprise of investments in mutual funds with growth option and redeemable debentures. These are held for trading and hence are measured at fair value through profit and loss. Fair value of unquoted investment in Mutual funds have been determined by reference to the Net Asset Value ('NAV') available from respective Asset Management Group ('AMC').

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	No of units			Value of investments		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Quoted and Listed						
Secured Redeemable Index Linked Non-Convertible Debentures of ₹ 100,000 each with Citi Financial Consumer Finance India Limited	-	-	0.02	-	-	2,056.53
Quoted but not listed						
Mutual Fund (MF) Units of ₹100 each						
Birla MF - BSL Cash Plus - Growth	-	-	5.35	-	-	1,200.79
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	12.05	-	-	2,703.36	-
Mutual Fund (MF) Units of ₹ 1,000 each						
DSPBR Liquidity Fund - Growth	-	-	0.55	-	-	1,100.88
Templeton India Treasury Mgt A/C super Inst Plan - Growth	-	-	0.57	-	-	1,201.31
Axis MF - Axis Liquid Fund -Growth	2.88	2.47	-	5,198.38	4,143.09	-
Reliance MF-Reliance Liquid Fund-Treasury Plan Growth	-	1.26	-	-	4,658.01	-
SBI Premier Liquid Fund - Direct Plan - Growth	-	2.25	-	-	5,366.43	-
UTI Liquid Fund- Cash Plan- Gr	0.17	-	-	457.41	-	-
	3.05	18.03	6.49	5,655.79	16,870.89	5,559.51

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Aggregate value of quoted investments (cost)	5,582.61	16,765.05	5,505.00
Aggregate market value of quoted investments	5,655.79	16,870.89	5,559.51

Refer Note 4 on first time adoption

Fair Value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 42 and fair value hierarchy disclosures for investment are stated in Note 43

Risk Management Strategy

Refer Note 44 on risk management objectives and policies for financial instruments.

13 Trade receivables

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	5,249.29	1,762.93	4,870.45
Total Trade receivables	5,249.29	1,762.93	4,870.45
Break-up for security details:			
Trade receivables			
Unsecured, considered good	5,249.29	1,762.93	4,870.45
Doubtful	12.96	12.96	12.96
	5,262.25	1,775.89	4,883.41
Impairment allowance (allowance for bad and doubtful debts)	(12.96)	(12.96)	(12.96)
Total Trade receivables	5,249.29	1,762.93	4,870.45

For terms and conditions relating to related party receivables, refer Note 40

Trade receivables from companies in which director is a director or member

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Finolex Plasson Industries Private Limited	75.64	-	-
Finolex Cables Limited	21.91	21.91	20.81

Group's trade receivables consist of receivables from dealers and customers against sales of pipes and fittings and PVC resins. Trade receivables are mostly on terms of advance payment or credit period supported by bank guarantee or letter of credit. Group also charges interest @ 18% p.a in case of default in collection of trade receivables.

Notes to the consolidated financial statements

14 Cash and cash equivalents

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
Current accounts	527.91	136.76	389.92
Unpaid dividend accounts	1,083.67	879.85	807.16
Cash on hand	22.86	24.55	32.94
Total	1,634.44	1,041.16	1,230.02

As at March 31, 2017, the Group had available ₹ 132,000.53 Lakh (March 31, 2016: ₹ 130,247.80 Lakh; April 01, 2015: ₹ 111,491.19 Lakh) of undrawn committed borrowing facilities.

15 Current loans

(Unsecured, considered good)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Loans			
Loans to Employees	18.76	22.86	16.08
Total Loans	18.76	22.86	16.08

Loans are non-derivative financial assets carried at amortised cost which generate a fixed interest income for the Group.

Break up of financial assets at amortised cost

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Loans (Note 8 & 15)	20.02	23.31	18.17
Security deposits(Note 9)	182.32	147.06	133.62
Trade receivables(note 13)	5,249.29	1,762.93	4,870.45
Cash and cash equivalents (Note 14)	1,634.44	1,041.16	1,230.02
Other financial assets (Note 9)	5,549.53	5,096.43	1.54
Total financial assets carried at amortised cost	12,635.60	8,070.89	6,253.80

16 Other current assets

(Unsecured, considered good)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Advances to vendors	693.51	1,059.47	1,083.91
Prepaid expenses	247.94	269.67	264.92
Claims receivable			
- Excise, Service Tax, Customs	3,916.41	4,394.47	4,557.21
- VAT and sales tax	4,419.53	4,778.20	4,605.11
Total	9,277.39	10,501.81	10,511.15

Notes to the consolidated financial statements

17 Non-current assets held for sale

Non-current assets held for sale comprises of investment in equity shares of Rajasthan Olive Cultivation Limited.

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
7,500 shares of ₹ 10 each in Rajasthan Olive Cultivation Limited	-	-	75.00

In the year ended March 31, 2015, the Group had decided to sell its investment in the said Group.

As on April 1, 2015, the Group had taken the necessary actions to complete the sale and expected the sale to take place within one year.

18 Share capital

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2017		March 31, 2016		April 1, 2015	
Particulars	No. of shares*	Amount	No. of shares*	Amount	No. of shares*	Amount
Authorised:						
Equity Shares of ₹10 each	150,000,000	15,000.00	150,000,000	15,000.00	150,000,000	15,000.00
Unclassified Share Capital	85,000,000	8,500.00	85,000,000	8,500.00	85,000,000	8,500.00
	235,000,000	23,500.00	235,000,000	23,500.00	235,000,000	23,500.00
Issued, subscribed and fully paid up:						
Equity Shares of ₹10 each fully paid	124,095,381	12,409.54	124,095,381	12,409.54	124,095,381	12,409.54
	124,095,381	12,409.54	124,095,381	12,409.54	124,095,381	12,409.54

Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2017		March 31, 2016		April 1, 2015	
Particulars	No. of shares*	Amount	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the year	124,095,381	12,409.54	124,095,381	12,409.54	124,095,381	12,409.54
Add: Allotted during the year	-	-	-	-	-	-
Outstanding at the end of the period	124,095,381	12,409.54	124,095,381	12,409.54	124,095,381	12,409.54

Terms/ Rights attached to equity shares:

The Group has only class of equity shares having a par value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the consolidated financial statements

In the event of liquidation of the Group, the holders of equity shares are entitled to receive remaining assets of the Group after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2017		March 31, 2016		April 1, 2015	
Particulars	No. of shares*	% holding	No. of shares*	% holding	No. of shares*	% holding
Equity shares of ₹ 10 each fully paid						
Finolex Cables Ltd.	40,192,597	32.39%	40,192,597	32.39%	40,192,597	32.39%
Orbit Electricals Private Limited	23,330,901	18.80%	23,330,901	18.80%	23,330,901	18.80%

