

31<sup>st</sup> July 2017

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

Scrip Code: 515043

Dear Sir /Madam,

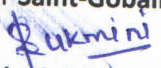
**Annual Report 2016-17**

The 44<sup>th</sup> Annual General Meeting of the Company was held on Saturday, 29<sup>th</sup> July 2017 at 3:00 p.m. at Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune – 411 034 and the businesses mentioned in Notice dated 26<sup>th</sup> May 2017 were transacted.

We enclose the Annual Report 2016-17, approved and adopted at the Annual General Meeting held on Saturday, 29<sup>th</sup> July 2017.

We request you to take the same on record.

Thanking you,  
For Saint-Gobain Sekurit India Limited

  
**Rukmini Subramanian**  
Company Secretary

Encl. as above.



Saint-Gobain Sekurit India Limited



## Annual Report 2016-17



## BOARD OF DIRECTORS

**Mr. M. G. Ramkrishna (Chairman)**

**Mr. Anand Mahajan**

**Mr. Padmanabha Shetty**

**Ms. Anupama Vaidya**

**Mr. A. Dinakar (Managing Director)**

## CHIEF FINANCIAL OFFICER

**Mr. R. Manigandann**

## COMPANY SECRETARY

**Ms. Rukmini Subramanian**

## BANKERS

Standard Chartered Bank

HDFC Bank

State Bank of India

## STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP

## REGISTRARS & TRANSFER AGENTS

Link Intime India Private Limited

C 101, 247 Park,

LBS Marg, Vikhroli West,

Mumbai 400 083

Tel. No.: +91 22 4918 6000

Fax No.: +91 22 4918 6060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## REGISTERED OFFICE

T-94, M.I.D.C.,

Bhosari Industrial Area,

Pune – 411 026, Maharashtra.

Tel. No.: +91 020 6631 1600

Fax No.: +91 020 6631 1666

## CHAKAN WORKS

Plot No. 621, Village Kuruli,

Pune-Nashik Road,

Chakan, Pune – 410 510,

Maharashtra

**Email id:** [Investors-SEK.L05Gen@saint-gobain.com](mailto:Investors-SEK.L05Gen@saint-gobain.com)

**Website:** [www.sekuritindia.com](http://www.sekuritindia.com)

**Corporate Identity Number:** L26101MH1973PLC018367

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## NOTICE

NOTICE is hereby given that the 44<sup>th</sup> Annual General Meeting of the members of Saint-Gobain Sekurit India Limited will be held on Saturday, 29<sup>th</sup> July 2017 at 3:00 p.m. at Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune – 411 034, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2017, together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Anand Mahajan (Director Identification No. 00066320) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, and pursuant to recommendation of the Audit Committee of the Company, M/s. Kalyaniwalla & Mistry LLP (Registration No. 104607W / W1000166) be and is hereby appointed as the Auditors of the Company to hold office for a term of five consecutive years commencing from the conclusion of the 44<sup>th</sup> Annual General Meeting till the conclusion of 49<sup>th</sup> Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS

4. Ratification of remuneration to Cost Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, the remuneration amounting to ₹ 1.40 Lakhs (Rupees One Lakh Forty Thousand) plus service tax and out of pocket expenses at actuals, payable to Mr. G. Thangaraj, Cost Accountant (Registration No. M5997), appointed by the Board of Directors as the Cost Auditor of the Company, to audit the cost records maintained by the Company, for the financial year ending 31<sup>st</sup> March 2018.”

5. Approval of material related party transactions

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into contracts/ arrangements/transactions in ordinary course of business and on arms length basis with Saint-Gobain India Private Limited, a “Related Party” for purchase, sale or transfer of products, goods, scrap, consumables, materials, assets, services and other obligations during the period from 1<sup>st</sup> August 2017 to 31<sup>st</sup> July 2018, for an aggregate amount not exceeding ₹ 10,000 Lakhs (Rupees Ten Thousand Lakhs).”

By Order of the Board of Directors

**Rukmini Subramanian**  
Company Secretary

Mumbai, 26<sup>th</sup> May 2017

#### Registered Office:

T-94, M.I.D.C., Bhosari Industrial Area,

Pune – 411 026, Maharashtra

Tel: +91 20 6611 4153

Email: Investors-SEK.L05Gen@saint-gobain.com

Website: www.sekuritindia.com

Corporate Identity Number: L26101MH1973PLC018367

## NOTES :

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), relating to the Special Business to be transacted at the Annual General Meeting ("AGM"), and the relevant details, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards by The Institute of Company Secretaries of India, of person seeking reappointment as Director under Item No. 2 of the Notice, is annexed hereto.
2. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.**

**Members are requested to note that a person can act as proxy on behalf of not exceeding fifty (50) Members and holding in aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**

3. Corporate Members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant board resolution together with their respective specimen signature of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 21<sup>st</sup> July 2017 to Saturday, 29<sup>th</sup> July 2017 (both days inclusive).
5. The Notice of AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company or Depository Participant(s) unless the Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
6. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2015, as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means through e-Voting services ("e-voting") provided by Central Depository Services (India) Limited. The Members whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, 22<sup>nd</sup> July 2017, being cut off date, are entitled to vote on the resolutions set forth in the Notice. Members may cast their votes on electronic voting system from any place other than the venue of AGM ("remote e-voting"). The remote e-voting period will commence on Tuesday, 25<sup>th</sup> July 2017 at 9:00 a.m. and will end on Friday, 28<sup>th</sup> July 2017 at 5:00 p.m. In addition, facility of voting through ballot paper shall also be made available at the AGM and Members attending the AGM who have not casted their vote by remote e-voting shall be able to exercise their right at the AGM. The Company has appointed Mr. V. N. Deodhar, Practicing Company Secretary, to act as Scrutiniser, to scrutinize the remote e-voting process and votes cast through Ballot Paper at the AGM in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

### Remote e-voting process

- I. The Company has entered into an arrangement with Central Depository Services (India) Limited ("CDSL") for facilitating remote e-voting facility for the AGM. The instructions for remote e-voting are as under:
  - a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - b. Click on Shareholders.
  - c. Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



If you are a first time user follow the steps given below:

For Members holding shares in demat Form and physical Form:

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number mentioned in "Password" field in the electronic voting particulars.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- d. After entering these details appropriately, click on "SUBMIT" tab.
- e. Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- g. Click on the EVSN for Saint-Gobain Sekurit India Limited on which you choose to vote.
- h. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- i. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- j. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- k. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- l. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- m. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- n. Note for Non-Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a user should be created using the admin login and password. The user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), or contact Mr. Santosh Jaiswal, Associate Vice President, Link Intime India Private Limited, Unit: Saint-Gobain Sekurit India Limited, C-101, 247 Park, L B S Marg, Vikhroli (West) Mumbai 400 083 at email id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or at Telephone No.: +91 22 4918 6270.
- III. The voting rights shall be in proportion to their shares of paid up equity share capital of the Company as on the cut-off date, Saturday, 22<sup>nd</sup> July 2017.
- IV. Members who acquire shares after the dispatch of the Annual Report and are Member as on the cut-off date, Saturday, 22<sup>nd</sup> July 2017, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
- V. If you forgot your password, you can reset password by using “Forgot user details/password” option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL on toll free no. 1802005533.
- VI. The results of remote e-voting and voting through Ballot Paper will be declared to the Stock Exchanges after the AGM within the prescribed time limit. The results along with the Scrutinizer’s Report, shall be placed on the website of the Company.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the AGM.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of contracts or arrangements in which Directors are interested, maintained under Section 189 of the Act will be available for inspection at the AGM.
9. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Services (“NECS”), Electronic Clearing Service (“ECS”), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant(s) (“DP”). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and its Registrars and Transfer Agents, Link Intime India Private Limited (“Link Intime”) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to DP with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime.
11. Members/Proxies should bring the duly filled Attendance Slip to the AGM and hand it over at the Registration Counter at the venue.
12. To support the ‘Green Initiative’, the Members who have not registered their e-mail addresses are requested to register the same with Link Intime/DPs.
13. Members desirous of any information relating to the financial statements and/or operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, at least ten days in advance of AGM, so that the information, to the extent practicable, can be made available at the AGM.

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

The following Statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice:

### Item No. 4

The Board, on recommendation of the Audit Committee, approved the appointment of Mr. G. Thangaraj, Cost Accountant (Registration No. M5997) as “Cost Auditor” of the Company, for a remuneration of ₹1.40 Lakhs (Rupees One Lakh Forty Thousand) plus service tax and out of pocket expenses at actuals, to conduct the audit of the cost records for the financial year ended 31<sup>st</sup> March 2018.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in this resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 for approval by the Members.

**Item No. 5**

Saint-Gobain India Private Limited ("SGIPL") is a "Related Party" within the meaning of Section 2(76) of the Companies Act, 2013. Transactions for purchase, sale or transfer of products, goods, scrap, consumables, materials, assets, services and other obligations from/to Saint-Gobain India Private Limited are deemed to be "material" in nature as per the explanation to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Audit Committee and Board of Directors at their meetings held on 26<sup>th</sup> May 2017, have approved to enter into contracts/arrangements/transactions for an aggregate amount upto ₹ 10,000 Lakhs (Rupees Ten Thousand Lakhs) with SGIPL during the period from 1<sup>st</sup> August 2017 to 31<sup>st</sup> July 2018.

In terms of Regulation 23(4) of the Listing Regulations, all material Related Party Transactions require approval of the shareholders and the related parties shall abstain from voting on such resolutions.

The particulars of the contracts/arrangements/transaction are as under:

Particulars	Information
Name of Related Party	Saint-Gobain India Private Limited.
Name of Director (s) or Key Managerial Personnel who is related	Mr. Anand Mahajan who is a director in the Company is also the Chairman & Managing Director of SGIPL.
Material terms of the contract/arrangements/transactions	Purchase, sale or transfer of products, scrap, goods, consumables, materials, assets, services and other obligations.
Monetary Value	Not exceeding ₹ 10,000 Lakhs.
Are the transaction in the ordinary course of business	Yes.
Are the transaction on an arm's length basis	Yes.
Whether transaction would meet the arm's length standard in the opinion of the Company's Transfer Pricing consultants	Yes.
Whether the transaction have been approved by Audit Committee and the Board of Directors	Yes.
Any other information relevant or important for the members to make a decision on the proposed transactions	None.

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

The Board is of the opinion that the transactions of the purchase, sale or transfer of products, scrap, goods, consumables, materials, assets, services and other obligations to/from SGIPL are in the best interests of the Company.

None of the Directors or Key Managerial Personnel or their relatives other than Mr. Anand Mahajan, Director, are concerned or interested in this resolution.

The Board commends the Ordinary Resolution set out in Item No. 5 of the Notice for the approval of the Members.

By Order of the Board of Directors

**Rukmini Subramanian**  
Company Secretary

Mumbai, 26<sup>th</sup> May 2017

**Registered Office:**

T-94, M.I.D.C., Bhosari Industrial Area,

Pune – 411 026, Maharashtra

Tel: +91 20 6611 4153

Email: Investors-SEK.L05Gen@saint-gobain.com

Website: www.sekuritindia.com

Corporate Identity Number: L26101MH1973PLC018367

## ANNEXURE TO THE NOTICE DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	Mr. Anand Mahajan
Director Identification Number	00066320
Date of Birth	3 <sup>rd</sup> January 1953
Age	64 years
Date of appointment	9 <sup>th</sup> June 1995
Qualification	B.A. (Honours) from St. Xavier's College, Mumbai, Masters degree in Economics from the University of Bombay and MBA from Cornell University, USA.
Expertise in specific functional areas	Wide experience in banking and management.
Number of Meetings of Board attended during the year	5 out of 5 board meetings held
Directorships held in other listed companies (excluding foreign companies and Section 8 companies)	<ul style="list-style-type: none"> <li>Grindwell Norton Limited</li> <li>Unichem Laboratories Limited</li> </ul>
Memberships/Chairmanships of committees of other Companies (included only Audit Committee and Stakeholders' Relationship Committee)	Audit Committee - Grindwell Norton Limited (Member) Stakeholders Relationship Committee - Grindwell Norton Limited (Member)
Number of shares held in the Company	Nil
Remuneration drawn	Nil

Mr. Anand Mahajan, Director, does not have any relationship with any other Director or Key Managerial Personnel of the Company in terms of the Act.

### ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING

Venue: Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune – 411 034  
Landmark: New RTO Pune.





## BOARD'S REPORT

The Members,

Your Directors present the 44<sup>th</sup> Annual Report of the Company along with the audited financial statements for the year ended 31<sup>st</sup> March 2017.

### 1. Financial Highlights

(₹ Lakhs)

	2016-17	2015-16
Revenue from operations	13,868.87	15,723.40
Operating Profit	1,066.04	1,537.03
Exceptional Item	0.00	(1,491.67)
Interest	28.99	45.09
Profit before Tax	1,037.05	0.27
Provision for Tax	(360.24)	(0.15)
Profit after Tax	676.81	0.12
Other Comprehensive Income (Net of Tax)	(23.84)	(9.48)
Total Comprehensive Income	652.97	(9.36)
Deficit brought forward	(2,233.67)	(2,224.31)
Deficit carried to Balance sheet	(1,580.71)	(2,233.67)

### 2. Dividend

On account of accumulated losses, your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2017.

### 3. Operations

In the fiscal year 2016-17, the new, recently released, Index for Industrial Production (IIP) witnessed an increase of 5% (the increase as per the old Index was less than 1%). The new Index, where the base year is 2011-12 and the basket of goods has been changed, is expected to be more representative of the growth of the sector. In line with the new IIP, the auto industry registered a growth of 5.6% over previous year. The 3-wheeler segment reported a decline in sales, mainly due to sharp drop in exports which was affected due to policy changes in the overseas markets. The growth in commercial vehicles segment was affected by the uncertainty in the policy on emission norms and scarcity of liquidity. As you know, your Company's sales are primarily to these two segments of the market. As such, your Company's sales decreased by 12% and, consequently, operating profit decreased by 31%. While the long term outlook for the auto industry is positive, the short term outlook remains uncertain.

### 4. Material changes and commitments after the end of financial year

There have been no material changes and commitments, affecting the financial position of the Company, which occurred between the end of the financial year and date of this report.

### 5. Particulars of loans, guarantees or investment

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 ("Act") are given in the notes forming part of the financial statements.

### 6. Human Resources

Employee relations were cordial. Your Directors place on record their appreciation for contribution made by all employees of your Company. As on 31<sup>st</sup> March 2017, there were 141 employees. During the year a new productivity-enhancing wage agreement was concluded with the worker's union at Chakan Plant.

The Company follows best practices in hiring and on-boarding of employees. The Company adopts fair and transparent performance evaluation processes. In order to improve the organizational efficiency and employee engagement, various process change initiatives were undertaken during the year. Your Company believes in conducting its business in a highly transparent and ethical way. To ensure this and also to improve skill levels, employees participate in various training programmes and complete mandated e-learning courses.

Your Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees have a right to be treated with dignity and has zero tolerance towards violation of its Code of Conduct and Sexual Harassment Policy. The Company has a Policy on Sexual Harassment which is widely disseminated. During the year under review, no complaint of sexual harassment has been received by the Compliance Committee.

### 7. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in Annexure 1 to this Report.

## 8. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of the Annual Report.

Having regard to the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full annual report including the aforesaid information is available on the website of the Company, [www.sekuritindia.com](http://www.sekuritindia.com).

## 9. Public Deposits

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## 10. Directors and Key Managerial Personnel

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Anand Mahajan (Director Identification No.00066320), Director, retires by rotation and being eligible offers himself for re-appointment.

None of the Director or Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company, other than, sitting fees & salaries.

## 11. Director's appointment and remuneration

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration. These are set out in the Nomination and Remuneration policy annexed as Annexure 3 to this Report.

## 12. Annual evaluation of performance by the Board

The Board, on recommendation of the Nomination and Remuneration Committee, has adopted a framework for performance evaluation of the Board, its committees, individual directors and the chairperson through a survey questionnaire. The survey questionnaire broadly covers various aspects of the board functioning, composition of Board and its committees, culture, execution and performance of specific duties, obligation and governance. Further, the Independent Directors, at their separate meeting held during the year, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

## 13. Declaration given by independent directors

The Company has received necessary declarations from Independent Directors pursuant to Section 149(7) of the Act confirming that they meet the criteria of independence as under Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

## 14. Familiarisation programme for Independent Directors

The Company's familiarisation programme for Independent Directors provides orientation and training at the time of joining to enable them to understand the operations, business and other details of the Company. Details of the familiarisation programme for Independent Directors are available on the website of the Company, [www.sekuritindia.com](http://www.sekuritindia.com). The Independent Directors are regularly briefed on the developments that are taking place in the Company and its operations.

## 15. Number of meetings of the Board

The Board meets at regular intervals to review the Company's business and to discuss strategy and plans. A tentative annual calendar of the meetings is circulated to the Directors in advance to enable them to plan their schedule and to ensure effective participation.