* No. of shares are in full figures

19 Other Equity

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Retained earnings	Share capital buyback reserve	Share premium	General reserve	Debenture redemption reserve	Capital subsidy reserve	Total
As at April 1, 2015	72,012.20	2,517.93	15,126.81	27,950.22	7,500.00	-	125,107.16
Add : Profit for the year	25,777.17						25,777.17
Add/(Less): Remeasurement gains (losses) on defined benefit plan	(25.16)						(25.16)
Add : Transferred from Surplus				4,000.00			4,000.00
Add: Share of other comprehensive income of associate accounted for using the equity method	0.65						0.65
Add: Excess dividend tax provision reversed	3.00						3.00
Less: Reversal of Impairment allowance on Investment	(279.31)						(279.31)
Less: Appropriations							-
-General Reserve	(4,000.00)						(4,000.00)
-Dividend declared	(2,481.91)						(2,481.91)
-Tax on dividend declared	(496.23)						(496.23)
As at March 31, 2016	**90,510.41**	**2,517.93**	**15,126.81**	**31,950.22**	**7,500.00**	**-**	**147,605.37**
Add : Profit for the year	35,484.73			-			35,484.73

Notes to the consolidated financial statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Retained earnings	Share capital buyback reserve	Share premium	General reserve	Debenture redemption reserve	Capital subsidy reserve	Total
Add/(Less): Remeasurement gains (losses) on defined benefit plan	(71.66)						(71.66)
Add : Transferred from surplus							-
Add: Share of other comprehensive income of associate accounted for using the equity method	5.75						5.75
Less: Balance utilised during the year							-
Add: Excess dividend tax provision reversed	(12.03)						(12.03)
Add: Transfer from Debenture redemption reserve				7,500.00	(7,500.00)		
Less: Appropriations							-
-General Reserve							-
-Dividend declared	(12,409.54)						(12,409.54)
-Tax on dividend declared	**110,981.37**	**2,517.93**	**15,126.81**	**39,450.22**	**-**		**168,076.33**

19.1 Nature and purpose of reserves

1) Share capital buyback reserve

During financial year ended March 31, 2002 and March 31, 2003, the Group bought back shares of the Group out of free reserves and in order to comply with the requirements of Group law the Group created share capital buy back reserve to the extent of the face value of shares bought back.

2) General reserve

Till April 1, 2013, the Group was governed by provisions of the Companies Act of 1956. As per the requirements of this act read along with Companies (Transfer of Profit to Reserve) Rules, 1975, any Group declaring dividend in excess of 10% of face value of equity share was mandatorily required to transfer specified % of amount to general reserve. Accordingly, the Group has transferred amount to this reserve over the years to comply with the Company law requirements.

Notes to the consolidated financial statements

3) Debenture redemption reserve

The Group has issued 1000 secured redeemable non-convertible debentures of ₹ 1,000,000 each. Please refer to note 20 for further details relating to debentures. As per the Companies Act of 2013, the Group is required to create debenture redemption reserve account out of profits of the Group which are available for distribution of dividend and the amount credited to such account shall not be utilised by the Group except for redemption of debentures.

19.2 Other comprehensive income, net of tax

The disaggregation of changes in OCI by each type of reserve

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
FVOCI reserve	**50,991.20**	(964.74)	-
Total	**50,991.20**	(964.74)	**-**

19.3 Distribution made and proposed

(All amounts in ₹ Lakhs, unless otherwise stated)

Cash dividends on Equity shares declared and paid	March 31, 2017	March 31, 2016	April 1, 2015
Final dividend for 2013-14: ₹ 7 per share			8,686.67
Dividend distribution tax on above final dividend			1,476.30
Final dividend for 2014-15: ₹ 2 per share		2,481.91	
Dividend distribution tax on above final dividend		496.23	
Final dividend for 2015-16: ₹ 10 per share	**12,409.53**		
Dividend distribution tax on above final dividend	**2,526.29**		

19.4 Dividends proposed before annual general meeting but not recognised as a liability

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Proposed Dividend	**14,270.97**	12,409.53	2,481.91
Dividend per share (₹)	**11.50**	10.00	2.00

Proposed dividend on equity shares are subject to approval of the shareholders of their Group at the annual general meeting and are not recognised as a liability (including taxes thereon) as at 31 March, 2017.

20 Long term borrowings

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Rate of interest	Maturity	March 31, 2017	March 31, 2016	April 1, 2015
Financial liabilities measured at amortised cost					
Debentures (Secured)					
10.90% Redeemable Non-convertible debentures	10.90%	12/31/16	-	-	9,962.72
Term loans from banks (Secured)	11-10.5%	2015-2018	-	-	6,250.00
Deferred payment liabilities (Unsecured)					
Sales Tax deferral loan			-	-	2,115.80
TOTAL			-	-	18,328.52

Details of terms of borrowings and security for the borrowings

20.1 Debentures

1,000 privately placed 10.90% secured redeemable non-convertible debentures of ₹ 10.00 Lakh each ('NCD'), aggregating to ₹ 10,000.00 Lakh was due for redemption at the end of 3 years from the date of allotment i.e. 31st December, 2013.

The outstanding amount payable on NCDs of ₹ 10,000.00 Lakh with the interest accrued thereon (to the extent not paid) and all other costs, charges, expenses and fees payable to the debenture trustees namely Axis Trustee services Limited ('ATSL') was secured under the Debenture Trust deed by creation of simple mortgage on pari passu basis in favour of ATSL, on immovable properties of the Group falling within the battery limit of the site of the Group's plant for the manufacture of PVC resin, situated at village Golap, district Ratnagiri in the state of Maharashtra together with all buildings and structures thereon and all plants and machinery attached to the earth or permanently fastened to anything attached to the earth.

20.2 Term Loans

Central Bank

The term loan from Central Bank of India amounting to ₹ 10,000.00 Lakh was availed in the financial year 2011-12 and 2012-13 and carried interest at the Base rate of 10.25% + 0.75 % p.a. The loan was repayable in 3 equal annual instalments starting from 31st March, 2015.

The outstanding amount payable on term loan of ₹ 10,000.00 Lakh availed from Central Bank of India with all interest, liquidated damages, commitment charges, premia on prepayment, costs, expenses and other moneys and fees payable as applicable was secured by equitable mortgage created in favour of Central Bank of India, Pimpri, Pune by depositing all the documents of title, evidences, title deeds and writings in respect of immovable properties of the Group falling within the battery limit of Group's captive

Notes to the consolidated financial statements

power plant situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

Bank of Maharashtra

The term loan from Bank of Maharashtra amounting to ₹ 5,000 Lakh was availed in the financial year 2013-14 at the Base interest rate of 10.25% + 0.75% p.a. repayable in 12 quarterly instalments starting from January, 2015.

The outstanding amount payable on term loan of ₹ 5,000 Lakh availed from Bank of Maharashtra with all interest, liquidated damages, commitment charges, premia on prepayment, costs, expenses and other moneys and fees payable as applicable was secured by movable property of the Group viz., plant and machinery and other movable assets falling within the battery limit of the PVC manufacturing plant situated at Village Golap-Ratnagiri, District Ratnagiri, Maharashtra State.

20.3 Sales tax deferral loan

Deferred Sales tax loan was interest free and payable in 10 yearly instalments of various amounts starting from March 2020.

The Group has applied first time adoption exemption in accounting for sales tax deferral loan. Accordingly no benefit of below market interest rate has not been recognised in case of this loan. This loan has been recognised on historical cost basis. Please refer to note 4 for further details.

21 Non-current financial liabilities

Non-current financial liabilities include deposits by dealers. The Group believes that the impact of application of effective interest rate method will not be material, as the value of individual deposits is not significant. Hence, these have been measured at cost.

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Trade & security deposits	34.90	39.21	39.01
Total	34.90	39.21	39.01

22 Provisions

22.1 Non current provisions

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Employee benefit obligations			
Compensated absences (Refer Note 39)	404.52	552.56	366.48
Gratuity (Refer Note 39)	710.11	569.14	497.64
Total	1,114.63	1,121.70	864.12

Notes to the consolidated financial statements

22.2 Current provisions

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Employee benefit obligations			
Compensated absences (Refer Note 39)	47.06	43.52	34.11
Gratuity (Refer Note 39)	76.00	65.89	58.41
Others:			
Provision dividend		-	-
Tax Dividend		-	-
Total	123.06	109.41	92.52

Employee benefits obligations

a) Gratuity

The Group provides gratuity for employees as per the Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity is payable on retirement or termination whichever is earlier. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is funded plan.

b) Compensated absences

The leave obligation cover the Group's liability for earned leaves.

Also refer Note 39 for detailed disclosure.

23 Government grants

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Deferred income from industrial promotion subsidy	6,679.95	5,706.45	-
Current	545.33	430.71	-
Non-current	6,134.62	5,275.74	-

The Group is entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, during the period from 1st April, 2011 to 31st March 2018. The aforesaid subsidy is in relation to in relation to investment in property, plant and equipment. Accordingly, the same has been classified as grant related to assets and the Group is recognising revenue from grant over the life of the property, plant and equipment.

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
As at the beginning of the year	5,706.45	-	
Received during the year	2,292.79	8,614.81	34.11
Released to the statement of profit and loss	(1,319.29)	(2,908.36)	58.41
As at the end of the year	6,679.95	5,706.45	92.52

Notes to the consolidated financial statements

24 Income Taxes

A Composition of income tax expense is as follows:

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Statement of profit and loss		
Current tax		
Current income tax charge	16,362.56	10,746.67
Adjustments in the period for current tax of prior periods		
Deferred tax		
Relating to temporary differences	544.66	1,619.74
Adjustments in the period for deferred tax of associate	121.02	139.45
Income tax expense reported in the statement of profit and loss	17,028.24	12,505.86
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year:		
Remeasurement gains/ (losses) on defined benefit plans	37.93	13.32
Fair value changes of financial assets	105.92	39.47
Income tax charged to OCI	143.85	52.79

B Reconciliation between tax expense and accounting profit multiplied by tax rate

Current taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Accounting profit before tax expense	52,512.97	38,283.03
At India's statutory tax rate 34.608% (31 March 2016: 34.608%)	34.608%	34.608%
Computed tax expense	18,173.69	13,248.99
Adjustments For:		
Donations made disallowed as deductions	10.63	5.39
Loss on sale of asset	0.53	89.85
Corporate Social Responsibility Expenses	150.09	122.11
Provision for expenses not allowed in tax	0.71	3.01
Other non-deductible expenses	40.26	36.96
Capital Gains	312.46	542.64
Government grants exempted from tax	(13.13)	(141.54)
Dividend income accrued in current year exempt from tax	(232.22)	(170.50)
Profit on sale of assets	(0.45)	(1.56)
Profit on sale of investments	(312.46)	(541.27)
Agricultural income U/S.10(1) (Income from Mango Harvesting contract.)	(1.13)	(1.17)
Deduction allowed under section 80 IA, 35AC and chapter VI-A of income tax	(1,316.67)	(1,065.33)
Difference on capital gain tax rate	52.60	15.74
Other income credited to profit & loss A/c, either exempt or considered separately	(112.98)	131.31
Others items	0.63	1.40
Deferred tax on consolidation	201.34	221.12

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Difference on account of associate	12.84	3.30
Difference in tax rate of DDT	58.13	58.13
Difference on account of other items	3.37	(60.49)
At the effective tax rate of 32.427% (March 2016: 32.667%)	17,028.23	12,505.86
Income tax expense reported in the statement of profit and loss	17,028.24	12,505.86

C Composition of deferred tax assets and deferred tax liabilities and deferred tax expense/(income)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Balance Sheet			Statement of Profit and Loss	
Particulars	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016
Depreciation	(16,152.47)	(15,328.10)	(11,662.71)	(824.37)	(3,665.39)
Deferred income	2,311.43	1,974.66	-	336.77	1,974.66
Fair valuation of FVTPL investment	88.00	51.57	77.33	36.43	(25.76)
Fair valuation of FVOCI investment	(35.11)	(141.02)	(180.49)	-	-
Disallowances u/s 43 B of Income Tax Act	-	94.05	92.37	(94.05)	1.68
Provision for Doubtful debts & advances	167.79	167.79	72.48	-	95.31
Diminution in value of investments	-		94.94	-	(94.94)
Leave encashment	156.28	206.29	136.08	(88.00)	56.89
Deferred tax on consolidation	(1,803.80)	(1,602.53)	(1,381.41)	(121.50)	(139.51)
Defined benefit obligation and others	303.01	213.97	176.10	89.04	37.87
Deferred tax expense/(income)	-	-	-	(665.68)	(1,759.19)
Net deferred tax assets/ (liabilities)	(14,964.87)	(14,363.32)	(12,575.31)		

Deferred taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

D Reconciliation of deferred tax liabilities, net

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
As at the beginning of the year	(14,363.32)	(12,575.31)
Tax (expense)/ income recognised in the statement of profit and loss	(665.68)	(1,759.19)
Share of associate	(80.26)	(81.67)
Tax (expense)/ income recognised in the OCI	144.39	52.85
As at the end of the year	(14,964.87)	(14,363.32)

E Composition of deferred tax expense/ (income) recognised in the statement of profit and loss

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Deferred tax income	462.24	2,166.41
Deferred tax expense	(1,127.92)	(3,925.60)
Net deferred tax expense/ (income)	(665.68)	(1,759.19)

25 Current borrowings

(Secured)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Short term borrowings:			
Acceptances from banks	9,418.47	11,131.71	29,909.28
Working capital borrowings from banks	-	39.49	18.53
Other Loans:			
Loans from banks	-	-	10,412.33
TOTAL	9,418.47	11,171.20	40,340.14

Details of terms of borrowings and security for the borrowings

The aggregate limits of working capital borrowings of ₹ 139,575 Lakh (₹ 139,575 Lakh as at March 31, 2016 and ₹ 139,575 Lakh as at March 31, 2015) from the Bank of India Consortium together with all interest, liquidated damages, costs, charges and other moneys payable under working capital consortium agreement/sanction letters are secured by:

1) Hypothecation of inventories and book debts; and

2) Extension of second equitable mortgage, created in favour of Bank of India Consortium on pari passu basis with other second charge holder by deposit of title deeds with Axis Bank Ltd (ABL), New Delhi. ABL acting as an agent for Bank of India Consortium, which ranks subsequent and subservient in rank of priority over the first equitable mortgages created by deposit of title deeds in respect of immoveable properties falling within the battery limit of the site of the Group's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

26 Trade payables

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Trade payables			
- total outstanding dues of Micro Enterprises & Small Enterprises	38.99	60.22	25.19
- total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	22,708.87	24,258.53	19,974.92
Total	22,747.86	24,318.75	20,000.11

Notes to the consolidated financial statements

For amounts payable to related parties and for terms and conditions with related parties, refer Note 40

Trade payables are non-interest bearing and are normally settled within 90 days. Refer Note 44 for discussion on Group's credit risk management policies and procedures.