During the year, five board meetings were held. The maximum interval between the meetings did not exceed the period prescribed under the Act, and the Listing Regulations.

## 16. Committees of the Board

In accordance with the Act, and the Listing Regulations, the Board has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Share Transfer Committee

Details of the Committees along with their constitution and other details are provided in the "Corporate Governance Report".



## 17. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Act,

- i. that in the preparation of the annual financial statements for year ended 31<sup>st</sup> March 2017, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates have been made, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31<sup>st</sup> March 2017, and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual financial statements have been prepared on a 'going concern' basis;
- v. that proper internal financial controls are in place and that such internal financial controls are adequate and are operating effectively;
- vi. that systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and are operating effectively.

With reference to the point number (v), the Board believes that the Company has sound Internal Financial Controls ("IFC") commensurate with the nature and size of its business. However the business is dynamic and IFC are not static, and evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will therefore be gaps in the IFC as business evolves. The Company has a process in place to continuously identify such gaps and implement newer and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

## 18. Related Party Transactions

All related party transactions entered during the financial year were on an arm's length basis. The Company has obtained necessary approvals towards the related party transactions, as prescribed by the Act, and the Listing Regulations.

The policy on related party transactions, as approved by the Board, is available on the website of the Company, [www.sekuritindia.com](http://www.sekuritindia.com).

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in prescribed Form AOC-2, is annexed as Annexure 4 to this Report.

## 19. Corporate Social Responsibility

In accordance with Section 135 of the Act, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted to monitor the CSR policy and the programmes and to ensure that they are in line with the Act, and the Rules made thereunder. The CSR policy and initiatives taken during the year in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, are annexed as Annexure 5 to this Report.

## 20. Risk Management and internal financial controls

Your Company recognizes that managing risk is an integral part of good management practice and an essential element of good corporate governance. It aims to have a common, formalized and systematic approach for managing risk and implementing risk management process across the Company. The Company ensures effective communication and management of risk across all risk categories. The Company has identified elements of risk, which may threaten, the existence and financial position of the Company and are set out in Management Discussion and Analysis.

The Company's internal financial control systems are commensurate with the nature of its business, financial statements and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

## 21. Whistle-Blower Policy and Vigil Mechanism

Your Company has adopted and disseminated its Whistle-Blower Policy to provide a secure environment and encourage employees to report unethical, unlawful or improper practices, acts or activities and to prohibit any adverse personnel action against those who report such practices in good faith.

The Whistle-Blower Policy is available on the website of the Company, [www.sekuritindia.com](http://www.sekuritindia.com).

## 22. Auditors

### a. Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N / N500016), Statutory Auditors of your Company, retire at the conclusion of the ensuing Annual General Meeting. As per the Act, M/s. Price Waterhouse Chartered Accountants LLP are not eligible for re-appointment as Statutory Auditors of the Company. The Board of Directors places on record their appreciation for services rendered by M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company.

The Board of Directors of your Company, recommend the appointment of M/s. Kalyaniwalla & Mistry LLP (Registration No.104607W / W100166) as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of the 44<sup>th</sup> Annual General Meeting until the conclusion of 49<sup>th</sup> Annual General Meeting, subject to ratification of their appointment by the Members at every Annual General Meeting of the Company. In terms of Regulation 33(1)(d) of the Listing Regulations, M/s. Kalyaniwalla & Mistry LLP have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

M/s. Kalyaniwalla & Mistry LLP have confirmed their eligibility and willingness for the appointment. A resolution seeking their appointment has been included in the Notice convening the Annual General Meeting.

### b. Cost Auditor

The Company has appointed Mr. G. Thangaraj, Cost Accountant, as Cost Auditor to audit the cost accounting records maintained by the Company for the financial year ending 31<sup>st</sup> March 2018. A resolution seeking Member's ratification for remuneration payable to the Cost Auditor forms part of the Notice of the Annual General Meeting of the Company and same is recommended for your consideration and ratification.

### c. Secretarial Auditor

The Company had appointed M/s. V. N. Deodhar & Co., Company Secretaries, to undertake Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March 2017. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2017 is annexed as Annexure 6 to this Report.

## 23. Comments on Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors, in their Auditor's Report and by M/s. V. N. Deodhar & Co., Company Secretaries, in their Secretarial Audit Report.

The Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year ended 31<sup>st</sup> March 2017.

## 24. Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations. All orders received by the Company during the year are of routine in nature which have no significant / material impact.

## 25. Extract of Annual Return

An extract of Annual Return in the prescribed form MGT-9 is annexed as Annexure 7 to this Report.

## 26. Management Discussion & Analysis and Corporate Governance Report

In terms of the Regulation 34(2)(e) of the Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and the Management Discussion and Analysis are annexed and form part of this Report.

## Acknowledgements

Your Directors take this opportunity to acknowledge with sincere gratitude the support of its esteemed customers, the strength it derives from its association with Compagnie de Saint-Gobain and its subsidiaries, the continued support and co-operation from its Bankers and the loyalty of the Company's Dealers, Suppliers and valued Shareholders.

On behalf of the Board of Directors

**Anand Mahajan**  
Director

**A. Dinakar**  
Managing Director

Mumbai, 26<sup>th</sup> May 2017

**ANNEXURE 1****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of energy**

Your Company is committed to adapt measures to ensure a clean, green, pollution-free environment as well as a safe and healthy work place at its plant and work sites. The Chakan Plant of your Company is certified by ISO 14001:2004 and OHSAS 18001:2007. These certifications are a recognition of the sustained efforts made by your Company in improving Environment, Health and Safety ("EHS").

The Company has taken various measures to conserve energy and resources.

**B. Technology Absorption**

Your Company believes that technology absorption, adaptation and innovation is an on-going process. During the year, the Company through its interactions with Saint-Gobain has taken measures to improve the existing processes and understand and adapt latest trends in technology related to the business of the Company. This has helped your Company to continuously improve its manufacturing processes, improve efficiencies and develop new products.

**1. Specific areas in which research and development (R&D) was carried out by the Company and benefits thereof**

- i. Area: Improvement in laminating small glasses  
Benefit: To meet the customers design needs and their requirements.
- ii. Area: Enhanced capability of cutting lines for commercial laminations  
Benefit: Enlarging scope of development of newer and complex designs.
- iii. Area: Development of new assembly process  
Benefit: Enhanced the line to handle wide range of laminations in terms of size.

**2. Future plans of action:**

- i. Continuous development by technology adoption in manufacturing process of laminated automobile glass to cater to the demands of the Company's customers.
- ii. Measures to improve operational efficiencies and technical performance of the Chakan Plant.

**3. Expenditure on R&D for the year ended 31<sup>st</sup> March 2017:**

	(₹ Lakhs)
i) Capital	Nil
ii) Recurring	197.55
iii) Total	197.55
iv) Total R&D expenditure as % of total turnover	1.42

**C. Foreign exchange earnings and outgo:**

Total earnings in foreign exchange for the financial year ended 31<sup>st</sup> March 2017 were ₹ 34.99 Lakhs and the total outflow was ₹ 1,337.22 Lakhs.

## ANNEXURE 2

### PARTICULARS OF EMPLOYEES

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

#### A. Details pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2016-17 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary:

Sr. No.	Name of the Director/ Key Managerial Personnel and Designation	% of increase in remuneration in the financial year ended 31 <sup>st</sup> March 2017	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. M. G. Ramakrishna Chairman, Non-Executive Independent Director	29	> 1
2.	Mr. Padmanabha Shetty Non-Executive Independent Director	29	> 1
3.	Mr. Manigandann R. Chief Financial Officer	*	NA
4.	Ms. Rukmini Subramanian Company Secretary	*	NA

- Mr. Manigandann R., Chief Financial Officer and Ms. Rukmini Subramanian, Company Secretary, were appointed from 1<sup>st</sup> May 2016 and 18<sup>th</sup> May 2016, respectively. Accordingly, the disclosures with respect to increase in their salary and median are not given.

Note: Mr. A. Dinakar, Managing Director, Mr. Anand Mahajan and Ms. Anupama Vaidya, Non-Executive Directors do not receive any remuneration, sitting fees or commission from the Company.

- The percentage increase in the median remuneration of employees in the financial year was 21.16%. It may be noted that in the Company's case, the median remuneration is that of a unionised employee. A unionized employees' remuneration increase significantly in the year that a new wage agreement is concluded and, as such, the increase in median remuneration may vary significantly from year to year.
- The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2017 : 141
- Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year and its comparison with the percentage increase in the managerial remuneration are given below:

Average increase in remuneration of all employees	8.31%
Average increase in remuneration of Key Managerial Personnel	NA

- The average increase in remuneration is in line with market trends.

- It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration policy of the Company.

#### B. Details pursuant to Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Information pursuant to Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as there are no employees receiving remuneration prescribed by the said Rules.



### **ANNEXURE 3**

#### **POLICY FOR APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT**

##### **Appointment Criteria, Performance Evaluation and Removal:**

The Director, KMP and Senior Management shall possess adequate qualification, experience and expertise with following attributes/skills:

- a) Cultural fit and Personal values
- b) Vision and strategic management
- c) Change management and influencing change

An independent director shall have impeccable reputation of integrity, deep expertise and insights and complementary skills and shall meet the requirements prescribed under Companies Act and the Listing Agreement.

The Nomination and Remuneration Committee shall carry out an evaluation of performance of every Director, KMP and Senior Management Personnel on a yearly basis.

Due to any reasons for disqualification mentioned in the Companies Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board, with reasons recorded in writing, the removal of a Director, KMP or Senior Management Personnel, subject to the provisions and compliance of the said Act, rules and regulations.

##### **Remuneration Policy for Directors, Key Managerial Personnel and other employees**

###### **A. Independent Director (NEID) - other than nominees of Compagnie de Saint-Gobain**

Independent Directors shall be paid a sitting fee of ₹ 30,000/- for every meeting of the Board or Committee thereof attended by them as member.

###### **B. Managing Director & Key Managerial Personnel & other employees**

The Remuneration Policy of the Company recognizes and is based on position and performance. It is aimed at attracting and retaining high-caliber talent. The quantum of an employee's remuneration and its components varies across grades and is determined by industry practices and comparisons, qualifications, experience, responsibilities and performance. Most employees are covered by an incentive plan which is linked to performance of the Department/Function/Business/Company against annual objectives. The remuneration system maintains a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Company has no stock option plans. All the employees of the Company are eligible to purchase shares of Compagnie de Saint-Gobain, the ultimate holding Company, under the Employee Share Purchase Plan, which is offered globally.

The above criteria and policy are subject to review by the Nomination and Remuneration Committee and the Board of Directors of the Company.

## ANNEXURE 4

### FORM NO. AOC – 2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis – Not applicable**
2. **Details of material contract or arrangement or transactions at arm's length basis as on 31<sup>st</sup> March 2017:**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contract or arrangements including value (₹ Lakhs)	Date(s) of approval by the board	Amounts paid as advance, if any
1.	Saint-Gobain India Private Limited; fellow subsidiary	Purchase of goods	Ongoing basis	4,369.84	28.05.2015 18.05.2016	Nil
		Service rendered	Ongoing basis	172.32		Nil
		Service received	Ongoing basis	264.70		Nil
		Sale of goods	Ongoing basis	574.34		Nil
		Rebate received	Ongoing basis	207.74		Nil
		Sale of capital asset	Not Applicable	1,013.84	11.04.2016 18.05.2016	NIL

On behalf of the Board of Directors

**Anand Mahajan**  
Director

**A. Dinakar**  
Managing Director

Mumbai, 26<sup>th</sup> May 2017



## **ANNEXURE 5**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

As a part of the Saint-Gobain Group, Saint-Gobain Sekurit India Limited (SGSIL) has adopted the Group's Corporate Social Responsibility (CSR) policy and adapted it to the Indian context. For the Group, CSR is the heart of its strategy of sustainable development. CSR impacts every aspect of how it conducts its business and of far more than philanthropy.

Saint-Gobain's Corporate Social Responsibility Policy for India (<http://saint-gobain.co.in>) covers six broad areas of action:

- Inventing and promoting sustainable buildings,
- Limiting our environmental impact,
- Encouraging employees' professional growth,
- Supporting local community development,
- Taking actions across the value chain,
- Ensuring that its business practices meet the highest standards of corporate governance and ethics.

#### **With this, SGSIL's CSR agenda comprises of:**

- Limiting the impact of its operations, products and actions on the environment,
- Supporting the Saint-Gobain India Foundation and local community development,
- Ensuring that its business practices meet the highest standards of corporate governance and ethics, and;
- Taking actions across the value chain to limit its impact on the environment and to spread good business practices.

#### **Saint-Gobain India Foundation**

The Saint-Gobain India Foundation (SGIF) is funded out of the profits of the Group's businesses in India. Each year, SGSIL will contribute a certain percentage of its operating profit to SGIF's primary aim is to enable life and livelihood through education of underprivileged children with a focus on educating the girl child. SGIF partners with NGOs having a proven track record.

#### **Governance mechanism:**

SGSIL's CSR policy is framed and governed by the Board of Directors of the Company. The Board has constituted CSR Committee comprising of an Independent Director to monitor the policy and the programs from time to time and to ensure that they are in line with Companies Act, 2013 and the Rules framed thereunder. The CSR Committee is responsible to review such programs and keep the Board apprised of the implementation status.

#### **Implementation:**

The Company's CSR programs shall be implemented by the Company Personnel, or through an external agency or through the Saint-Gobain India Foundation or any other trust or foundation.

#### **CSR Expenditure:**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR programmes undertaken in accordance with the approved CSR Plan.

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

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

As a part of the Saint-Gobain Group, Saint-Gobain Sekurit India limited (SGSIL) has adopted the Group’s Corporate Social Responsibility (CSR) policy and adapted it to the Indian context. For the Group, CSR impacts every aspect of how it conducts its business, is about being a responsible corporate citizen and is far more than philanthropy. The Group’s view of CSR is broad and covers more than what is envisaged under the Companies Act, 2013. In line with the Group’s CSR Policy, SGSIL’s CSR agenda comprises of:

- limiting the impact of its operations, products and actions on the environment;
- supporting the Saint-Gobain India Foundation and local community development;
- ensuring that its business practices meet the highest standards of corporate governance and ethics; and
- taking action across the value chain to limit its impact on the environment and to spread good business practices.

The CSR Committee has reviewed this Policy and recommended the same to the Board of Directors. The Board has approved the Policy and the same has been uploaded on the website of the Company, [www.sekuritindia.com](http://www.sekuritindia.com).

### 2. Composition of CSR Committee:

Ms. Anupama Vaidya	Chairperson
Mr. M. G. Ramkrishna	Member
Mr. Padmanabha Shetty	Member
Mr. A. Dinakar	Member

### 3. Average Net Profit of the Company for last three financial years: ₹ 763.60 Lakhs

### 4. Prescribed CSR Expenditure (two percent of the amount as in Item No. 3) : ₹ 15.27 Lakhs

### 5. Details of CSR spend for financial year:

(a) Total Amount provided for expenditure on CSR for the financial year: ₹ 5.91 Lakhs.

(b) Manner in which the amount spent during the financial year is detailed below:

(₹ Lakhs)

Sr. No.	CSR programs/ project/ activity identified	Sector in which the program is covered	Projects/ Programs		Amount outlay (budget) Project/ program wise	Amount spent on the projects / programs		Cumulative expenditure up to the reporting period	Amount spent	
			Area	State		Direct Expenditure	Overheads		Direct	Agency
1.	Contribution to the corpus of Saint-Gobain India Foundation	Promotion of education	N.A.	N.A.	5.91	5.91	-	19.89	Direct	-
	<b>Total</b>				<b>5.91</b>	<b>5.91</b>	<b>-</b>	<b>19.89</b>		

### 6. Justification for spending lesser than the prescribed CSR expenditure:

SGSIL believes that its main purpose is to invest and to grow its business and while doing so to provide products, services and solutions that meet the needs of its customers, to generate direct and indirect employment, to contribute to the revenue of the Government and to meet the expectations of all other stakeholders. SGSIL also believes that the means are as important as the ends and as such, it will always act as a good corporate citizen and will ensure that its business practices meet the highest standards of corporate governance and ethics. SGSIL believes that it is by acting in this way and by fulfilling its purpose that SGSIL can best serve society. Having said this, SGSIL also considers that it is important to more directly contribute to improve the lives and livelihood of those who are less privileged. With this in mind, a few years ago, SGSIL, along with the other subsidiaries of the Saint-Gobain group in India, set up Saint-Gobain India Foundation (“SGIF”). Each year, SGSIL contributes a certain percentage of its profit to the corpus of the SGIF. SGSIL is represented on the Board of SGIF and its management is involved in the working of SGIF.