27 Other current financial liabilities

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current maturities of term loans from banks	-	9,983.31	5,000.00
Interest accrued	46.02	293.83	469.49
Payable to employees	1,092.50	1,866.78	1,215.13
Payables for expenses	3,336.93	1,398.92	728.15
Unpaid dividend	1,083.67	879.87	807.17
Total	5,559.12	14,422.71	8,219.94

Break up of financial liabilities at amortised cost

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (Note 20 & 25)	9,418.47	11,171.20	58,668.66
Trade payables(Note 26)	22,747.86	24,318.75	20,000.11
Other financial liabilities (Note 27)	5,559.12	14,422.71	8,219.94
Total financial liabilities carried at amortised cost	37,725.45	49,912.66	86,888.71

28 Other current liabilities

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Advances from Customers	2,860.04	4,048.64	2,361.29
Statutory dues	4,415.65	4,182.19	2,835.92
Total	7,275.69	8,230.83	5,197.21

29 Revenue from operations

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Sale of products (including excise duty)	295,572.01	279,154.22
Other operating revenues	3,191.70	5,158.17
Total	298,763.71	284,312.39

Sale of goods includes excise duty collected from customers of ₹ 38,527.28 Lakh (31 March 2016: ₹ 36,120.94 Lakh). Sale of goods net of excise duty is ₹ 257,044.73 Lakh (31 March 2016:₹ 243,033.28 Lakh)

Notes to the consolidated financial statements

30 Other Income

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Interest on		
a) Overdue receivables from customers	32.63	45.78
b) Others	184.38	593.55
Dividend from non-current investments	671.01	492.66
Less: Dividend received from associate	(115.88)	(92.70)
	555.13	399.96
Net gain on		
a) Adjustments to carrying amount of investment measured at FVTPL	(72.78)	51.83
b) Gain on disposal of property, plant and equipment	1.31	4.50
c) Gain on disposal of investments	902.85	1,564.00
d) Exchange differences(other than those considered as finance cost)	561.53	-
Other non-operating income		
a) Sales tax deferral loan (Refer Note 20.3)	-	1,056.68
b) Others	152.87	155.02
Total	2,317.92	3,871.32

Fair value gain/(loss) on financial instruments at fair value through profit or loss relates to the gain/(loss) arising on fair value restatements of mutual funds and equity at balance sheet dates which are held as current or non-current investments.

31 Cost of materials consumed

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Cost of raw materials consumed	202,934.50	195,216.61
Packing material consumed	2,439.92	2,335.79
Total	205,374.42	197,552.40

32 Changes in inventories of finished goods, stock-in -trade and work-in-progress

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Inventories at the end of the year		
Work in Progress	2,585.59	3,746.79
Finished Goods	19,913.19	12,861.30
Sub Total (A)	22,498.78	16,608.09
Inventories at the beginning of the year		
Work in Progress	3,746.79	3,703.34
Finished Goods	12,861.30	16,242.54
Sub Total (B)	16,608.09	19,945.88
Changes in inventories of finished goods and work-in-progress (B-A)	(5,890.69)	3,337.79

Notes to the consolidated financial statements

33 Employee benefits expense

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Salaries and wages	9,008.21	7,827.33
Contribution to provident and other funds	417.09	461.91
Staff welfare expenses	1,063.94	960.65
Total	10,489.24	9,249.89

34 Finance Cost

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Interest expense on borrowings	1,044.60	2,089.98
Other borrowing costs	167.45	257.90
Exchange differences regarded as an adjustment to borrowing costs	322.42	2,123.09
Total	1,534.47	4,470.97

35 Depreciation and amortisation expense

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Depreciation on property, plant and equipment (Refer Note 6.1)	5,431.73	4,971.06
Amortisation of intangible assets (Refer Note 6.2)	72.89	86.31
Total	5,504.62	5,057.37

36 Other expenses

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Power and Fuel	7,068.87	8,716.79
Stores and Spares consumed	3,528.42	4,190.25
Other manufacturing expenses	7,930.71	7,853.96
Rent	245.11	265.61
Rates and Taxes	1,102.15	780.73
Insurance	486.61	431.60
Repairs & Maintenance (Buildings)	647.46	726.77
Repairs & Maintenance (Plant & Machinery)	1,657.52	1,356.37
Repairs & Maintenance (Others)	489.60	319.15
Communication Expenses	301.29	254.67
Travelling and Conveyance	1,008.14	940.73
Directors Sitting Fees	30.36	32.76
Commission to Non-executive Directors	110.19	52.52
Auditor's Remuneration :		
-Statutory audit fees	25.50	25.50
-Tax audit fees	5.00	5.00
-Limited review	6.00	6.00
-Certification	0.79	1.96
-Out of pocket expenses	0.58	0.81
Advertisement, Publicity and Sales Promotion	3,937.98	3,039.82

Notes to the consolidated financial statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Commission on Sales	274.43	341.36
Freight Outward & Other Selling Expenses	998.58	1,256.87
Donations (Refer Note 49)	30.72	15.57
Loss on Sale of Assets	1.53	259.61
Legal And Professional Fees	1,057.56	1,064.35
Corporate Social Responsibility	433.69	352.83
Security Expenses	524.73	503.98
Net loss on foreign currency transactions and translations (other than considered as finance cost)	-	305.65
Miscellaneous Expenses	585.50	627.38
Total	32,489.02	33,728.60

(All amounts in ₹ Lakhs, unless otherwise stated)

Details of CSR expenditure:	March 31, 2017	March 31, 2016
Amount required to be spent during the year	419.12	317.24
Amount spent during the year	433.69	352.83

37 Segment Information

For management purposes, the Group is organised into business units based on their products and has three reportable segments, as follows:

1 PVC – engaged in producing and distributing PVC resin

2 Pipes and fittings – engaged in producing and distributing pipes and fittings required principally in the agriculture and construction industries

3 Power – engaged in generation of power for captive consumption

No operating segments have been aggregated to form the above reportable operating segments. The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss that is measured consistently with profit or loss in the financial statements. The Group's financing (including finance costs and finance income) and income taxes are not allocated to operating segments.