7. In 2016-17, the Company has undertaken the implementation and monitoring of CSR Policy as per the CSR Agenda and Policy of the Company.
8. The details of the Program (near the Company's offices or sites) undertaken through the SGIF:
  - a The Society of Door Step School is an NGO that works primarily for the education of children who have been deprived of it for various reasons. The prime objective is to fund the cost of education. Currently focus is on the children of labourers working on construction sites.
  - b) Project Nanhi Kali has been initiated by the K. C. Mahindra Education Trust with an aim to provide primary education to underprivileged girl children in India. It provides primary education to girl children from economically disadvantaged families. SGIF supports 500 girl children at Pune.

For **Saint-Gobain Sekurit India Limited**

**A. Dinakar**  
Managing Director

Mumbai, 26<sup>th</sup> May 2017

For and on behalf of  
**Corporate Social Responsibility Committee of**  
**Saint-Gobain Sekurit India Limited**

**Anupama Vaidya**  
Chairman

## ANNEXURE 6

### FORM No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,  
Saint-Gobain Sekurit India Limited  
T-94, M.I.D.C.,  
Bhosari Industrial Area,  
Pune 411 025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Saint-Gobain Sekurit India Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Saint-Gobain Sekurit India Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Saint-Gobain Sekurit India Limited ("the Company") for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period),
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period),
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period); and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- (vi) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We have been informed that there are no laws applicable specifically to the Company. Additionally, we have been informed that compliance of various statutes is monitored on monthly basis by the Compliance officer and necessary action is initiated for any non-compliance.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited in respect of Issue and Listing of Securities;

We further report that

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

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

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board as the case may be.

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

For **V. N. Deodhar & Co.**

**V. N. Deodhar**  
Proprietor  
FCS No. 1880  
C. P. No. 898

Place : Mumbai

Date : 26<sup>th</sup> May 2017

## ANNEXURE 7

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2017

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

#### I. REGISTRATION AND OTHER DETAILS:

- |  |  |
|--|--|
| i. CIN   | L26101MH1973PLC018367  |
| ii. Registration Date  | 13 <sup>th</sup> November 1973   |
| iii. Name of the Company   | Saint-Gobain Sekurit India Limited   |
| iv. Category / Sub-Category of the Company                                     | Company having share capital   |
| v. Address of the Registered office and contact details                        | T-94, M.I.D.C.,<br>Bhosari Industrial Area,<br>Pune – 411 026, Maharashtra.<br>Tel. No.: +91 20 6611 4153<br>Email: Investors-SEK.L05Gen@saint-gobain.com<br>Website: www.sekuritindia.com                                       |
| vi. Whether listed company   | Yes  |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited<br>C 101, 247 Park,<br>L B S Marg, Vikhroli West,<br>Mumbai 400 083<br>Tel No: +91 22 4918 6000<br>Fax: +91 22 4918 6060<br>Email: rent.helpdesk@linkintime.com<br>Website: www.linkintime.com |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of laminated and toughened tempered glass	26101	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Compagnie de Saint-Gobain Les Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	Foreign Company	Ultimate Holding*	75.00*	2(46)
* The Ultimate Holding Company (Saint-Gobain) holds shares in the Company through the following subsidiaries.					
	Saint-Gobain Sekurit France SA BP 60105, rue du Marechal Joffre, 60777 Thourotte Cedex, France	Foreign Company		48.26	
	Saint-Gobain India Private Limited Sigapi Aachi Building, Floor No 7, 18/3, Rukmini Lakshmi pathy Road, Egmore, Chennai, Tamil Nadu	U26109TN1997PTC037875		26.74	



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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b. Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	12515749	0	12515749	13.74	24359490	0	24359490	26.74	13.00
e. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other (Trust)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>12515749</b>	<b>0</b>	<b>12515749</b>	<b>13.74</b>	<b>24359490</b>	<b>0</b>	<b>24359490</b>	<b>26.74</b>	<b>13.00</b>
<b>(2) Foreign</b>									
a. NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other -Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corp.	55813526	0	55813526	61.26	43969785	0	43969785	48.26	-13.00
d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>55813526</b>	<b>0</b>	<b>55813526</b>	<b>61.26</b>	<b>43969785</b>	<b>0</b>	<b>43969785</b>	<b>48.26</b>	<b>-13.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>68329275</b>	<b>0</b>	<b>68329275</b>	<b>75.00</b>	<b>68329275</b>	<b>0</b>	<b>68329275</b>	<b>75.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	0	1300	1300	0.00	0	1300	1300	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
FIs	180085	900	180985	0.20	4050	900	4950	0.01	-0.19
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>180085</b>	<b>2200</b>	<b>182285</b>	<b>0.20</b>	<b>4050</b>	<b>2200</b>	<b>6250</b>	<b>0.01</b>	<b>-0.19</b>
<b>2. Non-Institutions</b>									
a. Bodies Corp.									
i) Indian	2587858	23700	2611558	2.87	2373874	23700	2397574	2.63	-0.23
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakhs	10870250	1005633	11875883	13.04	11032167	998755	12030922	13.21	-0.17
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakhs	5698208	40440	5738648	6.30	5586402	40440	5626842	6.18	-0.12
c) Other (specify)									
Non Resident Indian	178648	2000	180648	0.20	204995	2000	206995	0.23	0.03
Trusts	100	0	100	0.00	100	0	100	0.00	0.00
Clearing Members	493696	0	493696	0.54	712896	0	712896	0.78	0.24
Hindu Undivided Family	1693607	0	1693607	1.86	1794846	0	1794846	1.97	0.11
<b>Sub-total (B)(2):-</b>	<b>21522367</b>	<b>1071773</b>	<b>22594140</b>	<b>24.80</b>	<b>21705280</b>	<b>1064895</b>	<b>22770175</b>	<b>24.99</b>	<b>0.19</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>21702452</b>	<b>1073973</b>	<b>22776425</b>	<b>25.00</b>	<b>21709330</b>	<b>1067095</b>	<b>22776425</b>	<b>25.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>90031727</b>	<b>1073973</b>	<b>91105700</b>	<b>100.00</b>	<b>90038605</b>	<b>1067095</b>	<b>91105700</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Saint-Gobain Sekurit France S.A.	55813526	61.26	0.00	43969785	48.26	0.00	-13.00
2.	Saint-Gobain India Pvt. Ltd.	12515749	13.74	0.00	24359490	26.74	0.00	13.00
	<b>Total</b>	<b>68329275</b>	<b>75.00</b>	<b>0.00</b>	<b>68329275</b>	<b>75.00</b>	<b>0.00</b>	<b>0.00</b>

## (iii) Change in Promoters Shareholding:

Sl. No	Name	Shareholding at the beginning of the year 1 <sup>st</sup> April 2016		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Saint-Gobain Sekurit France S.A.	55813526	61.26	31.03.2016	Transfer	(11843741)	43969785	48.26
2.	Saint-Gobain India Pvt. Ltd.	12515749	13.74	31.03.2016	Transfer	11843741	24359490	26.74

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

Sl. No.	Name	Shareholding at the beginning of the year 1 <sup>st</sup> April 2016		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	<b>Kantilal M. Vardhan (H.U.F.)</b>							
	At the beginning of the year	378140	0.42					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc. ):				Nil movement during the year			
	At the end of the year						378140	0.42
2.	<b>Shakuntala Satyanarayan Mandhane</b>							
	At the beginning of the year	105900	0.12					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc. ):			08.07.2016	Transfer	14000	119900	0.13
				15.07.2016	Transfer	1000	120900	0.13
				26.08.2016	Transfer	23	120923	0.13
				16.09.2016	Transfer	119977	240900	0.26
				21.10. 2016	Transfer	43804	284704	0.31
				28.10.2016	Transfer	5191	289895	0.32
				25.11.2016	Transfer	29919	319814	0.35
				02.12.2016	Transfer	6006	325820	0.36
				09.12. 2016	Transfer	1280	327100	0.36
				16.12. 2016	Transfer	(57100)	270000	0.30
				23.12. 2016	Transfer	(5400)	264600	0.29
	At the end of the year						264600	0.29



Sl. No.	Name	Shareholding at the beginning of the year 1 <sup>st</sup> April 2016		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3.	<b>Shree Naman Securities and Finance Private Limited</b>							
	At the beginning of the year	35534	0.04					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc. ):			08.04.2016	Transfer	(15961)	19573	0.02
				15.04.2016	Transfer	2401	21974	0.02
				22.04.2016	Transfer	1070	23044	0.03
				29.04.2016	Transfer	1655	24699	0.03
				06.05.2016	Transfer	4196	28895	0.03
				13.05.2016	Transfer	1786	30681	0.03
				20.05.2016	Transfer	22500	53181	0.06
				27.05.2016	Transfer	8831	62012	0.07
				03.06.2016	Transfer	17675	79687	0.09
				10.06.2016	Transfer	7004	86691	0.10
				17.06.2016	Transfer	(6170)	80521	0.09
				24.06.2016	Transfer	(10075)	70446	0.08
				30.06.2016	Transfer	145	70591	0.08
				08.07.2016	Transfer	(2941)	67650	0.07
				15.07.2016	Transfer	10618	78268	0.08
				22.07.2016	Transfer	(5221)	73047	0.08
				29.07.2016	Transfer	(11933)	61114	0.07
				05.08.2016	Transfer	(901)	60213	0.07
				12.08.2016	Transfer	3427	63640	0.07
				19.08.2016	Transfer	7825	71465	0.08
				26.08.2016	Transfer	(5987)	65478	0.07
				02.09.2016	Transfer	1718	67196	0.07
				09.09.2016	Transfer	17680	84876	0.09
				16.09.2016	Transfer	(14643)	70233	0.08
				23.09.2016	Transfer	(4219)	66014	0.07
				30.09.2016	Transfer	(3078)	62936	0.07
				07.09.2016	Transfer	(6324)	56612	0.06
				14.10.2016	Transfer	5379	61991	0.07
				21.10.2016	Transfer	56414	118405	0.13
				28.10.2016	Transfer	8807	127212	0.14
				04.11.2016	Transfer	(1513)	125699	0.14
				11.11.2016	Transfer	(42040)	83659	0.09
				18.11.2016	Transfer	(11380)	72279	0.08
				25.11.2016	Transfer	2182	74461	0.08
				02.12.2016	Transfer	(16228)	58233	0.06
				09.12.2016	Transfer	(8762)	49471	0.05
				16.12.2016	Transfer	(15545)	33926	0.04
				23.12.2016	Transfer	(6645)	27281	0.03
				30.12.2016	Transfer	1171	28452	0.03
				06.01.2017	Transfer	5393	33845	0.04
				13.01.2017	Transfer	2464	36309	0.04
				20.01.2017	Transfer	(4050)	32259	0.03

Sl. No.	Name	Shareholding at the beginning of the year 1 <sup>st</sup> April 2016		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				27.01.2017	Transfer	2245	34504	0.04
				03.02.2017	Transfer	2296	36800	0.04
				10.02.2017	Transfer	3014	39814	0.04
				17.02.2017	Transfer	2054	41868	0.05
				24.02.2017	Transfer	8037	49905	0.05
				03.03.2017	Transfer	(5950)	43955	0.05
				10.03.2017	Transfer	(5733)	38222	0.04
				17.03.2017	Transfer	17650	55872	0.06
				24.03.2017	Transfer	8274	64146	0.07
				31.03.2017	Transfer	171549	235695	0.26
	At the end of the year						235695	0.26
4.	<b>ATS Share Brokers Private Limited</b>							
	At the beginning of the year	173343	0.19					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			15.04.2016	Transfer	627	173970	0.19
				29.04.2016	Transfer	590	174560	0.19
				06.05.2016	Transfer	615	175175	0.19
				13.05.2016	Transfer	600	175775	0.19
				27.05.2016	Transfer	(50)	175725	0.19
				10.06.2016	Transfer	600	176325	0.19
				30.06.2016	Transfer	650	176975	0.19
				01.07.2016	Transfer	500	177475	0.19
				08.07.2016	Transfer	(490)	176985	0.19
				15.07.2016	Transfer	480	177465	0.19
				22.07.2016	Transfer	575	178040	0.19
				29.07.2016	Transfer	570	178610	0.20
				05.08.2016	Transfer	575	179185	0.20
				09.09.2016	Transfer	620	179805	0.20
				23.09.2016	Transfer	1210	181015	0.20
	At the end of the year						181015	0.20
5.	<b>Vikas Mehra</b>							
	At the beginning of the year	90287	0.01					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			30.06.2016	Transfer	17000	107287	0.12
				12.08.2016	Transfer	24372	131659	0.14
				19.08.2016	Transfer	3000	134659	0.15
				26.08.2016	Transfer	13942	148601	0.16
				07.10.2016	Transfer	13474	162075	0.18
				21.10.2016	Transfer	500	162575	0.18
	At the end of the year						162575	0.18
6.	<b>Rajesh Manharlal Sanghvi</b>							
	At the beginning of the year	179837	0.20					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			15.07.2016	Transfer	(2232)	177605	0.19
				22.07.2016	Transfer	(15000)	162605	0.18
				29.07.2016	Transfer	(350)	162255	0.18
				11.11.2016	Transfer	(17255)	145000	0.16
	At the end of the year						145000	0.16



Sl. No.	Name	Shareholding at the beginning of the year 1 <sup>st</sup> April 2016		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
<b>7.</b>	<b>Maya Rawat</b>							
	At the beginning of the year	139995	0.15					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			Nil movement during the year				
	At the end of the year						139995	0.15
<b>8.</b>	<b>Pace Stock Broking Services Pvt Ltd</b>							
	At the beginning of the year	31481	0.03					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			08.04.2016	Transfer	(15645)	15836	0.02
				15.04.2016	Transfer	1000	16836	0.02
				22.04.2016	Transfer	(2000)	14836	0.02
				29.04.2016	Transfer	(5980)	8856	0.01
				20.05.2016	Transfer	(500)	8356	0.01
				27.05.2016	Transfer	(4855)	3501	0.00
				30.06.2016	Transfer	(250)	3251	0.00
				08.07.2016	Transfer	1100	4351	0.00
				15.07.2016	Transfer	(2150)	2201	0.00
				22.07.2016	Transfer	23100	25301	0.03
				29.07.2016	Transfer	20000	45301	0.05
				05.08.2016	Transfer	(33000)	12301	0.01
				26.08.2016	Transfer	200	12501	0.01
				09.09.2016	Transfer	(100)	12401	0.01
				07.10.2016	Transfer	18940	31341	0.03
				14.10.2016	Transfer	(200)	31141	0.03
				21.10.2016	Transfer	102160	133301	0.15
				28.10.2016	Transfer	3400	136701	0.15
				04.11.2016	Transfer	1400	138101	0.15
				11.11.2016	Transfer	1000	139101	0.15
				18.11.2016	Transfer	(500)	138601	0.15
				25.11.2016	Transfer	800	139401	0.15
				02.12.2016	Transfer	1500	140901	0.15
				16.12.2016	Transfer	(2500)	138401	0.15
				30.12.2016	Transfer	(700)	137701	0.15
				06.01.2017	Transfer	(300)	137401	0.15
				13.01.2017	Transfer	750	138151	0.15
				20.01.2017	Transfer	150	138301	0.15
				03.02.2017	Transfer	(600)	137701	0.15
				24.02.2017	Transfer	(2000)	135701	0.15
				17.03.2017	Transfer	1000	136701	0.15
				31.03.2017	Transfer	(500)	136201	0.15
	At the end of the year						136201	0.15

Sl. No.	Name	Shareholding at the beginning of the year 1 <sup>st</sup> April 2016		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9.	<b>Puneet Bhatia</b>							
	At the beginning of the year	300000	0.33					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			17.03.2017	Transfer	(22882)	277118	0.30
				24.03.2017	Transfer	(141958)	135160	0.15
	At the end of the year						135160	0.15
10.	<b>LSE Securities Ltd.</b>							
	At the beginning of the year	125904	0.14					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			08.04.2016	Transfer	850	126754	0.14
				15.04.2016	Transfer	(16260)	110494	0.12
				22.04.2016	Transfer	(400)	110094	0.12
				29.04.2016	Transfer	(2950)	107144	0.12
				06.05.2016	Transfer	(3600)	103544	0.11
				13.05.2016	Transfer	(4450)	99094	0.11
				20.05.2016	Transfer	(4500)	94594	0.10
				27.05.2016	Transfer	(3000)	91594	0.10
				03.06.2016	Transfer	500	92094	0.10
				10.06.2016	Transfer	(2570)	89524	0.10
				17.06.2016	Transfer	(185)	89339	0.10
				24.06.2016	Transfer	(1082)	88257	0.10
				30.06.2016	Transfer	(1500)	86757	0.09
				08.07.2016	Transfer	(2150)	84607	0.09
				15.07.2016	Transfer	(4755)	79852	0.09
				22.07.2016	Transfer	(1775)	78077	0.08
				29.07.2016	Transfer	(1150)	76927	0.08
				05.08.2016	Transfer	(350)	76577	0.08
				12.08.2016	Transfer	1100	77677	0.08
				19.08.2016	Transfer	4000	81677	0.09
				26.08.2016	Transfer	(450)	81227	0.09
				02.09.2016	Transfer	329	81556	0.09
				09.09.2016	Transfer	(10085)	71471	0.08
				16.09.2016	Transfer	1350	72821	0.08
				23.09.2016	Transfer	(14908)	57913	0.06
				30.09.2016	Transfer	(33200)	24713	0.03
				07.10.2016	Transfer	360	25073	0.03
				14.10.2016	Transfer	18651	43724	0.05
				21.10.2016	Transfer	10270	53994	0.06
				28.10.2016	Transfer	36011	90005	0.10
				04.11.2016	Transfer	19919	109924	0.12
				11.11.2016	Transfer	37124	147048	0.16
				18.11.2016	Transfer	8300	155348	0.17
				25.11.2016	Transfer	2940	158288	0.17
				02.12.2016	Transfer	7521	165809	0.18
				09.12.2016	Transfer	11504	177313	0.19
				16.12.2016	Transfer	9028	186341	0.20



Sl. No.	Name	Shareholding at the beginning of the year 1 <sup>st</sup> April 2016		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				23.12.2016	Transfer	4647	190988	0.21
				30.12.2016	Transfer	(3150)	187838	0.21
				06.01.2017	Transfer	(1750)	186088	0.20
				13.01.2017	Transfer	(4674)	181414	0.20
				20.01.2017	Transfer	(1850)	179564	0.20
				27.01.2017	Transfer	(600)	178964	0.20
				03.02.2017	Transfer	(2450)	176514	0.19
				10.02.2017	Transfer	(2090)	174424	0.19
				17.02.2017	Transfer	(3810)	170614	0.19
				24.02.2017	Transfer	1900	172514	0.19
				03.03.2017	Transfer	5675	178189	0.19
				10.03.2017	Transfer	2765	180954	0.20
				17.03.2017	Transfer	(7182)	173772	0.19
				24.03.2017	Transfer	2407	176179	0.19
				31.02.2017	Transfer	(44953)	131226	0.14
	At the end of the year						131226	0.14
<b>11.</b>	<b>Mayur Saraf</b>							
	At the beginning of the year	130000	0.14					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			Nil movement during the year				
	At the end of the year						130000	0.14
<b>12.</b>	<b>Dharampal Satyapal Limited</b>							
	At the beginning of the year	135000	0.15					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			22.04.2016	Transfer	(10000)	125000	0.14
				13.05.2016	Transfer	(5000)	120000	0.13
				08.07.2016	Transfer	(5000)	115000	0.13
				21.10.2016	Transfer	(6200)	108800	0.12
				28.10.2016	Transfer	(2000)	106800	0.12
				11.11.2016	Transfer	5000	111800	0.12
	At the end of the year						111800	0.12
<b>13.</b>	<b>Canara Bank</b>							
	At the beginning of the year	179285	0.20					
	Date wise Increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			23.12.2016	Transfer	(2500)	176785	0.19
				30.12.2016	Transfer	(5950)	170835	0.19
				31.12.2017	Transfer	(170835)	0	0.00
	At the end of the year						0	0.00

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

None of the Directors and Key Managerial Personnel hold shares in the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ Lakhs)

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	118.04	Nil	Nil	118.04
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>118.04</b>	<b>Nil</b>	<b>Nil</b>	<b>118.04</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	93.80	Nil	Nil	93.80
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>93.80</b>	<b>Nil</b>	<b>Nil</b>	<b>93.80</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	211.84	Nil	Nil	211.84
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>211.84</b>	<b>Nil</b>	<b>Nil</b>	<b>211.84</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Mr. A. Dinakar, Managing Director is not drawing any remuneration from the Company.

### B. Remuneration to other directors:

(₹ Lakhs)

Particulars of Remuneration	Name of Directors		Total Amount
3. Independent Directors	Mr. M. G. Ramkrishna	Mr. Padmanabha Shetty	
Fee for attending board / committee Meetings	3.10	3.10	6.20
Commission	-	-	-
Others, please specify	-	-	-
Total	3.10	3.10	6.20
4. Other Non-Executive Directors			
Mr. Anand Mahajan and Ms. Anupama Vaidya, Directors, are nominees of Saint-Gobain and do not draw any remuneration / sitting fees from the Company.			
Total Managerial Remuneration			6.20
Overall Ceiling as per the Act	11% of net profits		


**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB:**

(₹ Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6.82	11.33	18.15
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>6.82</b>	<b>11.33</b>	<b>18.15</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty					
Punishment					
Compounding					

## MANAGEMENT DISCUSSION AND ANALYSIS

### General Review:

Saint-Gobain Sekurit India Limited ("SGSIL") is a subsidiary of Compagnie de Saint-Gobain ("Saint-Gobain"), a transnational group with its headquarters in Paris and with sales of Euros 39.1 billion in 2016.

Saint-Gobain's businesses fall into four broad sectors: Construction Products, Flat Glass, High Performance Materials and Building Distribution. SGSIL's business is part of the Flat Glass sector. SGSIL is in the business of processing of glasses to manufacture windshields, door glasses and backlites for the Automobile sector.

### BUSINESS ENVIRONMENT:

In the fiscal year 2016-17, the new, recently released, Index for Industrial Production (IIP) witnessed an increase of 5% (the increase as per the old Index was less than 1%). The new Index, where the base year is 2011-12 and the basket of goods has been changed, is expected to be more representative of the growth of the sector. In line with the new IIP, the auto industry registered a growth of 5.6% over previous year. The 3-wheeler segment reported decline in sales mainly due to sharp drop in exports which was affected due to policy changes in the overseas market to which 3-wheelers are exported. The growth in commercial vehicles was affected by the uncertainty in the policy on emission norms and also due to scarcity of liquidity. While the long term outlook for the auto industry is positive, the short term outlook remains uncertain.

### Automotive Segment:

The automotive glasses are broadly classified as laminated and tempered.

### Products and Plants

Automotive Glasses are glasses fitted on the body of an automobile. Generally, these glasses are either laminated or tempered. Normally all windshields are laminated and the other glasses (Backlites and Sidelites) are tempered. The Company's Chakan Plant, which manufactures laminated glasses, is certified under ISO 14001:2004 and OHSAS 18001:2007.

### Industry

Broadly, there are two major market segments – Automobile Manufacturers (OEMs) and the Replacement Market. Within OEMs, there are three sub-segments: Passenger vehicles, Commercial vehicles and 3-wheelers. There is only one major player, other than SGSIL, supplying to the OEMs. There are however, a number of smaller players in the Replacement Market.

### Broad Characteristics of the Business

- High Entry Barrier in the form of high capital investment.
- Complete dependency on the auto sector.
- Key success factors are quality, cost, capability to supply full car sets to the OEMs and also proximity to customers.
- Stringent contractual obligations with the OEMs for supply of glass.

### Development, Outlook, Risks and Concerns

The auto sector recorded a good overall growth during the current year. However, the 3-wheeler segment had a negative growth partly due to demonetization in the month of November 2016 and partly due to lower exports to various overseas markets. The commercial vehicle segment remained flat due to lack of clarity on introduction of BS IV norms effective from 1<sup>st</sup> April 2017. The 3-wheeler market is expected to witness higher growth in the next 2-3 quarters. Sustained investment in infrastructure by the government and robust growth of the economy is helping the commercial vehicle segment to record moderate growth.

The Company's prospects are completely dependent on the growth and performance of the commercial vehicles and 3-wheeler segment of the auto sector. Low growth of the segment remains a high risk factor. Besides conventional business risks, in the rapidly changing world environment, risks associated with use of hazardous materials, pollution and electronic data have also become important and these can potentially expose the Company to legal and social liabilities. The Company is alert in tracking all such risks and taking suitable mitigating actions wherever warranted or necessary.

### Risks and Concerns – Others

#### 1. Financial

SGSIL's financial management has always been governed by prudent policies, based on conservative principles. SGSIL's foreign currency exposure on account of imports and exports are appropriately hedged. SGSIL has a well-defined and structured treasury operation, with the emphasis being on security.



## 2. Legal & Statutory

- (i) Contingent Liabilities: Details of Contingent Liabilities are in the Notes forming part of the Financial Statements.
- (ii) Statutory Compliance: SGSIL ensures statutory compliance of all applicable laws and is committed to timely payment of all statutory dues.

### Human Resources:

The Company provides a congenial and productive work environment with an aim to retaining those who are capable of translating challenges into opportunities and weaknesses into strengths. The Management continually empowers employees with opportunities to give their suggestions on various business and operational matters. The twin objectives of improving the quality of human capital available within the Company and harnessing its potential for the benefit of the Company continues to form the cornerstone of the HR policy of your Company.

SGSIL will continue to invest in training people in Environment, Health and Safety and World Class Manufacturing and to provide an environment in which employees can give their best and realize their full potential.

### Overall Performance:

SGSIL's sales dropped by 12% and operating profit decreased by 31%. The drop in volumes was on account of the low growth of the commercial vehicle and 3-wheeler segments. The significant reduction in operating profit was mainly on account of reduction in volumes. The profit before tax and exceptional items for the year under review was ₹ 1,037.05 Lakhs as against ₹1,491.94 Lakhs in 2015-16.

### Internal Control Systems:

SGSIL has an effective internal control environment which ensures business and operations are managed efficiently and effectively, assets are safeguarded, regulatory requirements are complied with and all transactions are recorded after appropriate authorisations. The Company's strong and independent internal audit function performs regular audits. All internal controls are constantly upgraded based on internal audit recommendations.

Every quarter the reports of the internal audits, significant audit findings, and corrective steps recommended and their implementation status are presented to the Audit Committee.

### Segmental Financials:

Your Company recognises Automotive Glass as a single segment.

### CAUTIONARY STATEMENT:

*The Management Discussion and Analysis contains some forward looking statements based upon the information and data available with the Company, assumptions with regard to global economic conditions, relevant government policies etc. The Company cannot guarantee the accuracy of such assumptions and impact on the performance of the Company in future. Hence it is cautioned that the actual results may differ from those expressed or implied in this report.*

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Saint-Gobain Sekurit India Limited ("SGSIL"), a member of the 'Saint-Gobain' group, is committed to the highest standards of fair, ethical and transparent governance practices. The corporate governance policies followed by SGSIL are intended to ensure transparency in all its dealings. The Company recognizes the importance of strong corporate governance which is a vital mechanism for investor protection.

### 2. BOARD OF DIRECTORS

#### Composition:

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors, which is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). As on 31<sup>st</sup> March 2017, the Company has five directors comprising one executive director and four non-executive directors (of which 2 (50%) are independent directors). The Chairman of the Board is an independent, non-executive director. The Board has an optimal mix of professionalism, knowledge and experience. None of the directors are related to each other.

All independent directors have confirmed that they meet the criteria as mentioned under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013 ("Act"). The maximum tenure of the independent director is in compliance with the Act. None of the Independent Directors hold office as an independent director in more than seven listed companies and serve as whole time director in any listed company. The details of the familiarisation programme imparted to independent directors are available on the Company's website at [www.sekuritindia.com](http://www.sekuritindia.com).

#### Meetings of the Board:

Five Board Meetings were held during the year and the gap between two consecutive meetings did not exceed one hundred and twenty days.

The dates on which the said meetings were held are as follows:

11<sup>th</sup> April 2016, 18<sup>th</sup> May 2016, 30<sup>th</sup> July 2016, 2<sup>nd</sup> November 2016, 30<sup>th</sup> January 2017.

Necessary quorum was present for all the meetings.

During the year, information as mentioned in Schedule II, Part A of the Listing Regulations has been placed before the Board for its consideration.

The names and category of the directors, their attendance at Board Meetings held during the year and number of directorships and committee chairmanships/memberships held by them in other public and private companies as on 31<sup>st</sup> March 2017 are given below:

Name of the Director	Category	Number of Board Meetings during the year 2016-17		Whether attended last AGM held on 30 <sup>th</sup> July 2016	Number of Directorship held (including SGSIL) <sup>#</sup>		Number of Committee positions held in public companies (including SGSIL) <sup>*</sup>	
		Held	Attended		Public	Private	Chairman	Member
Mr. M. G. Ramkrishna DIN 00007950 (Chairman)	Independent, Non-Executive	5	5	Yes	1	-	-	1
Mr. Anand Mahajan DIN 00066320	Promoter, Non-Executive	5	5	Yes	3	4	1	2
Mr. Padmanabha Shetty DIN 00433761	Independent, Non-Executive	5	5	Yes	2	2	1	1
Ms. Anupama Vaidya DIN 02713517	Promoter Non-Executive	5	4	Yes	1	-	-	1
Mr. A. Dinakar DIN 00193129 (Managing Director)	Executive Director	5	5	Yes	1	1	-	2

<sup>#</sup> Excluding foreign companies and companies under Section 8 of the Act.

<sup>\*</sup> Includes Audit Committee and Stakeholders Relationship Committee



### 3. COMMITTEES OF THE BOARD

#### A. AUDIT COMMITTEE

The Audit Committee is constituted in line with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

**Terms of Reference:**

- To act in accordance with the terms of reference specified in writing by the Board.
- To recommend the appointment, re-appointment and if required, the replacement or removal of the various auditors of the Company and the remuneration and terms of appointment thereof.
- To approve payment to statutory auditors for any other services rendered by the statutory auditors.
- To review and monitor the auditor's independence and performance, and effectiveness of the audit process.
- To examine the financial statement and the auditors' report thereon.
- To approve transactions of the Company with related parties and any subsequent modification thereof.
- To scrutinise inter-corporate loans and investments.
- To undertake valuation of undertakings or assets of the Company, wherever it is necessary.
- To evaluate internal financial controls and risk management systems.
- To review/monitor with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors.
- To review financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.
- To have oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  2. Changes, if any, in accounting policies and practices and reasons for the same;
  3. Major accounting entries involving estimates based on the exercise of judgment by management;
  4. Significant adjustments made in the financial statements arising out of audit findings;
  5. Compliance with listing and other legal requirements relating to financial statements;
  6. Disclosure of any related party transactions; and
  7. Qualifications in the draft audit report.
- To review with the management, the quarterly financial statements before submission to the Board for approval.
- To review, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- To discuss with internal auditors any significant findings and follow-up there on.

- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- To discuss with statutory auditors, before the audit commences about the nature and scope of audit and post-audit, to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee.
- To review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- To have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- To seek information and have direct access to any employees, directors, key managerial personnel to perform its functions effectively.
- To secure attendance of outsiders with relevant expertise, if it considered necessary.
- To invite such of the executives as it consider appropriate to be present at the meetings, but on occasion may also meet without the presence of any executives of the Company.
- To review the appointment, removal and terms of appointment of Chief Internal Auditor.
- The Committee shall also conduct an annual review of the adequacy of the Terms of Reference and recommend any proposed changes to the Board for approval.

## Composition:

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2016-17	
		Held	Attended
Mr. Padmanabha Shetty (Chairman)	Independent, Non-Executive	5	5
Mr. M. G. Ramkrishna	Independent, Non-Executive	5	5
Mr. A. Dinakar	Executive	5	5

Mr. Padmanabha Shetty, an independent director, is the Chairman of the Committee. Mr. Padmanabha Shetty is a Law Graduate, Post Graduate in Economics and a Certified Associate of Indian Institute of Bankers. He has experience of over two decades in commercial and investment banking.

The members of the Committee are well versed in finance matters, accounts and general business practices. The Vice President – Finance & IT of the Saint-Gobain group in India, Internal Auditor and Statutory Auditors are invitees to the meetings of the Committee. The Company Secretary acts as the secretary to the Audit Committee. Mr. Padmanabha Shetty, Chairman of the Committee was present at the previous Annual General Meeting (“AGM”) of the Company held on 30<sup>th</sup> July 2016.

## Meetings of the Audit Committee:

During the year ended 31<sup>st</sup> March 2017, five Audit Committee meetings were held. The meetings were held on: 11<sup>th</sup> April 2016, 18<sup>th</sup> May 2016, 30<sup>th</sup> July 2016, 2<sup>nd</sup> November 2016, 30<sup>th</sup> January 2017.

Necessary quorum was present for all the meetings.



## B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

### Terms of Reference:

- To formulate criteria for appointment of directors and remuneration including criteria for determining qualification, positive attributes and independence of a director.
- To formulate evaluation criteria for assessment of performance of Board and its committees.
- To formulate, review and recommend nomination and remuneration policy to the Board.
- To recommend to the Board, the commission payment to non-whole time directors (other than the nominee directors of Compagnie de Saint-Gobain ("CSG")) and to the executive directors.
- To identify candidates who are qualified to become directors or who may be appointed in senior management positions and recommending to the Board their appointment and/or removal.
- To review and determine all elements of the remuneration package of executive directors.
- Such other matters as the Board may, from time to time, request the committee to examine and recommend/ approve.