Notes to the consolidated financial statements

Year ended March 31, 2017

Particulars	PVC	Pipes & fittings	Power	Total segments	Adjustments and eliminations	Total
Revenue						
External customers	77,076.34	221,687.30	0.07	298,763.71		298,763.71
Inter-segment	98,590.43		14,487.99	113,078.42	(113,078.42)	-
Total revenue	175,666.77	221,687.30	14,488.06	411,842.13	(113,078.42)	298,763.71
Income/(Expenses)						
Depreciation and amortisation	1,213.04	2,625.42	1,532.89	5,371.35		5,371.35
Impairment of financial assets	-	-	-	-		-
Segment profit	35,466.25	17,738.78	3,289.92	56,494.95	-	56,494.95
Total assets	77,699.67	63,310.30	24,134.82	165,144.79	-	165,144.79
Total liabilities	22,801.87	7,388.23	2,177.31	32,367.41		32,367.41
Other disclosures						
Capital expenditure	343.00	5,470.51	1.10	5,814.61		5,814.61

Year ended March 31, 2016

Particulars	PVC	Pipes & fittings	Power	Total segments	Adjustments and eliminations	Total
Revenue						
External customers	81,151.72	203,051.46	109.21	284,312.39		284,312.39
Inter-segment	81,716.12		13,838.54	95,554.66	(95,554.66)	-
Total revenue	**162,867.84**	**203,051.46**	**13,947.75**	**379,867.05**	**(95,554.66)**	**284,312.39**
Income/(Expenses)						
Depreciation and amortisation	1,213.26	2,204.18	1,534.89	4,952.33		4,952.33
Impairment of financial assets	-	-	-	-	-	-
Segment profit	**19,873.43**	**17,871.65**	**2,763.61**	**40,508.69**		**40,508.69**
Total assets	**65,548.78**	**56,312.43**	**25,679.15**	**147,540.36**		**147,540.36**
Total liabilities	**26,617.08**	**6,808.50**	**658.21**	**34,083.79**		**34,083.79**
Other disclosures						
Capital expenditure	145.13	3,099.37	11.34	3,255.84		3,255.84

Notes to the consolidated financial statements

As at April 1, 2015

Particulars	PVC	Pipes & fittings	Power	Total segments	Adjustments and eliminations	Total
Total assets	**80,214.66**	**52,451.06**	**26,690.61**	**159,356.33**	**70,421.66**	**229,777.99**
Total liabilities	**19,614.88**	**5,964.81**	**1,171.56**	**26,751.25**	**49,466.44**	**76,217.69**
Other disclosures						
Capital expenditure	748.03	4,145.96	27.23	4,921.22	406.67	5,327.89

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the entity as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the entity as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Segment profit	**56,494.95**	40,508.69
Unallocable income	**1,787.50**	3,841.61
Finance costs	**(1,534.47)**	(4,470.97)
Exceptional item		2,447.79
Share of profit/(loss) of an associate before tax	**932.42**	1,048.55
Unallocable expense	**(5,167.43)**	(5,092.64)
Profit before tax and discontinued operations	**52,512.97**	38,283.03

Reconciliation of assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Segment operating assets	**165,144.79**	147,540.36	159,356.33
Current tax assets	**4,072.47**	2,489.09	6,129.26
Financial assets carried at FVTPL	**320.85**	462.99	479.71
Financial assets carried at FVOCI	**115,485.24**	63,632.16	65,246.39

Notes to the consolidated financial statements

Financial assets carried at cost	**4,896.40**	4,422.53	3,864.27
Other financial assets at amortised cost	**137.71**	84.84	68.06
Current investments	**5,655.79**	16,870.89	5,559.51
Cash and cash equivalents	**1,634.44**	1,041.16	1,230.02
Non-current asset held for sale			75.00
Other unallocated assets	**2,047.93**	1,989.73	1,165.03
Total assets	**299,395.62**	238,533.75	243,173.58

Reconciliation of liabilities

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Segment operating liabilities	**32,367.41**	34,083.79	26,751.25
Deferred tax liabilities	**14,964.87**	14,363.32	12,575.31
Long term borrowings	**-**	-	18,328.52
Trade payables	**324.93**	267.16	50.66
Short term borrowings	**9,418.47**	11,171.20	40,340.14
Financial liabilities at amortised cost	**2,340.87**	1,934.25	377.70
Current maturity of long term loan	**-**	9,983.31	5,000.00
Interest accrued	**46.02**	293.83	469.49
Unpaid dividend	**1,083.67**	879.87	807.17
Provisions	**1,237.69**	1,231.11	956.64
Government Grant	**6,134.62**	5,275.74	-
Unallocated other liabilities			
Total liabilities	**67,918.55**	79,483.58	105,656.88

Geographic information

In the year ended 31st March 2015, 31st March 2016 and 31st March 2017 the Group catered mainly to the needs of the Indian markets. Export turnover during each year was less than 10% of the total turnover. Hence, there are no reportable geographical segments.

38 Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

There are no potential shares that have a dilutive effect on the EPS.

The following reflects the income and share data used in the basic and diluted EPS computation

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Basic		
Net profit / (loss) after tax (in ₹ Lakhs)	35,484.73	25,777.17
Weighted average number of equity shares	1,240.95	1,240.95
Basic earnings/(loss) per share of ₹ 10 each	28.59	20.77

39. Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 299.78 Lakhs (March 31, 2016: ₹ 365.74 Lakhs) is recognised as expenses and included in Note No. 33 "Employee benefit expense

B. Defined benefit plans:

The Group has Gratuity as post employment benefit which is in the nature of defined benefit plans:

The Group operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service.

The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

March 31, 2017 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Lakhs, unless otherwise stated)

	April 1, 2016	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	**March 31, 2017**
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 33)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	(984.01)	(66.11)	(73.30)	(139.41)	135.45	-	-	(67.77)	(43.99)	(111.76)	-	**(1,099.73)**
Fair value of plan assets	348.98	-	25.53	25.53	(135.45)	-	-	-	2.18	2.18	72.38	**313.62**
Total Benefit liability	**(635.03)**	**(66.11)**	**(47.77)**	**(113.88)**	**-**	**-**	**-**	(67.77)	(41.81)	(109.58)	72.38	**(786.11)**

March 31, 2016 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Lakhs, unless otherwise stated)

	April 1, 2015	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2016
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 33)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	(871.55)	(63.27)	(67.78)	(131.05)	48.64	-	-	-	(30.05)	(30.05)	-	(984.01)
Fair value of plan assets	315.50	-	25.88	25.88	(48.64)	-	-	-	(8.44)	(8.44)	64.68	348.98
Total Benefit liability	**(556.05)**	**(63.27)**	**(41.90)**	**(105.17)**	**-**	**-**	**-**	**-**	(38.49)	(38.49)	64.68	(635.03)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Insured managed funds (LIC)	**313.62**	348.98	315.50
(%) of total plan assets	**100%**	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Group's plans is shown below:

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Discount rate	**7.20%**	8.00%	8.00%
Future salary increase	**6.00%**	6.00%	6.00%
Expected rate of return on plan assets	**8.00%**	8.00%	8.00%
Expected average remaining working lives (in years)			
Gratuity	**16.11**	16.20	16.52
Compensated Absences	**16.35**	16.74	16.97
Withdrawal rate (based on grade and age of employees)			
Gratuity	**1.00%**	1.00%	1.00%
Compensated Absences	**1.00%**	1.00%	1.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)		
		Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Discount rate	1% increase	**83.58**	75.70	69.55
	1% decrease	**(96.18)**	(86.82)	(79.95)
Future salary increase	1% increase	**(85.92)**	(78.26)	(72.45)
	1% decrease	**76.28**	69.68	64.40
Withdrawal rate	1% increase	**(7.22)**	(11.22)	(10.52)
	1% decrease	**8.02**	12.46	11.68

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in one significant assumption at a time, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The same method has been applied for the sensitivity analysis as when calculating the recognised defined benefit obligation.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Within the next 12 months (next annual reporting period)	**144.24**	91.12	101.24
Between 2 and 5 years	**372.45**	455.37	270.72
Beyond 5 years	**721.59**	568.56	638.39
Total expected payments	**1,238.28**	1,115.05	1,010.35

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Years	Years	Years
Gratuity	**12.55**	12.09	12.50

The followings are the expected contributions to planned assets for the next year:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Gratuity	**76.00**	60.00	58.41

Notes to the consolidated financial statements

C. Other long-term employment benefits

The Group has Compensated Absences plan which is covered by other long-term employment benefits

March 31, 2017 : Changes in defined benefit obligation and plan assets of Compensated absences

(All amounts in ₹ Lakhs, unless otherwise stated)

	April 1, 2016	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2017
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 33)			
Compensated absences								
Defined benefit obligation	(596.07)	(77.85)	(42.73)	141.05	20.47	124.03	-	**(451.57)**
Fair value of plan assets	-	-	-	-	-	-	-	**-**
Benefit liability	(596.07)	(77.85)	(42.73)	141.05	20.47	124.03	-	**(451.57)**

March 31, 2016 : Changes in defined benefit obligation and plan assets of Compensated absences

(All amounts in ₹ Lakhs, unless otherwise stated)

	April 1, 2015	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2016
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 33)			
Compensated absences								
Defined benefit obligation	(400.59)	(45.49)	(31.30)	(137.26)	(214.05)	18.57	-	(596.07)
Fair value of plan assets	-	-	-	-	-	-	-	-
Benefit liability	**(400.59)**	**(45.49)**	**(31.30)**	**(137.26)**	**(214.05)**	**18.57**	**-**	**(596.07)**

Notes to the consolidated financial statements

40. Related Party Transactions

Related parties have been identified on the basis of requirement of Ind AS 24 'Related Party Disclosures' and representation made by the Key Management Persons and taken on record by the Board.

Disclosures of transactions with Related Parties are as under:

A. Description of Related Parties

i) Name of the Related party and nature of relationship where control exists

Nature of relationship	Name of the Company
Associate Company	Pawas Port Limited Finolex Plasson Industries Private Limited
Enterprise wherein the Company is an associate	Finolex Cables Limited holding 32.39 % in the Group
Enterprises over which Key Management Personnel or their relatives exercise significant influence	Finprop Advisory Services Limited Magnum Machine Technologies Limited

ii) Key Management Personnel:

Key Management Personnel	Mr. Prakash P. Chhabria - Executive Chairman Mr. Saurabh S. Dhanorkar - Managing Director (Till November 30, 2016) Mr. Anil V. Whabi- Director Finance (From August 26, 2016) & CFO Mr. Sanjay S Math - Managing Director (From December 1, 2016)

B. Transactions with Related Parties

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	2016-17	2015-16	2014-15
I. Sales, Services and other income			
Sale of goods			
Finolex Plasson Industries Private Limited	3,783.08	2,765.79	3,148.81
Reimbursement received of expenditure incurred			
Finolex Cables Limited	-	4.28	124.94
Finolex Plasson Industries Private Limited	1.72	-	-
Dividend Received			
Finolex Cables Limited	554.68	399.37	354.99
Finolex Plasson Industries Private Limited	115.88	92.7	69.53
II.Purchase of Material / Assets			
Purchase of Raw Material and Components			
Finolex Cables Limited	-	-	24.14
Finolex Plasson Industries Private Limited	1.05	0.95	1.25
Magnum Machine Technologies Limited	4.38	20.96	55.54
Purchase of Fixed Assets			

Notes to the consolidated financial statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	2016-17	2015-16	2014-15
Finolex Cables Limited	-	-	5.27
Magnum Machine Technologies Limited	-	76.61	342.84
III. Expenses			
Services received			
Finprop Advisory Services Limited	-	-	14.23
Finolex Plasson Industries Private Limited	2.32	8.87	-
Rent			
Finolex Cables Limited	-	3.42	70.28
Reimbursement of Expenses Paid			
Finprop Advisory Services Limited	-	-	0.36
Finolex Plasson Industries Private Limited	-	-	-
Dividend Paid			
Finolex Cables Limited	4,019.26	803.85	2,813.48
Amounts Outstanding			
Due to			
Finolex Cables Limited	0.04	0.04	0.04
Finolex Plasson Industries Private Limited	-	16.08	20.85
Magnum Machine Technologies Limited	-	-	-
Due from			
Finolex Plasson Industries Private Limited	75.64	-	-
Finolex Cables Limited	21.91	21.91	20.81

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: ₹ Nil and April 1, 2015: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2017 (March 31, 2016: ₹ Nil and April 1, 2015: ₹ Nil)

Notes to the consolidated financial statements

Transactions with key management personnel

Compensation of key management personnel of the Group

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016
Short-term employee benefits	1,699.85	1,317.44
Mr. Prakash P. Chhabria	1,135.90	925.81
Mr. Saurabh S. Dhanorkar	187.89	216.29
Mr. Anil V. Whabi	123.24	-
Mr. Sanjay S Math	252.82	175.34
Post employment benefits	8.17	25.59
Mr. Prakash P. Chhabria	3.89	19.24
Mr. Saurabh S. Dhanorkar	1.94	3.55
Mr. Anil V. Whabi	1.01	1.20
Mr. Sanjay S Math	1.33	1.60
Other long term benefits	24.96	24.78
Mr. Prakash P. Chhabria	12.92	11.66
Mr. Saurabh S. Dhanorkar	4.33	5.82
Mr. Anil V. Whabi	3.30	3.30
Mr. Sanjay S Math	4.41	4.00
Total compensation paid to key management personnel	1,732.98	**1,367.81**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Notes to the consolidated financial statements

41. Commitments and contingencies

41.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to ₹ 5,887.24 as at March 31, 2017, ₹ 3,471.22 as at March 31, 2016 and ₹ 104.89 Lakhs as at April 1, 2015.

41.2 Contingent liabilities

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Claims against the Company not acknowledged as debt				
a)	Liabilities in respect of income tax matters for which the Group has succeeded in appeal but Income Tax Department has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	10.17	10.17	10.17
b)	Liabilities in respect of income tax matters for which the Group has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	584.43	502.06	930.29
c)	Excise/Customs/Service Tax in respect of which either show cause notice is received or the Group/Department is in appeal	4,617.97	6,322.90	6,322.90
d)	Sales Tax matters in respect of which either show cause notice is received or the Group/ Department is in appeal	326.55	326.55	8,122.91
e)	Amounts claimed by banks in respect of derivative transactions which are under dispute not acknowledged as debt (USD 20,821,480 as at March 31, 2017; USD 20,821,480 as at March 31, 2016; USD 20,821,480 as at April 1, 2015). In view of counter claims of the Company against the banks, the facts and circumstances of the case and uncertainty of period for which the litigations will continue, a reliable estimate of the liability, if any, cannot be made. It is unlikely that there will be a material liability on the Company on this account in the near future. Therefore, in view of what is stated above no provision is required to be made out of the current year's profit. The company has been legally advised in respect of this issue confirming the aforesaid."	13,502.42	13,794.95	13,022.56