### Composition:

The composition of the Nomination and Remuneration Committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2016-17	
		Held	Attended
Mr. Padmanabha Shetty (Chairman)	Independent, Non-Executive	3	3
Mr. M. G. Ramkrishna	Independent, Non-Executive	3	3
Mr. Anand Mahajan	Promoter, Non-Executive	3	3

### Meetings of the Nomination and Remuneration Committee:

During the year ended 31<sup>st</sup> March 2017, three Nomination and Remuneration Committee meetings were held. The meetings were held on 11<sup>th</sup> April 2016, 18<sup>th</sup> May 2016, 30<sup>th</sup> January 2017.

### Nomination and Remuneration Policy:

In accordance with Section 178 of the Act, the Committee has framed a nomination and remuneration policy and the same is annexed as Annexure 3 to the Board's Report.

### Performance evaluation criteria for Independent Directors:

The Board, on recommendation of the Nomination and Remuneration Committee, has adopted a framework for performance evaluation of the Board, its committees, individual directors and the chairperson through a survey questionnaire. The survey questionnaire broadly covers various aspects of the board functioning, composition of Board and its committees, culture, execution and performance of specific duties, obligation and governance. Further, the Independent Directors, at their separate meeting held during the year, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### Pecuniary relationship or transaction of Non-Executive Directors vis-à-vis the Company:

Apart from receiving sitting fees, the non-executive Independent Directors of the Company do not have any pecuniary relationships or transactions with the Company. Mr. Anand Mahajan and Ms. Anupama Vaidya, non-executive Directors, are nominees of CSG and do not have any pecuniary relationship or transaction with the Company.

Details of the remuneration to the Directors for the financial year ended 31<sup>st</sup> March 2017 are given below:

## Executive Directors:

Mr. A. Dinakar, Managing Director does not draw remuneration from the Company.

## Non-Executive Directors:

The Non-Executive Independent Directors were paid sitting fee of ₹ 20,000 per meeting of the board or its committees prior to 30<sup>th</sup> January 2017. The Company has increased the sitting fee to ₹ 30,000 per meeting of the board or its committees on or after 30<sup>th</sup> January 2017.

The details of sitting fees paid to Non-Executive Independent Directors are as follows:

(₹ Lakhs)

Name	Sitting Fees
Mr. M. G. Ramakrishna	3.10
Mr. Padmanabha Shetty	3.10

## Equity Shares held by Non-Executive Directors:

None of the Non-Executive Director hold any equity shares in the Company.

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in line with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

### Composition:

The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2016-17	
		Held	Attended
Mr. Anand Mahajan (Chairman)	Promoter, Non-Executive	2	2
Ms. Anupama Vaidya	Promoter, Non-Executive	2	1
Mr. A. Dinakar	Executive	2	2

### Meetings of Stakeholders Relationship Committee:

During the year ended 31<sup>st</sup> March 2017, two meetings of the Stakeholders Relationship Committee were held on 18<sup>th</sup> May 2016 and 2<sup>nd</sup> November 2016.

Necessary quorum was present for all the meetings.

Ms. Rukmini Subramanian, Company Secretary also functioned as the Compliance Officer of the Company.

Details of investor complaints received and redressed during the year 2016-17 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	0	0	0

## D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee is constituted in line with the provision of Section 135 of the Act. The committee monitors the CSR policy and programs and to ensure that they are in line with the Act and Rules framed thereunder. The CSR policy and initiatives taken during the year are annexed as Annexure 5 to the Board's Report and also disseminated through the website of the Company, [www.sekuritindia.com](http://www.sekuritindia.com).



### Composition:

The composition of CSR Committee and details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2016-17	
		Held	Attended
Ms. Anupama Vaidya (Chairman)	Promoter, Non-Executive	1	-
Mr. M. G. Ramakrishna	Independent, Non-Executive	1	1
Mr. Padmanabha Shetty	Independent, Non-Executive	1	1
Mr. A. Dinakar	Executive	1	1

### Meetings of the CSR Committee:

During the year ended 31<sup>st</sup> March 2017, one meeting of the CSR Committee were held on 18<sup>th</sup> May 2016.

### G. SHARE TRANSFER COMMITTEE

The Company has Share Transfer Committee of Director comprising of Mr. Anand Mahajan as the Chairman, Mr. A. Dinakar and Mr. Anupama Vaidya as members.

The Share Transfer Committee meets as often as required to approve share transfers, issue of duplicate share certificate, issue of share certificate in lieu of request for renewal by the shareholders and transmission, which are noted at subsequent board meetings.

### H. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the independent directors was held on 30<sup>th</sup> January 2017 without the attendance of non-independent directors and members of the management. The said meeting was attended by all the independent directors of the Company.

## 4. GENERAL BODY MEETINGS

### a. Annual General Meetings:

Date and Time	Venue	Special Resolutions passed
18 <sup>th</sup> July 2014 at 11.30 a.m.	Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune - 411 034.	None
1 <sup>st</sup> August 2015 at 11.30 a.m.	Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune - 411 034.	Approval to sell, transfer, dispose off, "KT to BT" equipment to Saint-Gobain India Private Limited
30 <sup>th</sup> July 2016 at 11:00 a.m.	Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune - 411 034.	None

### b. Postal Ballot:

No Postal Ballot was conducted during the year 2016-17. No Special Resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

## 5. MEANS OF COMMUNICATION

The unaudited quarterly, unaudited half-yearly and audited annual financial results are approved by the Board of Directors and published in The Financial Express and Loksatta.

The results are also displayed on the website of the Company, [www.sekuritindia.com](http://www.sekuritindia.com). The Company has not made any presentations to institutional investors and analysts during the year.

## 6. GENERAL SHAREHOLDERS' INFORMATION

### a) Annual General Meeting ("AGM"):

**Day & Date** Saturday, 29<sup>th</sup> July 2017

**Time** 3.00 p.m

**Venue** Hotel Kalasagar, P-4, MIDC, Kasarwadi, Mumbai-Pune Road, Near State Bank of India, Pune - 411 034

**b) Financial Year:**

The Company's financial year begins on 1<sup>st</sup> April and ends on 31<sup>st</sup> March of the following year.

**Calendar of Financial Results for 2017-18:**

- |  |   |                       |
|--|---|-----------------------|
| (i) First Quarter Results                                    | : | July/August 2017      |
| (ii) Half-yearly Results                                     | : | October/November 2017 |
| (iii) Third Quarter Results                                  | : | January/February 2018 |
| (iv) Results for the year ending 31 <sup>st</sup> March 2018 | : | April/May 2018        |

**c) Date of Book Closure:**

Friday, 21<sup>st</sup> July 2017 to Saturday, 29<sup>th</sup> July 2017 (both days inclusive).

**d) Date of payment of Dividend:**

The Board of Directors have not recommended any dividend for the financial year ended on 31<sup>st</sup> March 2017.

**e) Listing on Stock Exchange(s):**

BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

The annual listing fee of BSE has been paid for the year 2017-18.

**f) Stock Code/Symbol/International Securities Identification Number ("ISIN"):**

- |                           |   |              |
|---------------------------|---|--------------|
| <b>BSE</b>                | : | 515043       |
| <b>ISIN FOR NSDL/CDSL</b> | : | INE068B01017 |

**g. Corporate Identity Number ("CIN") of the Company:** L26101MH1973PLC018367

**h) Market Price Data: High, Low during each month in the last financial year and Performance in comparison to BSE Sensex (broad based index):**

Month	BSE		Sensex	
	High (₹)	Low (₹)	High	Low
April 2016	43.20	39.15	26064.12	24673.84
May 2016	42.40	39.50	26725.6	25101.73
June 2016	40.70	38.00	27020.66	26395.71
July 2016	45.55	40.00	28208.62	27126.9
August 2016	42.75	38.80	28452.17	27697.51
September 2016	43.50	38.20	29045.28	27827.53
October 2016	57.85	40.85	28334.55	27529.97
November 2016	57.25	39.90	27876.61	25765.14
December 2016	47.35	42.85	26747.18	25807.1
January 2017	51.30	45.55	27882.46	26595.45
February 2017	48.60	44.75	28892.97	28141.64
March 2017	47.90	45.20	29648.99	28832.45

**i) Registrars and Transfer Agents:**

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg, Vikhroli West,  
Mumbai 400 083  
Telephone : +91 22 4918 6000  
Fax : +91 22 4918 6060  
E-mail : rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in



**j) Share Transfer System:**

Transfer of shares held in physical form are processed by Link Intime India Private Limited.

**k) Shareholding Pattern as on 31<sup>st</sup> March 2017:**

Category	Number of Shareholders	Number of Shares	Percentage
Promoters:			
Foreign	1	43969785	48.26
Indian	1	24359490	26.74
Insurance Companies & Banks	4	4950	0.01
UTI & Mutual Funds	1	1300	0.00
NRIs, OCBs FIIs and FPI	170	206995	0.23
Domestic Companies, Trusts and others	1203	4905416	5.38
Resident Individuals	21154	17657764	19.38
<b>Total</b>	<b>22534</b>	<b>91105700</b>	<b>100.00</b>

**l) Distribution of Shareholdings:**

Holding	Shareholders		Shares	
	Number	Percentage	Number	Percentage
Upto 250	12028	53.38	1414022	1.55
251 to 500	4840	21.48	2021259	2.22
501 to 1000	2791	12.39	2395019	2.63
1001 to 5000	2285	10.14	5391920	5.92
5001 to 10000	315	1.40	2421571	2.66
10001 to 100000	259	1.14	6768235	7.43
100001 and above	16	0.07	70693674	77.592
<b>Total</b>	<b>22534</b>	<b>100.00</b>	<b>91105700</b>	<b>100.00</b>

**m) Dematerialisation of shares and liquidity:**

98.83% of the paid-up capital has been dematerialised as on 31<sup>st</sup> March 2017.

**n) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on 31<sup>st</sup> March 2017, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**o) Commodity price risk or foreign exchange risk and hedging activities:**

SGSIL's financial management has always been governed by prudent policies, based on conservative principles. Its foreign currency exposure on account of imports and exports are appropriately hedged. SGSIL has a well-defined and structured treasury operation, with the emphasis being on security.

**p) Plant Locations:**

The Company's plant is located at Chakan, Pune. The Company discontinued the operations at its Bhosari plant as it was economically unviable to continue the operations of this plant and subsequently, closed this plant from 30<sup>th</sup> November 2015.

**q) Address for correspondence:**

Saint-Gobain Sekurit India Limited  
T-94, M.I.D.C., Bhosari Industrial Area,  
Pune – 411 026, Maharashtra.  
Tel: + 91 20 6611 4153

Designated e-mail address for Investor Services: investors-SEK.L05Gen@saint-gobain.com  
Website: www.sekuritindia.com

## 7. DISCLOSURES

### a) **Materially Significant Related Party Transactions:**

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. Transactions with related parties, as per the requirements of Accounting Standard (AS) – 18, are disclosed in Note 26 of Notes forming part of financial statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.sekuritindia.com](http://www.sekuritindia.com).

### b) **Compliance:**

The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on all matters relating to capital markets, and no penalty or strictures were imposed on the Company during the last three years, 2014-15, 2015-16 and 2016-17.

### c) **Whistle Blower Policy and Vigil Mechanism:**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to provide a secure environment and encourage employees to report unethical, unlawful or improper practices, acts or activities, a Whistle Blower policy has been operational for a number of years. The Whistle Blower Policy and Vigil Mechanism are disseminated through the Company's website [www.sekuritindia.com](http://www.sekuritindia.com). We affirm that no employee of the Company was denied access to the Audit Committee.

### d) **Mandatory and Non-mandatory requirements:**

The Company has complied with all the mandatory requirements of Schedule II of the Listing Regulations. The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II of the Listing Regulations:

- i) The financial statements of the Company are unmodified.
- ii) The position of Chairman and Managing Director are separate.
- iii) The Internal Auditor directly reports to the Audit Committee.

### (e) **The Company has complied with all the mandatory requirements under the Listing Regulations.**

## 8. Promoter

### i) **Ultimate Holding Company:**

Compagnie de Saint-Gobain, France

### ii) **Foreign Promoter:**

Saint-Gobain Sekurit France S.A., France

### iii) **Indian Promoter:**

Saint-Gobain India Private Limited

### iv) **Other Saint-Gobain Group of Companies in India:**

Grindwell Norton Limited

Saint-Gobain Research India Private Limited

Saint-Gobain India Foundation (Section 8 Company)

## 9. OTHER INFORMATION

### a) **CEO/CFO certification:**

Pursuant to the provisions of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director ("CEO") and Chief Financial Officer have issued a certificate to the Board of Directors, for the financial year ended 31<sup>st</sup> March 2017.

### b) **Code of Conduct:**

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of conduct is available on the website of the Company, [www.sekuritindia.com](http://www.sekuritindia.com). Internally, all employees of the Company are expected to strictly follow Saint-Gobain's Principles of Conduct and Action and the Code of Conduct for Saint-Gobain employees in India.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March 2017.

For **Saint-Gobain Sekurit India Limited**

Mumbai, 26<sup>th</sup> May 2017

**A. Dinakar**  
Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

TO THE MEMBERS OF

**SAINT-GOBAIN SEKURIT INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by Saint-Gobain Sekurit India Limited (the Company) for the year ended 31<sup>st</sup> March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D & E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. We state that no investor grievances are pending for a period exceeding one month against the Company as per the record maintained by the Stakeholders Relationship Committee.

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

**For V. N. Deodhar & Co.**  
Practicing Company Secretaries

**Vinayak Deodhar**  
Proprietor  
Membership No. FCS 1880  
CP No. 898

Place : Mumbai

Date : 26<sup>th</sup> May 2017

## INDEPENDENT AUDITORS' REPORT

### To The Members of Saint-Gobain Sekurit India Limited

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Saint-Gobain Sekurit India Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

9. The financial information of the Company for the year ended 31<sup>st</sup> March 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 18<sup>th</sup> May 2016 and 28<sup>th</sup> May 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

### 11. As required by Section 143(3) of the Act, we report that:

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



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 11(b) above, that the back-up of the books of accounts maintained in electronic mode has not been maintained on servers physically located in India.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March 2017 on its financial position in its Ind AS financial statements - Refer Note 39.
  - ii. The Company has long-term contracts as at 31<sup>st</sup> March 2017 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at 31<sup>st</sup> March 2017.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2017.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 - Refer Note 42.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N / N500016

Chartered Accountants

**Sachin Parekh**

Partner

Place : Mumbai

Date : 26<sup>th</sup> May 2017

Membership Number: 107038

### **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Saint-Gobain Sekurit India Limited on the financial statements for the year ended 31<sup>st</sup> March 2017

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Saint-Gobain Sekurit India Limited ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Price Waterhouse Chartered Accountants LLP**  
 Firm Registration Number: 012754N / N500016  
 Chartered Accountants

Place : Mumbai  
 Date : 26<sup>th</sup> May 2017

**Sachin Parekh**  
 Partner  
 Membership Number: 107038



## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Saint-Gobain Sekurit India Limited on the Ind AS financial statements as of and for the year ended 31<sup>st</sup> March 2017.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in the Ind AS financial statements, are held in the name or in the erstwhile name of the Company. Refer Note 6 of the Ind AS Financial Statements.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of service tax, duty of excise and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, income tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at 31<sup>st</sup> March 2017, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment
The Central Excise Act, 1944	Duty of excise	24,00,000	September 2015	6 <sup>th</sup> October 2016	Paid ₹ 15,00,000 on 25 <sup>th</sup> May 2017

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax and duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, value added tax as at 31<sup>st</sup> March 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under protest (₹)	Net Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax and penalty, if any	1,10,310	-	1,10,310	Financial year 2010-2011	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Excise duty and penalty	3,43,69,916*	14,24,525	3,29,45,391	Financial years 1989-1990, 1990-1992, 2003-2004 and 2004-2005	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under protest (₹)	Net Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
The Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	5,85,445	2,92,692	2,92,753	Financial year 2000-2001	Additional Commissioner of Commercial Taxes, Hyderabad
The Central Sales Tax Act, 1956	Sales Tax	70,78,795	22,68,627	48,10,168	Financial years 2007-2008 to 2011-2012	Dy. Commissioner of Sales Tax, Pune
The Maharashtra Value Added Tax Act, 2005	Value Added Tax	99,46,919	23,24,812	76,22,107	Financial years 2005-2006, 2006-2007, 2008-2009, 2009-2010 and 2011-2012	Joint Commissioner of Sales Tax (Appeals), Pune

\* This does not include the amount of interest in respect of certain matters as the same has not been quantified in the Order from the Commissioner of Excise.