Notes to the consolidated financial statements

42. Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Amortised Cost	Financial assets/ liabilities at fair value through profit and loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments	-	320.85	115,485.24	115,806.09	115,806.09
Current investments	-	5,655.79	-	5,655.79	5,655.79
Trade and other receivables	5,249.29	-	-	5,249.29	5,249.29
Loans	20.02	-	-	20.02	20.02
Cash and short-term deposits	1,634.44	-	-	1,634.44	1,634.44
Other financial assets	5,731.85	-	-	5,731.85	5,731.85
Total	12,635.60	5,976.64	115,485.24	134,097.48	134,097.48
Financial liabilities					
Borrowings	9,418.47	-	-	9,418.47	9,418.47
Trade and other payables	22,747.86	-	-	22,747.86	22,747.86
Other financial liabilities	5,559.12	-	-	5,559.12	5,559.12
Total	37,725.45	-	-	37,725.45	37,725.45

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2016

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Amortised Cost	Financial assets/ liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments		479.71	65,246.39	65,726.10	65,726.10
Current investments		5,559.51		5,559.51	5,559.51
Non-current assets held for sale		75.00		75.00	75.00
Trade and other receivables	4,870.45			4,870.45	4,870.45
Loans	18.17			18.17	18.17
Cash and short-term deposits	1,230.00			1,230.00	1,230.00
Other financial assets	135.16			135.16	135.16
Total	**6,253.78**	**6,114.22**	**65,246.39**	**77,614.39**	**77,614.39**
Financial liabilities					
Borrowings	58,668.66			58,668.66	58,668.66
Trade payables	20,000.11			20,000.11	20,000.11
Other financial liabilities	8,219.94			8,219.94	8,219.94
Total	**86,888.71**	**-**	**-**	**86,888.71**	**86,888.71**

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

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

Non-current investments

The fair value of investments in quoted equity shares is based on the respective quoted price in the active markets as at the measurement date.

The fair value of investments in unquoted equity shares has been estimated using the net asset value method. The valuation requires to consider the cost of replacement of an asset as an indication of the fair market value of that asset.

Current investments

The Group's current investments consist of investment in units of mutual funds and quoted non-convertible debentures. The fair value of investments in mutual funds is derived from the NAV of the respective units in the active market at the measurement date. The fair value of the non-convertible debentures is derived from quoted market prices in active markets at the measurement date.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2017, March 31, 2016 and April 1, 2015 are as shown below:

As at March 31, 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset value method	Recknor rate	890-1160	Increase (decrease) in the rate would decrease (increase) the fair value.

As at March 31, 2016

(All amounts in ₹ Lakhs, unless otherwise stated)

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset value method	Recknor rate	890-1160	Increase (decrease) in the rate would decrease (increase) the fair value.

As at April 1, 2015

(All amounts in ₹ Lakhs, unless otherwise stated)

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset value method	Recknor rate	890-1160	Increase (decrease) in the rate would decrease (increase) the fair value.
I2IT Private Limited	Net asset value method	Liquidity discount	20%-40%	Increase (decrease) in the discount would decrease (increase) the fair value.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Reconciliation of fair value measurements of non-current investments in unquoted equity shares classified as FVOCI

(All amounts in ₹ Lakhs, unless otherwise stated)

	I2IT Private Limited	Finolex Infrastructure Limited	Peninsula Realty Fund
As at April 1, 2015	**878.40**	**1,292.35**	**461.72**
Re-measurements recognised in OCI	(268.40)	(1.43)	
Re-measurements recognised in Profit and Loss			1.32
Reclassified as held for sale		-	
Sales	(610.00)		(17.21)
As at April 1, 2016	**-**	**1,290.92**	**445.83**
Re-measurements recognised in OCI	-	(433.25)	
Re-measurements recognised in Profit and Loss			(63.85)
Reclassified as held for sale			
(Sales)/Purchase		4.90	(101.43)
As at March 31, 2017	**-**	**862.57**	**280.55**

Reconciliation of fair value measurements of non-current assets held for sale (Investment in equity shares of Rajasthan Olive Cultivation Limited)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Amount
As at April 1, 2015	75.00
Re-measurements recognised in OCI	-
Reclassified as held for sale	-
Sales	(75.00)
As at April 1, 2016	**-**
Re-measurements recognised in OCI	-
Reclassified as held for sale	-
Sales	-
As at March 31, 2017	**-**

43. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial instruments measured at fair value after initial recognition:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

(All amounts in ₹ Lakhs, unless otherwise stated)

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2017	114,622.66	114,622.66		
Gulf Oil Corporation Ltd.	March 31, 2017	35.94	35.94		
Gold Crest Corporation Ltd.	March 31, 2017	4.26	4.26		
Finolex Infrastructure Limited	March 31, 2017	862.58			862.58
Investment in equity shares of units of Peninsula Realty Fund	March 31, 2017	280.55		280.55	
Current investments:					
Investments in units of mutual funds	March 31, 2017	5,655.79		5,655.79	

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016:

(All amounts in ₹ Lakhs, unless otherwise stated)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2016	62,341.24	62,341.24		
Gulf Oil Corporation Ltd.	March 31, 2016	13.46	13.46		
Gold Crest Corporation Ltd.	March 31, 2016	3.61	3.61		
Finolex Infrastructure Limited	March 31, 2016	1,290.92			1,290.92
Investment in equity shares of units of Peninsula Realty Fund	March 31, 2016	445.82		445.82	
Current investments:					
Investments in units of mutual funds	March 31,2016	16,870.89		16,870.89	

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015:

(All amounts in ₹ Lakhs, unless otherwise stated)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2015	63,075.64	63,075.64		
Gulf Oil Corporation Ltd.	March 31, 2015	14.29	14.29		
Gold Crest Corporation Ltd.	March 31, 2015	3.60	3.60		
I2IT Private Limited	March 31, 2015	878.40			878.40
Finolex Infrastructure Limited	March 31, 2015	1,292.35			1,292.35
Investment in equity shares of units of Peninsula Realty Fund	March 31, 2015	461.72		461.72	
Current investments:					
Investments in units of mutual funds	March 31, 2015	3,502.98		3,502.98	
Investment in quoted and listed non-convertible debentures	March 31, 2015	2,056.53	2,056.53		
Non-current assets held for sale:					
Investment in equity shares of Rajasthan Olive Cultivation Limited	March 31, 2015	75.00			75.00

There were no transfers between level 1 and level 2 during the year ended March 31, 2017 and March 31, 2016.

44. Financial risk management objective and policies

The Group's principal financial liabilities comprise short term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, trade receivables and cash and cash equivalents that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework. The risk management committee provides assurance to the Group's management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies appetite. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include borrowings and investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed-to floating interest rates of the debt are all constant as at March 31, 2017 and March 31, 2016.

The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has short term borrowings with fixed interest rates and hence the future cash-flows of relevant financial instrument are not affected by changes in market interest rate.

Notes to the consolidated financial statements

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities on account of import of raw materials.

PVC pricing is on import parity and import parity value of sales of the Group approximately equates the USD payables on a six monthly rolling basis due to which a natural hedge exists and hence the Group does not generally need to resort to hedging by way of forward contracts, options, etc.