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him with the meaning of section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N / N500016

Chartered Accountants

**Sachin Parekh**

Partner

Membership Number: 107038

Place : Mumbai  
Date : 26<sup>th</sup> May 2017



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

Particulars	Notes	As at 31 <sup>st</sup> March 2017 (₹ Lakhs)	As at 31 <sup>st</sup> March 2016 (₹ Lakhs)	As at 1 <sup>st</sup> April 2015 (₹ Lakhs)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	4,353.73	3,924.28	5,073.35
Capital work-in-progress	3	161.05	249.70	145.66
Intangible assets	4	3.67	5.72	11.65
Financial assets				
- Other financial assets	5 (a)	11.27	18.07	25.54
- Loans to employees	5 (b)	25.45	6.10	22.87
Deferred tax assets (net)	33	294.77	430.16	418.40
Income tax assets	24	230.58	187.86	49.67
Other non-current assets	6	69.31	166.66	91.86
<b>Total non-current assets</b>		<b>5,149.83</b>	<b>4,988.55</b>	<b>5,839.00</b>
<b>Current assets</b>				
Inventories	7	1,109.34	1,180.28	1,161.57
Financial assets				
- Investments	8	2,324.14	1,457.26	1,003.40
- Trade receivables	9	1,567.73	1,535.89	2,015.96
- Cash and cash equivalents	10	54.18	25.56	24.06
- Other financial assets	11 (a)	1.93	0.15	0.50
- Loans to employees	11 (b)	20.17	13.58	39.66
Other current assets	12	297.14	192.76	153.24
Non-current assets classified as held for sale	13	-	859.44	549.36
<b>Total current assets</b>		<b>5,374.63</b>	<b>5,264.92</b>	<b>4,947.75</b>
<b>TOTAL ASSETS</b>		<b>10,524.46</b>	<b>10,253.47</b>	<b>10,786.75</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	9,110.57	9,110.57	9,110.57
Other equity	15	(448.12)	(1,101.08)	(1,091.72)
<b>Total equity</b>		<b>8,662.45</b>	<b>8,009.49</b>	<b>8,018.85</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Security deposits	16	62.55	37.30	29.30
Provisions	17	31.77	31.77	31.77
Employee benefit obligations	18	82.54	50.53	261.58
Government grants	19	33.62	41.84	54.94
<b>Total non-current liabilities</b>		<b>210.48</b>	<b>161.44</b>	<b>377.59</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	20	211.84	118.04	111.58
- Trade payables	21	940.11	1,325.27	1,764.57
- Other financial liabilities	22	216.01	145.25	184.41
Provisions	23	69.20	76.71	70.58
Employee benefit obligations	18	38.74	25.09	52.25
Government grants	19	9.30	10.38	24.52
Current tax liabilities	24	-	-	19.45
Other current liabilities	25	166.33	381.80	162.95
<b>Total current liabilities</b>		<b>1,651.53</b>	<b>2,082.54</b>	<b>2,390.31</b>
<b>Total liabilities</b>		<b>1,862.01</b>	<b>2,243.98</b>	<b>2,767.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,524.46</b>	<b>10,253.47</b>	<b>10,786.75</b>
The above balance sheet should be read in conjunction with the accompanying notes.	1 to 44			

In terms of our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration No. 012754N / N500016

For and on behalf of the Board

**A. Y. Mahajan**  
Director

**A. Dinakar**  
Managing Director

**Sachin Parekh**  
Partner  
Membership No. 107038

**Manigandann R**  
Chief Financial Officer

**Rukmini Subramanian**  
Company Secretary

Place : Mumbai  
Date : 26<sup>th</sup> May 2017

Place : Mumbai  
Date : 26<sup>th</sup> May 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Particulars	Notes	Year ended 31 <sup>st</sup> March 2017 (₹ Lakhs)	Year ended 31 <sup>st</sup> March 2016 (₹ Lakhs)
<b>REVENUE</b>			
Revenue from operations	26	13,868.87	15,723.40
Other income	27	257.94	195.36
<b>Total Revenue</b>		<b>14,126.81</b>	<b>15,918.76</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	5,527.59	6,167.92
Purchases of stock-in-trade		67.34	544.56
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	115.34	(149.71)
Excise duty		1,522.32	1,647.14
Employee benefit expenses	29	1,119.85	1,227.11
Finance costs	30	28.99	45.09
Depreciation and amortisation expense	3, 4	773.74	851.26
Other expenses	31	3,934.59	4,093.45
<b>Total Expense</b>		<b>13,089.76</b>	<b>14,426.82</b>
<b>Profit before exceptional items and tax</b>		<b>1,037.05</b>	<b>1,491.94</b>
Exceptional items	32	-	(1,491.67)
<b>Profit before tax</b>		<b>1,037.05</b>	<b>0.27</b>
<b>Income tax expense</b>			
Current tax	33	381.74	42.50
Deferred tax	33	(21.50)	(42.35)
<b>Total tax expense</b>		<b>360.24</b>	<b>0.15</b>
<b>Profit for the year</b>		<b>676.81</b>	<b>0.12</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit and loss</i>			
Remeasurement gains/(losses) on net defined benefit plans		(36.45)	(14.16)
Tax relating to above		12.61	4.68
<b>Other comprehensive income for the year, net of tax</b>		<b>(23.84)</b>	<b>(9.48)</b>
<b>Total comprehensive income for the year</b>		<b>652.97</b>	<b>(9.36)</b>
<b>Earnings per share attributable to owners of Saint-Gobain Sekurit India Limited</b>			
Basic earning per share (₹)	41	0.74	0.01
Diluted earning per share (₹)	41	0.74	0.01
The above statement of profit and loss should be read in conjunction with the accompanying notes.	1 to 44		

In terms of our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration No. 012754N / N500016

For and on behalf of the Board

**A. Y. Mahajan**  
Director

**A. Dinakar**  
Managing Director

**Sachin Parekh**  
Partner  
Membership No. 107038

**Manigandann R**  
Chief Financial Officer

**Rukmini Subramanian**  
Company Secretary

Place : Mumbai  
Date : 26<sup>th</sup> May 2017

Place : Mumbai  
Date : 26<sup>th</sup> May 2017



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### a) Equity share capital

Particulars	Notes	No. of shares	Amount (₹ Lakhs)
<b>Balance as at 1<sup>st</sup> April 2015</b>		<b>91,105,700</b>	<b>9,110.57</b>
Changes in equity share capital	14	-	-
<b>Balance as at 31<sup>st</sup> March 2016</b>		<b>91,105,700</b>	<b>9,110.57</b>
Changes in equity share capital	14	-	-
<b>Balance as at 31<sup>st</sup> March 2017</b>		<b>91,105,700</b>	<b>9,110.57</b>

### b) Other equity

Particulars	Securities premium account (₹ Lakhs)	Retained earnings (₹ Lakhs)	Capital redemption reserve (₹ Lakhs)	Total other equity (₹ Lakhs)
<b>Balance as at 1<sup>st</sup> April 2015</b>	<b>1,132.48</b>	<b>(2,224.31)</b>	<b>0.11</b>	<b>(1,091.72)</b>
Profit for the year	-	0.12	-	0.12
Other comprehensive income for the year	-	(9.48)	-	(9.48)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(9.36)</b>	<b>-</b>	<b>(9.36)</b>
<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>1,132.48</b>	<b>(2,233.67)</b>	<b>0.11</b>	<b>(1,101.08)</b>
Profit for the year	-	676.81	-	676.81
Other comprehensive income for the year	-	(23.84)	-	(23.84)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>652.97</b>	<b>-</b>	<b>652.97</b>
<b>Balance as at 31<sup>st</sup> March 2017</b>	<b>1,132.48</b>	<b>(1,580.71)</b>	<b>0.11</b>	<b>(448.12)</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### BACKGROUND

Saint-Gobain Sekurit India Limited ("the Company") is engaged primarily in business of manufacture and sale of automotive glass. The Company has its manufacturing facility in Pune and sells primarily in India. The Company is a public limited company and is listed on the BSE Limited (BSE).

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation

##### i) *Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended 31<sup>st</sup> March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 44 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

##### ii) *Historical cost convention*

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale – measured at lower of cost or fair value less cost to sell; and
- defined benefit plans – plan assets measured at fair value.

#### b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Company is engaged in the business of "Automotive Glass" and constitutes a single reportable business segment.

The Company's sales are predominantly in India and accordingly there is no other geographical reportable segment.

Refer note 37 for segment information presented.

#### c) Foreign currency transaction

##### i) *Functional and presentation currency*

The financial statements are presented in Indian Rupee (₹), which is Saint-Gobain Sekurit India Limited's functional and presentation currency.

##### ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit and loss.

**NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017****d) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue from sale of goods when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the products have been delivered to the customer. The Company bases its estimates of discount and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Timing of revenue recognition –

The Company manufactures and sells a range of glasses to the original equipment manufacturers (OEM's) and free market dealers. Sales are recognised when the products are delivered to OEM's and free market dealers.

**e) Government grants**

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

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

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

**f) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**g) Leases****i) As a lessee**

Leases of Property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

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

### ii) *As a lessor*

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### h) **Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### i) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### j) **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### k) **Inventories**

*Raw materials and stores, work in progress, traded and finished goods*

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, traded goods and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, traded goods and spares is determined using the standard cost adjusted for variance from actual costs on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### l) **Non-current assets held for sale**

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

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

Non-current assets are not depreciated or amortised while they are classified as held for sale.

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



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### **m) Investments and other financial assets**

#### *i) Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### *ii) Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit and loss. Subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its instruments:

- Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss and is not part of a hedging relationship is recognised in profit and loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### *iii) Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Company determines whether there has been a significant increase in credit risk.

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### iv) *Derecognition of financial assets*

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### v) *Income recognition*

- Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

- Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### n) **Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company does not designate any of its derivatives as hedging instruments. Accordingly, such contracts are accounted for at fair value through profit and loss. The gain / (losses) are included in other income and other expenses respectively.

### o) **Offsetting financial instruments**

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

### p) **Property, plant and equipment**

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, plant and equipment recognised as at 1<sup>st</sup> April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### *Depreciation methods, estimated useful lives and residual value*

Based on technical evaluation, depreciation is provided on pro-rata basis on the straight-line method over the following estimated useful lives of the assets in order to reflect the actual usage of the assets.

<b>Assets</b>	<b>Useful Life (in years) followed by the Company</b>	<b>Useful Life (in years) prescribed under Schedule II of the Companies Act, 2013</b>
General plant and machinery	15	15
Pallets, racks and trolleys	4	15
Moulds and toolings	4	8
Machinery spares	2-13	15
Furniture and fixtures	10	10
IT Hardware (network / server)	4	6
Computers (end user devices such as desktops, laptops etc.)	3	3
Motor vehicles	5	8
Office equipments	5	5
Buildings (other than factory building)	60	60
Factory building	30	30

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss.

### **q) Intangible assets**

#### *i) Computer Software*

Computer software having finite life is amortised using the straight-line method over a period of five years.

#### *ii) Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1<sup>st</sup> April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **r) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **s) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income and other gains / (losses).

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### t) **Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

### u) **Provisions**

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

### v) **Employee benefits**

#### i) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### ii) *Other long-term employee benefit obligations*

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

The obligations are presented as current liabilities in the balance sheet based on when the actual settlement is expected to occur.

#### iii) *Post-employment obligations*

The Company operates the following post-employment schemes

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund, super annuation fund.

#### *Defined benefit plans - Gratuity obligations*

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost.

### *Defined contribution plans – Provident fund*

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### iv) *Bonus plans*

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### v) *Termination benefits*

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits as and when incurred. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### w) **Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### x) **Earnings per share**

#### i) *Basic earnings per share*

Basic earnings per share is calculated by dividing

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### ii) *Diluted earnings per share*

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

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

### y) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### z) Recent accounting pronouncements

#### *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 Company from 1<sup>st</sup> April 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 Company 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.

## NOTE 2 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

### a) Taxation

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/ losses and / or cash flows.

### b) Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

Historical differences between forecast and actual taxable profits have not resulted in material adjustments to the recognition of deferred tax assets.

### c) Useful lives of Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss.

The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

**NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017****d) Provision and contingent liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (refer note 17 and 39). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Management estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**e) Estimation of defined benefit obligation**

In determining the valuation of defined benefit schemes' assets and liabilities, a number of key assumptions have been made. The key assumptions, which are given below, are largely dependent on factors outside the control of the Company

- inflation rate;
- life expectancy;
- discount rate; and
- salary and pension growth rates.

The Company is exposed to risks through its defined benefit schemes if actual experience differs to the assumptions used and through volatility in the plan assets. Details of the assumptions used, and associated sensitivities, are included in note 18.

**f) Impairment of trade receivables**

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Buildings	Plant & Machinery (Refer note below)	Office Equipments	Furniture & Fixtures	Computers	Total	Capital Work-in-Progress
<b>Gross carrying amount</b>								
Deemed cost as at 1 <sup>st</sup> April 2015	28.67	770.28	4,193.31	7.57	52.28	21.24	5,073.35	145.66
Additions	-	78.95	375.11	3.58	0.29	-	457.93	565.00
Disposals	-	(3.49)	(51.72)	-	(2.40)	(0.59)	(58.20)	-
Transfers	-	-	-	-	-	-	-	(443.26)
Assets written off (Refer note 13)	-	-	(441.80)	(1.03)	(2.32)	(5.76)	(450.91)	-
Assets classified as held for sale (Refer note 13)	-	-	(291.74)	-	(0.46)	(0.18)	(292.38)	(17.70)
<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>28.67</b>	<b>845.74</b>	<b>3,783.16</b>	<b>10.12</b>	<b>47.39</b>	<b>14.71</b>	<b>4,729.79</b>	<b>249.70</b>
Additions	-	77.26	1,093.31	14.30	8.68	7.59	1,201.14	1,050.67
Disposals	-	-	-	(0.15)	-	-	(0.15)	-
Transfers	-	-	-	-	-	-	-	(1,139.32)
<b>Balance as at 31<sup>st</sup> March 2017</b>	<b>28.67</b>	<b>923.00</b>	<b>4,876.47</b>	<b>24.27</b>	<b>56.07</b>	<b>22.30</b>	<b>5,930.78</b>	<b>161.05</b>
<b>Accumulated depreciation</b>								
Depreciation charge for the year	-	(36.48)	(790.57)	(1.56)	(10.66)	(9.43)	(848.70)	-
Disposals	-	0.34	41.67	-	0.61	0.57	43.19	-
Assets written off	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>-</b>	<b>(36.14)</b>	<b>(748.90)</b>	<b>(1.56)</b>	<b>(10.05)</b>	<b>(8.86)</b>	<b>(805.51)</b>	<b>-</b>
Depreciation charge for the year	-	(38.56)	(715.55)	(2.28)	(10.21)	(5.09)	(771.69)	-
Disposals	-	-	-	0.15	-	-	0.15	-
<b>Balance as at 31<sup>st</sup> March 2017</b>	<b>-</b>	<b>(74.70)</b>	<b>(1,464.45)</b>	<b>(3.69)</b>	<b>(20.26)</b>	<b>(13.95)</b>	<b>(1,577.05)</b>	<b>-</b>
<b>Net carrying amount as at 1<sup>st</sup> April 2015</b>	<b>28.67</b>	<b>770.28</b>	<b>4,193.31</b>	<b>7.57</b>	<b>52.28</b>	<b>21.24</b>	<b>5,073.35</b>	<b>145.66</b>
<b>Net carrying amount as at 31<sup>st</sup> March 2016</b>	<b>28.67</b>	<b>809.60</b>	<b>3,034.26</b>	<b>8.56</b>	<b>37.34</b>	<b>5.85</b>	<b>3,924.28</b>	<b>249.70</b>
<b>Net carrying amount as at 31<sup>st</sup> March 2017</b>	<b>28.67</b>	<b>848.30</b>	<b>3,412.02</b>	<b>20.58</b>	<b>35.81</b>	<b>8.35</b>	<b>4,353.73</b>	<b>161.05</b>

#### Note:

Plant and Machinery includes Machinery costing ₹ 54.37 Lakhs (31<sup>st</sup> March 2016: ₹ 54.37 Lakhs, 1<sup>st</sup> April 2015: ₹ 54.37 Lakhs) Net block ₹ Nil (31<sup>st</sup> March 2016: ₹ 1.90 Lakhs, 1<sup>st</sup> April 2015: ₹ 4.48 Lakhs) given under operating lease arrangement.

### NOTE 4 - INTANGIBLE ASSETS

Particulars	Computer Software
<b>Gross carrying amount</b>	
Deemed cost as at 1 <sup>st</sup> April 2015	11.65
Assets written off	(3.37)
<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>8.28</b>
<b>Balance as at 31<sup>st</sup> March 2017</b>	<b>8.28</b>
<b>Accumulated amortisation</b>	
Amortisation charge for the period	(2.56)
<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>(2.56)</b>
Amortisation charge for the period	(2.05)
<b>Balance as at 31<sup>st</sup> March 2017</b>	<b>(4.61)</b>
<b>Net carrying amount as at 1<sup>st</sup> April 2015</b>	<b>11.65</b>
<b>Net carrying amount as at 31<sup>st</sup> March 2016</b>	<b>5.72</b>
<b>Net carrying amount as at 31<sup>st</sup> March 2017</b>	<b>3.67</b>

#### Note:

- All intangible assets held by the company are purchased and not internally generated.
- The Company had amalgamated with Universal Body Builders & Engineers Private Limited in the financial year 1999-2000 which resulted in a goodwill of ₹ 81.43 Lakhs. As at the date of transition, this goodwill was fully amortised and resulted in a carrying amount of ₹ Nil.



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 5 (a) - OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Security deposits	11.27	18.07	25.54
<b>Total</b>	<b>11.27</b>	<b>18.07</b>	<b>25.54</b>

### NOTE 5 (b) - OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Loans to employees	25.45	6.10	22.87
<b>Total</b>	<b>25.45</b>	<b>6.10</b>	<b>22.87</b>

### NOTE 6 - OTHER NON-CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Capital advance	-	110.16	29.16
Deposits made under protest	65.83	53.01	59.10
Prepaid expenses for Leasehold Land (Refer note below)	3.48	3.49	3.60
<b>Total</b>	<b>69.31</b>	<b>166.66</b>	<b>91.86</b>

#### Note:

The Company is in the process of changing the name in the leasehold agreement from Maharashtra Safety Glass Works Private Limited to Saint-Gobain Sekurit India Limited.

### NOTE 7 - INVENTORIES

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Raw materials (includes in transit: ₹ 45.23 Lakhs, 31 <sup>st</sup> March 2016: ₹ 40.16 Lakhs, 1 <sup>st</sup> April 2015: ₹ Nil)	400.82	346.51	346.75
Work in progress	107.57	146.95	128.03
Finished goods (includes in transit: ₹ Nil, 31 <sup>st</sup> March 2016: ₹ 125.73 Lakhs, 1 <sup>st</sup> April 2015: ₹ 84.65 Lakhs)	554.34	603.72	465.44
Traded goods	1.29	27.87	35.36
Consumables and spares (includes in transit : ₹ 4.8 Lakhs, 31 <sup>st</sup> March 2016: ₹ Nil, 1 <sup>st</sup> April 2015: ₹ Nil)	45.32	55.23	185.99
<b>Total</b>	<b>1,109.34</b>	<b>1,180.28</b>	<b>1,161.57</b>

#### Amounts recognised in Profit or Loss

Write-downs of inventories to net realisable value amounted to ₹ 2.48 Lakhs (31<sup>st</sup> March 2016: ₹ 9.53 Lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### NOTE 8 - INVESTMENTS

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
<b>Mutual Funds (unquoted) at FVPL</b>			
<b>ICICI Prudential Money Market Fund - Regular Growth Plan</b> Nil Units (31 <sup>st</sup> March 2016: Nil Units, 1 <sup>st</sup> April 2015: 259,212.81 Units)	-	-	500.93
<b>J M Floater Long Term Fund- Direct - Growth Plan</b> Nil Units (31 <sup>st</sup> March 2016: Nil Units, 1 <sup>st</sup> April 2015: 2,345,908.97 Units)	-	-	502.47
<b>Reliance Regular Saving Fund Debt Plan - Growth</b> Nil Units (31 <sup>st</sup> March 2016: 5,109,138.87 Units, 1 <sup>st</sup> April 2015 : Nil Units)	-	1,055.08	-
<b>ICICI Prudential Flexible Income - Regular Plan - Growth</b> 111,745.059 Units (31 <sup>st</sup> March 2016: 128,233.34 Units, 1 <sup>st</sup> April 2015 : Nil Units)	347.91	367.03	-
<b>JM High Liquidity Fund - Growth</b> Nil Units (31 <sup>st</sup> March 2016 : 85,047.03 Units, 1 <sup>st</sup> April 2015 : Nil Units)	-	35.15	-
<b>Reliance Corporate Bond Fund - Growth</b> 8,033,741.715 Units (31 <sup>st</sup> March 2016: Nil Units, 1 <sup>st</sup> April 2015: Nil Units)	1,057.71	-	-
<b>Reliance Medium Term Fund - Growth Plan - Growth Option</b> 1,645,749.874 Units (31 <sup>st</sup> March 2016: Nil Units, 1 <sup>st</sup> April 2015: Nil Units)	561.60	-	-
<b>UTI-Banking &amp; PSU Debt Fund - Regular Plan - Growth</b> 796,146.65 Units (31 <sup>st</sup> March 2016: Nil Units, 1 <sup>st</sup> April 2015: Nil Units)	106.31	-	-
<b>Tata Ultra Short Term Fund</b> 10,166.48 Units (31 <sup>st</sup> March 2016: Nil Units, 1 <sup>st</sup> April 2015: Nil Units)	250.61	-	-
<b>Total</b>	<b>2,324.14</b>	<b>1,457.26</b>	<b>1,003.40</b>

### NOTE 9 - TRADE RECEIVABLES (Refer note 34)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Trade receivables	1,558.85	1,551.77	1,994.73
Receivables from related parties (Refer note 38)	20.71	9.61	30.29
Less: Allowance for doubtful debts	(11.83)	(25.49)	(9.06)
<b>Trade receivables (net)</b>	<b>1,567.73</b>	<b>1,535.89</b>	<b>2,015.96</b>
Secured, considered good	-	-	-
Unsecured, considered good	1,567.73	1,535.89	2,015.96
Doubtful	11.83	25.49	9.06
<b>Total</b>	<b>1,579.56</b>	<b>1,561.38</b>	<b>2,025.02</b>
Allowance for doubtful debts	(11.83)	(25.49)	(9.06)
<b>Total</b>	<b>1,567.73</b>	<b>1,535.89</b>	<b>2,015.96</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### Transferred receivables

The carrying amounts of trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

### The relevant carrying amounts are as follows

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Total transferred receivables	211.84	118.04	81.27
Associated secured borrowing (Refer note 20)	211.84	118.04	81.27

### NOTE 10 - CASH AND CASH EQUIVALENTS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Cash at bank	54.18	25.56	23.95
Cash in hand	-	-	0.11
<b>Total</b>	<b>54.18</b>	<b>25.56</b>	<b>24.06</b>

### NOTE 11 (a) - OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Recoverable from employee gratuity trust	1.93	0.15	0.50
<b>Total</b>	<b>1.93</b>	<b>0.15</b>	<b>0.50</b>

### NOTE 11 (b) - LOAN TO EMPLOYEES (CURRENT)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Loan to employees	20.17	13.58	39.66
<b>Total</b>	<b>20.17</b>	<b>13.58</b>	<b>39.66</b>

### NOTE 12 - OTHER CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Other receivables	-	9.14	-
Advance to suppliers	89.77	20.52	33.59
Due from government authorities	168.95	139.79	87.23
Prepaid expenses	38.42	23.31	32.42
<b>Total</b>	<b>297.14</b>	<b>192.76</b>	<b>153.24</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### NOTE 13 - ASSETS CLASSIFIED AS HELD FOR SALE

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Capital work-in-progress	-	567.06	549.36
Furniture & Fixtures	-	0.46	-
Computers	-	0.18	-
Plant & Machinery	-	291.74	-
<b>Total</b>	<b>-</b>	<b>859.44</b>	<b>549.36</b>

As it was economically unviable to continue the operations of the Bhosari plant of the Company, the Board of Directors, in its meeting held on 31<sup>st</sup> August 2015 decided to discontinue the operations with effect from 1<sup>st</sup> September 2015. Subsequently, the plant was closed with effect from 30<sup>th</sup> November 2015. Consequently

- An aggregate expenditure of ₹ 1,491.67 Lakhs is recognized in Statement of Profit and Loss as Exceptional items being written off towards carrying value of certain fixed assets and inventory, compensation paid on settlement with workmen and other related costs.
- Fixed assets aggregating ₹ 859.44 Lakhs as at 31<sup>st</sup> March 2016 are classified as "Assets held for sale"; this includes ₹ 567.06 Lakhs in respect of KT to BT equipment situated at Bhosari plant which was proposed to be sold to Saint-Gobain India Private Limited (SGIPL) pursuant to shareholders' approval on 1<sup>st</sup> August 2015 and other assets, which were also proposed to be sold to SGIPL valued at ₹ 292.38 Lakhs, being lower of cost or net realisable value.
- During the year 2016-2017, the Company has obtained approval from shareholders for the sale of remaining assets amounting to ₹ 292.38 Lakhs in meeting dated 30<sup>th</sup> July 2016. Subsequent to the approval, the Company has sold such assets classified as held for sale to SGIPL.

Assets classified as held for sale during the reporting period were measured at lower of its carrying amount and fair value less costs to sell. The fair value of the assets was determined using the sales comparison approach. This is a level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosures (Refer note 34). The key inputs under this approach are market value of comparable similar new machine and expected useful life and available quotes from the prospective buyers.

### NOTE 14 - EQUITY SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
<b>Authorised equity share capital</b>			
92,000,000 (31 <sup>st</sup> March 2016: 92,000,000, 1 <sup>st</sup> April 2015: 92,000,000) equity shares of ₹ 10 each	9,200.00	9,200.00	9,200.00
<b>Total</b>	<b>9,200.00</b>	<b>9,200.00</b>	<b>9,200.00</b>
<b>Issued, subscribed and paid up</b>			
91,105,700 (31 <sup>st</sup> March 2016: 91,105,700, 1 <sup>st</sup> April 2015: 91,105,700) equity shares of ₹ 10 each	9,110.57	9,110.57	9,110.57
<b>Total</b>	<b>9,110.57</b>	<b>9,110.57</b>	<b>9,110.57</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### Movement in equity share capital

Particulars	No. of shares	Amount
<i>Authorised share capital</i>		
<b>As at 1<sup>st</sup> April 2015</b>	<b>92,000,000</b>	<b>9,200.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31<sup>st</sup> March 2016</b>	<b>92,000,000</b>	<b>9,200.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>92,000,000</b>	<b>9,200.00</b>
<i>Issued, subscribed and paid up</i>		
<b>As at 1<sup>st</sup> April 2015</b>	<b>91,105,700</b>	<b>9,110.57</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March 2016</b>	<b>91,105,700</b>	<b>9,110.57</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>91,105,700</b>	<b>9,110.57</b>

### Terms and rights attached to equity shares

Equity shares have a par value of ₹ 10 each. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### Shares held by holding company and subsidiary of ultimate holding company

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Saint-Gobain Sekurit France S.A. (Subsidiary of Ultimate Holding Company, also Holding Company upto 4 <sup>th</sup> April 2016)			
43,969,785 (31 <sup>st</sup> March 2016: 55,813,526, 1 <sup>st</sup> April 2015: 55,813,526) equity shares of ₹ 10 each	<b>4,396.98</b>	5,581.35	5,581.35
Saint-Gobain India Private Limited (Subsidiary of Ultimate Holding Company)			
24,359,490 (31 <sup>st</sup> March 2016: 12,515,749, 1 <sup>st</sup> April 2015: 12,515,749) equity shares of ₹ 10 each	<b>2,435.95</b>	1,251.57	1,251.57
<b>Total</b>	<b>6,832.93</b>	6,832.92	6,832.92

### Details of shareholders holding more than 5% of shares

Particulars	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016		As at 1 <sup>st</sup> April 2015	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Saint-Gobain Sekurit France S.A. (Subsidiary of Ultimate Holding Company, also Holding Company upto 4 <sup>th</sup> April 2016)	<b>43,969,785</b>	<b>48.26%</b>	558,135,260	61.26%	558,135,260	61.26%
Saint-Gobain India Private Limited (Subsidiary of Ultimate Holding Company)	<b>24,359,490</b>	<b>26.74%</b>	12,515,749	13.74%	12,515,749	13.74%

On 31<sup>st</sup> March 2016 Saint-Gobain India Private Limited purchased 11,843,741 equity shares of ₹ 10 each (comprising 13% of Company's share capital) from Saint-Gobain Sekurit France S.A. in open market. Consequently, the holding was modified w.e.f. 5<sup>th</sup> April 2016 as per records of depository.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### NOTE 15 - OTHER EQUITY

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Securities premium account	1,132.48	1,132.48	1,132.48
Retained earnings	(1,580.71)	(2,233.67)	(2,224.31)
Capital redemption reserve	0.11	0.11	0.11
<b>Total</b>	<b>(448.12)</b>	<b>(1,101.08)</b>	<b>(1,091.72)</b>

#### Securities premium account

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Opening balance	1,132.48	1,132.48
<b>Closing balance</b>	<b>1,132.48</b>	<b>1,132.48</b>

#### Retained earnings

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Opening balance	(2,233.67)	(2,224.31)
Net profit for the period	676.81	0.12
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(23.84)	(9.48)
<b>Closing balance</b>	<b>(1,580.71)</b>	<b>(2,233.67)</b>

#### Capital redemption reserve

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Opening balance	0.11	0.11
<b>Closing balance</b>	<b>0.11</b>	<b>0.11</b>

#### Securities premium account

The securities premium account is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

#### Capital redemption reserve

The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

### NOTE 16 - NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Security deposits received	62.55	37.30	29.30
<b>Total</b>	<b>62.55</b>	<b>37.30</b>	<b>29.30</b>

### NOTE 17 - NON CURRENT PROVISIONS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Provisions for litigations and disputes	2.03	2.03	2.03
Provisions for indirect tax matters	29.74	29.74	29.74
<b>Total</b>	<b>31.77</b>	<b>31.77</b>	<b>31.77</b>

Provisions for litigation and disputes represent damages that the Company might have to pay in respect of civil suits and provisions for indirect tax matters represent demands for excise duty under litigation and differential sales tax demands on account on non-collection of declaration forms that are expected to materialise.



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### Movement in provisions

Particulars	Provisions for litigations and disputes		Provisions for indirect tax matters	
	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Balance at the beginning of the year	2.03	2.03	106.45	100.32
Additions	-	-	-	6.13
Amounts used / (reversed)	-	-	(7.51)	-
<b>Balance at the end of the year</b>	<b>2.03</b>	<b>2.03</b>	<b>98.94</b>	<b>106.45</b>
Classified as				
- Current	-	-	69.20	76.71
- Non current	2.03	2.03	29.74	29.74

### NOTE 18 - EMPLOYEE BENEFIT OBLIGATIONS

#### a) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as current employee benefits. The obligation towards the same is measured at the expected cost of accumulated compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from 31<sup>st</sup> March 2017 are treated as non current employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

#### b) Post employment obligations

##### i) Gratuity - Defined benefit plan

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

##### ii) Provident fund – Defined contribution plan

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 43.80 Lakhs (31<sup>st</sup> March 2016: ₹ 53.99 Lakhs).

#### Non current

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Compensated absences	59.31	50.53	59.35
Gratuity	23.23	-	202.23
<b>Total</b>	<b>82.54</b>	<b>50.53</b>	<b>261.58</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### Current

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Compensated absences	10.31	9.82	15.70
Gratuity	28.43	15.27	36.55
<b>Total</b>	<b>38.74</b>	<b>25.09</b>	<b>52.25</b>

### Amounts recognised in the statement of profit and loss

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<i>Defined contribution plans</i>		
Provident fund	43.80	53.99
<i>Defined benefit plans</i>		
Gratuity	17.55	39.84
<b>Total</b>	<b>61.34</b>	<b>93.83</b>

### Amounts recognised in the statement of other comprehensive income

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<i>Remeasurements for</i>		
Gratuity gains / (losses)	(36.45)	(14.16)
<b>Total</b>	<b>(36.45)</b>	<b>(14.16)</b>

### Amounts recognised as a liability - gratuity

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Present value of funded obligations	293.55	226.82	339.21
Fair value of plan assets	(241.89)	(211.55)	(100.43)
<b>Deficit of funded plans</b>	<b>51.66</b>	<b>15.27</b>	<b>238.78</b>
Present value of unfunded obligations	-	-	-
<b>Total deficit of defined benefit obligations</b>	<b>51.66</b>	<b>15.27</b>	<b>238.78</b>
Impact of minimum funding requirement / asset ceiling	-	-	-
<b>Liability in the balance sheet</b>	<b>51.66</b>	<b>15.27</b>	<b>238.78</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### Gratuity plan

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows

Particulars	Present value of obligations	Fair value of plan assets	Net Amount
<b>As at 1<sup>st</sup> April 2015</b>	339.21	(100.43)	238.78
Current service cost	20.74	-	20.74
Past service cost	-	-	-
Interest expense/(income)	27.13	(8.03)	19.10
<b>Total amount recognised in Profit / Loss</b>	<b>47.87</b>	<b>(8.03)</b>	<b>39.84</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(5.26)	(5.26)
(Gain) / loss from change in demographic assumptions	(0.39)	-	(0.39)
(Gain) / loss from change in financial assumptions	23.44	-	23.44
Experience (gains) / losses	(3.63)	-	(3.63)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>19.42</b>	<b>(5.26)</b>	<b>14.16</b>
Contributions			
Employers	-	(277.51)	(277.51)
Benefit payments	(179.68)	179.68	-
<b>As at 31<sup>st</sup> March 2016</b>	<b>226.82</b>	<b>(211.55)</b>	<b>15.27</b>
Current service cost	16.36	-	16.36
Past service cost	-	-	-
Interest expense / (income)	17.71	(16.52)	1.19
<b>Total amount recognised in Profit / Loss</b>	<b>34.07</b>	<b>(16.52)</b>	<b>17.55</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(1.15)	(1.15)
(Gain) / loss from change in financial assumptions	14.23	-	14.23
Experience (gains) / losses	23.37	-	23.37
<b>Total amount recognised in Other Comprehensive Income</b>	<b>37.60</b>	<b>(1.15)</b>	<b>36.45</b>
Contributions			
Employers	-	(17.62)	(17.62)
Benefit payments	(4.94)	4.94	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>293.55</b>	<b>(241.89)</b>	<b>51.66</b>