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of exposure	Currency	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Borrowings (Secured)	USD	**145.23**	168.30	645.69
Trade payables	USD	**271.94**	311.27	182.39
	EUR	**0.86**	-	-

Commodity price risk

The Group is affected by the volatility of certain commodities. Its operating activities involve the ongoing purchase of Vinyl Chloride Monomer ('VCM'), Ethylene and Ethylene Dichloride ('EDC'), all being petrochemical products, and manufacturing of PVC and pipes and fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Group are monitored by Group management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the Group is exposed to the variation in commodity prices over short term period.

Commodity price risk

The following table shows the effect of price changes for VCM, Ethylene EDC after the impact of hedge accounting:

(All amounts in ₹ Lakhs, unless otherwise stated)

	Change in year-end price	Effect on profit before tax
March 31, 2017		
VCM	+5%	(2,862.63)
	-5%	2,862.63
Ethylene	+5%	(1,374.12)
	-5%	1,374.12
EDC	+5%	(1,005.77)
	-5%	1,005.77
March 31, 2016		
VCM	+5%	(2,372.06)
	-5%	2,372.06

(All amounts in ₹ Lakhs, unless otherwise stated)

	Change in year-end price	Effect on profit before tax
Ethylene	+5%	(1,231.77)
	-5%	1,231.77
EDC	+5%	(886.55)
	-5%	886.55

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 862.68 Lakhs . A decrease of 10% in the fair value will have an impact of approximately ₹ 86.23 Lakhs on OCI and ₹ 0.01 on Profit and loss or equity attributable to the Group. An increase of 10% in the value of the securities would also impact OCI, profit and loss and equity.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 114,662.86 Lakh. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 1,162.27 Lakh on OCI and ₹ 4.02 Lakh on Profit and loss or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI, profit and loss and equity.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group evaluates credit risk with respect to trade receivables as low, as its payment terms are mostly advance basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Notes 13-15.

Notes to the consolidated financial statements

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and polices related to such risk are overseen by Senior management. Management monitors the Group's net liquidity position on a monthly and quarterly basis through its Senior management meeting and board meetings. They use rolling forecasts on the basis of expected cash flows.

The senior management focuses on reducing the outflow in working capital via, reducing the inventory as at end of any period, reducing the trade receivable balances. The Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and short term borrowings from banks.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

	On demand	**< 3 months**	**3-12 months**	**1-5 years**	**Total**
Trade and security deposits				**34.90**	**34.90**
Short term borrowings		**9,418.47**			**9,418.47**
Trade Payables	**101.56**	**22,646.30**			**22,747.86**
Payable to employees		**1,092.50**			**1,092.50**

As at March 31, 2016

(All amounts in ₹ Lakhs, unless otherwise stated)

	On demand	< 3 months	3-12 months	1-5 years	Total
Trade and security deposits				39.21	39.21
Short term borrowings		11,171.20			11,171.20
Trade Payables	115.85	24,202.90			24,318.75
Payable to employees		1,866.78			1,866.78

As at March 31, 2015

(All amounts in ₹ Lakhs, unless otherwise stated)

	On demand	< 3 months	3-12 months	1-5 years	Total
Long term borrowings (including current portion)		417.00	4,584.33	16,248.67	21,250.00
Trade and security deposits				39.01	39.01
Short term borrowings		7,755.44	32,584.70		40,340.14
Trade Payables	154.38	19,845.73			20,000.11
Payable to employees		1,215.13			1,215.13

Notes to the consolidated financial statements

45. Capital management

Capital includes equity shares and other equity attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep low gearing ratio. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash deposits.

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings	9,418.47	11,171.20	58,668.66
Current investment	(5,655.79)	(16,870.89)	(5,559.51)
Cash and cash equivalent	(1,634.44)	(1,041.16)	(1,230.02)
Net debt	2,128.24	(6,740.85)	51,879.13
Share Capital	12,409.54	12,409.54	12,409.54
Other equity	219,067.53	146,640.63	125,107.16
Capital and net debt	233,605.31	152,309.32	189,395.83
Gearing ratio	1%	-4%	27%

There are no financial covenants which are attached to the amounts borrowed by the Group.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

46. Exceptional item

During the year ended March 31, 2016, the company received eligibility certificate for the Industrial Promotion Subsidy under the Package Scheme of Incentives. Accordingly, the Company become entitled to receive electricity duty refund amounting to ₹ 2,447.79 Lakhs relating to period April 1, 2011 to March 31, 2014. This has been recognised as an exceptional item in the financial statements.

47. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards

Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

Since the Group does not have cash settled awards or awards with net settlement features, this amendment does not have any effect on the financial statements of the Group.

48. Statutory information

Associate - Finolex Plasson Industries Limited:

(All amounts in ₹ Lakhs, unless otherwise stated)

	Net Assets		Share in profit and loss	Share in OCI	Share in Total Comprehensive income
	As % of consolidated net assets	Amount	Amount	Amount	Amount
March 31, 2017	46.35%	5,215.81	932.42	5.75	938.17
March 31, 2016	46.35%	4,728.30	1,048.55	0.65	1,049.20
April 1, 2015	46.35%	4,181.84	3,469.43	-	3,469.43

Notes to the consolidated financial statements

49. Details of specified bank notes

Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the Table below:

(All amounts in ₹ Lakhs, unless otherwise stated)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.19	0.28	2.47
(+) Permitted receipts	0.14	5.63	5.77
(-) Permitted payments	-	5.52	5.52
(-) Amount deposited in Banks	2.33	-	2.33
Closing cash in hand as on 30.12.2016	-	0.39	0.39

Details of Specified Bank Notes (SBN) held and transacted by associates during the period November 8, 2016 to December 30, 2016 are as follows:

(All amounts in ₹ Lakhs, unless otherwise stated)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.27	0.02	0.29
(+) Permitted receipts	0.04	0.37	0.41
(-) Permitted payments		0.28	0.28
(-) Amount deposited in Banks	0.31	-	0.31
Closing cash in hand as on 30.12.2016		0.11	0.11

50. Donation to political party

(All amounts in ₹ Lakhs, unless otherwise stated)

Name of the party to which such amount has been contributed	31 March 2017	31 March 2016
Bharatiya Janata Party	25.00	2.00
Total amount contributed	25.00	2.00

51. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(All amounts in ₹ Lakhs, unless otherwise stated)

	31 March 2017	31 March 2016
Principal amount*	245.52	60.22
Interest due on above and unpaid interest	0.90	-
Interest paid	-	-
Payment made beyond appointment day	-	-
Interest due and payable for the period of delay	0.90	-
Interest accrued and remaining unpaid	0.90	-
Amount of further interest remaining due and payable in succeeding years	0.90	-
* Cumulative amount during entire year		

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ in Lakh)

Sr. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
The Company does not have subsidiary company, hence this part is not applicable.														

Notes: The following information shall be furnished at the end of the statement:
1 Names of subsidiaries which are yet to commence operations
2 Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

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

₹ in Lakhs

Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation (only holding % considered) (-ve indicate loss)
		1	2			3	4	5	6	
1	Finolex Plasson Industries Pvt Ltd (Associate)	31.3.2017	4635000	463.50	46.35	Voting power	N.A.	5,215.81	932.42	Nil

Names of associates or joint ventures which are yet to commence operations: Pawas Port Limited

For and on behalf of the Board of Directors

Sanjay S. Math
Managing Director
DIN: 01874086
Pune: 26th May, 2017