### Significant actuarial assumptions were as follows

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Discount rate	7.26%	7.81%
Salary growth rate	9.00%	9.00%
Rate of employee turnover	5.00%	5.00%
Expected average remaining working lives of employees in number of years	11 years	11 years

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is

Particulars	Change in assumption (in %)	Impact on defined benefit obligation	
		Increase in assumption, Increase/ (Decrease) in liability	Decrease in assumption, Increase/ (Decrease) in liability
	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2017
Discount rate	0.50%	(14.83)	11.88
Salary growth rate	0.50%	11.59	(14.69)
Claim rates	0.50%	(1.52)	1.59

### Comparative Figures

Particulars	Change in assumption (in %)		Impact on defined benefit obligation			
			Increase in assumption, Increase/ (Decrease) in liability		Decrease in assumption, Increase/ (Decrease) in liability	
	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Discount rate	0.50%	0.50%	(11.91)	(16.73)	9.32	17.96
Salary growth rate	0.50%	0.50%	9.14	17.87	(11.85)	(16.80)
Claim rates	0.50%	0.50%	(0.91)	(0.09)	0.96	0.09

### Major categories of plan assets are as follows

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
	Unquoted	Unquoted	Unquoted
Insurer managed funds	241.89	211.55	100.43
<b>Total</b>	<b>241.89</b>	<b>211.55</b>	<b>100.43</b>

The expected contributions to the fund in the next year is ₹ 28.43 Lakhs (31<sup>st</sup> March 2016: ₹ 26.18 Lakhs, 1<sup>st</sup> April 2015: ₹ 36.55 Lakhs)

The expected maturity analysis of undiscounted post-employment defined benefit obligations is as follows

Particulars	Less than 1 year	Between 1 - 2 years	Between 2 - 5 years	Between 6 - 10 years	Above 6 - 10 years	Total
<b>As at 31<sup>st</sup> March 2017</b>						
Gratuity	16.90	20.20	77.20	135.11	467.85	717.26
<b>Total</b>	<b>16.90</b>	<b>20.20</b>	<b>77.20</b>	<b>135.11</b>	<b>467.85</b>	<b>717.26</b>
<b>As at 31<sup>st</sup> March 2016</b>						
Gratuity	12.01	13.46	80.00	171.77	416.01	693.25
<b>Total</b>	<b>12.01</b>	<b>13.46</b>	<b>80.00</b>	<b>171.77</b>	<b>416.01</b>	<b>693.25</b>
<b>As at 1<sup>st</sup> April 2015</b>						
Gratuity	12.59	13.40	67.12	164.70	739.21	997.02
<b>Total</b>	<b>12.59</b>	<b>13.40</b>	<b>67.12</b>	<b>164.70</b>	<b>739.21</b>	<b>997.02</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 19 - GOVERNMENT GRANTS

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Opening balance	52.22	79.46
Less: Repayment of government grant	-	(16.06)
Less: Released to Profit and Loss	(9.30)	(11.18)
<b>Closing balance</b>	<b>42.92</b>	<b>52.22</b>

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Non current portion	33.62	41.84	54.94
Current portion	9.30	10.38	24.52
<b>Total</b>	<b>42.92</b>	<b>52.22</b>	<b>79.46</b>

During the earlier years, the Company had imported assets costing ₹ 1,650.55 Lakhs under the Export Promotion Capital Goods Scheme whereby it received a benefit by way of waiver of custom duty payable amounting to ₹ 381.92 Lakhs. Portion of such duty which is not refundable / non-cenvatable has been recognised as a government grant. According to the terms of the Scheme, the Company has to fulfill an export obligation of ₹ 2,291.54 Lakhs over the period of license i.e. 6 years in order to avail the benefits of the government grant.

During the previous year, due to closure of Bhosari location, the Company has surrendered two licenses pertaining to the unit by paying requisite import duties together with interest. Total non cenvatable duty paid including interest amounting to ₹ 107.33 Lakhs. Out of this, interest amounting to ₹ 77.72 Lakhs and income already recognised ₹ 13.55 Lakhs was charged to Profit and Loss and remaining amount ₹ 16.06 Lakhs has been reversed / repaid grant.

In respect of Unit at Chakan, the obligation for license is amounting to USD 38.97 Lakhs.

Against the obligation for Chakan Unit, the Company has met an export obligation subject to documentation and DGFT audit of USD 27.06 Lakhs at average rate (31<sup>st</sup> March 2016: USD 14.93 Lakhs) upto 31<sup>st</sup> March 2017 and has provided a bond of ₹ 322.38 Lakhs (31<sup>st</sup> March 2016: ₹ 322.38 Lakhs) to the Commissioner of customs. In the opinion of the Management, the Company will be able to fulfill its obligation over the prescribed time limit. The total duty liability with respect to this obligation is ₹ 287.66 Lakhs excluding interest and penalty but including cenvatable portion.

### NOTE 20 - SHORT TERM BORROWINGS

Particulars	Maturity date	Term of repayment	Coupon / interest rate	Security	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
<b>Secured</b>							
Bills discounted with banks	-	-	-	Trade receivables subject to factoring arrangement	211.84	118.04	81.27
<b>Unsecured</b>							
Bank overdraft	Payable on demand	Payable on demand	11.25% (variable)	NA	-	-	30.31
<b>Total</b>					<b>211.84</b>	<b>118.04</b>	<b>111.58</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 21 - TRADE PAYABLES

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Total outstanding dues of micro enterprises and small enterprises	18.31	24.84	17.65
Trade payables to related parties (Refer note 38)	209.41	606.96	511.79
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	712.39	693.47	1,235.13
<b>Total</b>	<b>940.11</b>	<b>1,325.27</b>	<b>1,764.57</b>

Particulars	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016		As at 1 <sup>st</sup> April 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
Principal amount due to the suppliers registered under the MSMED Act and remaining unpaid as at the year end	6.03	12.28	15.00	9.84	8.19	9.46
The amount of interest paid by the buyer in terms of Section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-	-	-
The principal amount and the interest paid to suppliers registered under the MSMED Act beyond the appointed day during the year	192.02	-	20.76	-	10.99	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made	-	12.27	-	9.79	-	9.30
Further interest remaining due and payable for earlier years	-	9.84	-	9.46	-	9.14

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

### NOTE 22 - OTHER FINANCIAL LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Capital creditors	110.69	45.81	76.72
Payables in respect of employees	95.18	96.88	105.10
Other payables	3.44	2.11	1.60
Derivative financial instruments not designated as hedges			
- Forward exchange contracts	6.70	0.45	0.99
<b>Total</b>	<b>216.01</b>	<b>145.25</b>	<b>184.41</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 23 - CURRENT PROVISIONS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Provision for indirect tax matters	69.20	76.71	70.58
<b>Total</b>	<b>69.20</b>	<b>76.71</b>	<b>70.58</b>

### NOTE 24 - INCOME TAX LIABILITIES / (INCOME TAX ASSETS)

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Opening balances			
- Current tax liabilities	-	19.45	-
- Income tax assets	(187.86)	(49.67)	(49.80)
Add: Current tax payable for the year	381.74	42.50	156.55
Less: MAT credit utilised	(169.50)	(35.27)	-
Add / (Less): Refund received / (Taxes paid)	(254.96)	(164.87)	(136.97)
Closing balance			
- Current tax liabilities	-	-	19.45
- Income tax assets	(230.58)	(187.86)	(49.67)

### NOTE 25 - OTHER CURRENT LIABILITIES

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Advance from customers	32.30	39.85	7.79
Statutory dues payable (TDS, VAT and other dues payable)	134.03	341.95	155.16
<b>Total</b>	<b>166.33</b>	<b>381.80</b>	<b>162.95</b>

### NOTE 26 - REVENUE FROM OPERATIONS

Particulars	Revenue from sale of products	
	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<b>Sales of Products</b>		
Finished goods	13,578.05	14,871.35
Traded goods	115.59	679.84
	<b>13,693.64</b>	<b>15,551.19</b>
<b>Other Operating Revenue</b>		
Scrap Sales	132.06	164.71
Tool development income	43.17	7.50
	<b>175.22</b>	<b>172.21</b>
<b>Total</b>	<b>13,868.87</b>	<b>15,723.40</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 27 - OTHER INCOME AND OTHER GAIN/(LOSSES)

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Rental income	1.92	1.92
Net gain on sale of investments	84.75	63.01
Net gain on investments measured at fair value through Profit and Loss	104.31	72.26
Government grants (Refer note 19)	9.30	11.18
Net foreign exchange gains	-	11.71
Profit on sale of Property, plant and equipment	3.78	-
Provision no longer required written back	30.53	22.41
Allowance for doubtful debts - Trade receivable written back	13.66	-
Other items	9.69	12.87
<b>Total</b>	<b>257.94</b>	<b>195.36</b>

### NOTE 28 (a) - COST OF MATERIALS CONSUMED

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Opening stock	346.51	346.75
Add: Purchases	5,581.90	6,167.68
Less: Closing Stock	(400.82)	(346.51)
<b>Total</b>	<b>5,527.59</b>	<b>6,167.92</b>

### NOTE 28 (b) CHANGE IN INVENTORY OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<b>Opening stock</b>		
Work in progress	146.95	128.03
Finished goods (Manufactured)	603.72	465.44
Traded goods	27.87	35.36
<b>Closing stock</b>		
Work in progress	107.57	146.95
Finished goods (Manufactured)	554.34	603.72
Traded goods	1.29	27.87
<b>Total</b>	<b>115.34</b>	<b>(149.71)</b>

### NOTE 29 - EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Salaries, wages and bonus	927.39	994.66
Staff welfare expenses	131.11	138.62
Contribution to provident and other funds	43.80	53.99
Gratuity contribution / expenses (Refer note 18)	17.55	39.84
<b>Total</b>	<b>1,119.85</b>	<b>1,227.11</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 30 - FINANCE COSTS

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Discounting Charges	22.80	26.94
Interest on delayed payments of Income Tax	1.68	11.04
Other borrowing costs	4.51	7.11
<b>Total</b>	<b>28.99</b>	<b>45.09</b>

### NOTE 31 - OTHER EXPENSES

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Consumption of stores and spare parts	281.53	267.52
Labour charges	578.13	557.61
Power and fuel	1,143.54	1,278.31
Rental charges (Refer note 39 (b))	24.08	47.61
Repairs and maintenance		
Plant and Machinery	217.02	233.50
Buildings	11.88	10.01
Others	58.33	60.06
Travelling and conveyance	52.92	58.40
Communication expenses	10.18	16.45
Rates and Taxes	51.09	35.94
Insurance	17.29	12.17
Environment, health and safety expenses	8.79	15.66
Legal and professional fees	63.01	55.36
Loss on sale / write off of assets (net)	-	11.05
Packing costs	215.08	253.54
Freight expense	415.82	463.49
Pool research and development	197.55	188.03
General assistance fees	219.47	212.36
Information technology support fees	76.82	83.65
Net foreign exchange losses	35.26	-
Payment to auditors		
Statutory audit	12.00	16.98
Limited review	10.50	10.50
Certification	2.25	2.25
Out of pocket expense	1.41	0.09
Corporate social responsibility expenditure (Refer note below)	5.91	7.33
Repayment of grant (Refer note 19)	-	13.55
Allowance for doubtful debts - Trade receivable	-	16.43
Miscellaneous expenses	224.73	165.60
<b>Total</b>	<b>3,934.59</b>	<b>4,093.45</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### Corporate social responsibility expenditure (CSR)

The Company has made contribution to Saint-Gobain India Foundation towards its CSR obligation as follows

Particulars	Construction/ Acquisition of Assets	On any other purpose	Total
A. Gross amount required to be spent by the Company	-	15.27	<b>15.27</b>
	(-)	(7.25)	<b>(7.25)</b>
B. Amount spent during the year			
In cash	-	5.91	<b>5.91</b>
	(-)	(7.33)	<b>(7.33)</b>

\*Figures in brackets pertain to the previous year.

### NOTE 32 - EXCEPTIONAL ITEMS (REFER NOTE 13)

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Provision for Interest on EPCG obligation (Refer note 19)	-	77.72
Inventory written off (including excise duty)	-	252.96
Compensation paid on settlement with workmen	-	706.71
Fixed assets written off	-	454.28
<b>Total</b>	<b>-</b>	<b>1,491.67</b>

#### Note:

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

### NOTE 33 - TAXATION

#### a) Income tax expense

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<b>Current tax</b>		
Current tax on Profit for the year	<b>381.74</b>	42.50
Adjustment to current tax of prior periods	-	-
<b>Total current tax expenses</b>	<b>381.74</b>	<b>42.50</b>
<b>Deferred tax</b>		
Decrease / (Increase) in deferred tax assets	<b>(11.49)</b>	119.74
(Decrease) / Increase in deferred tax liabilities	<b>(10.01)</b>	(162.09)
<b>Total deferred tax expenses / (benefit)</b>	<b>(21.50)</b>	<b>(42.35)</b>
<b>Income tax expense</b>	<b>360.24</b>	<b>0.15</b>
Income tax expense attributable to		
Profit from operations	<b>360.24</b>	<b>0.15</b>
<b>Total</b>	<b>360.24</b>	<b>0.15</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### b) Reconciliation of tax expense and accounting profit multiplied by India tax rate

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Profit from operations before income tax expense	1,037.05	0.27
India tax rate	34.60%	33.06%
<b>Tax at India tax rate</b>	<b>358.86</b>	<b>0.09</b>
Tax effect of amounts which are not deductible (allowable) in calculating taxable income		
Corporate social responsibility expenditure	1.02	1.21
Other items	0.36	(1.15)
<b>Income tax expense</b>	<b>360.24</b>	<b>0.15</b>

### c) Deferred tax asset (net)

The balance comprises temporary differences attributable to

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
<b>Tax credits available</b>			
MAT credit entitlement	316.08	485.58	520.85
	<b>316.08</b>	<b>485.58</b>	<b>520.85</b>
<b>Deferred tax asset</b>			
Tax losses	-	-	64.99
Defined benefit obligations	17.88	5.05	103.76
Allowance of doubtful debts - trade receivable	28.26	19.61	14.80
Allowance of doubtful debts - security deposits	3.14	1.02	1.32
Others	74.21	73.71	29.58
	<b>123.49</b>	<b>99.39</b>	<b>214.45</b>
<b>Total deferred tax assets</b>	<b>439.57</b>	<b>584.97</b>	<b>735.30</b>
<b>Deferred tax liability</b>			
Property, plant and equipment and Intangible Assets	128.57	130.92	316.07
Financial assets at fair value through Profit and Loss	16.22	23.89	0.83
<b>Total deferred tax liabilities</b>	<b>(144.80)</b>	<b>(154.81)</b>	<b>(316.90)</b>
<b>Net deferred tax assets</b>	<b>294.77</b>	<b>430.16</b>	<b>418.40</b>

### Movement in deferred tax assets

Particulars	Tax losses	Defined benefit obligations	Allowance of doubtful debts - trade receivable	Other items	Total deferred tax assets
<b>As at 1<sup>st</sup> April 2015</b>	<b>64.99</b>	<b>103.76</b>	<b>14.80</b>	<b>30.90</b>	<b>214.45</b>
(Charged) / credited to Profit and Loss	(64.99)	(103.39)	4.81	43.83	(119.74)
to Other Comprehensive Income	-	4.68	-	-	4.68
<b>As at 31<sup>st</sup> March 2016</b>	<b>-</b>	<b>5.05</b>	<b>19.61</b>	<b>74.73</b>	<b>99.39</b>
(Charged) / credited to Profit and Loss	-	0.22	8.65	2.62	11.49
to Other Comprehensive Income	-	12.61	-	-	12.61
Deferred tax on basis adjustment	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>-</b>	<b>17.88</b>	<b>28.26</b>	<b>77.35</b>	<b>123.49</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### Movement in deferred tax liabilities

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Property plant and equipment and intangible assets	Financial assets at fair value through profit and loss	Total deferred tax liabilities
<b>As at 1<sup>st</sup> April 2015</b>	<b>316.07</b>	<b>0.83</b>	<b>316.90</b>
(Charged) / credited to Profit and Loss	(185.15)	23.06	(162.09)
to Other Comprehensive Income	-	-	-
<b>As at 31<sup>st</sup> March 2016</b>	<b>130.92</b>	<b>23.89</b>	<b>154.81</b>
(Charged) / credited to Profit and Loss	(2.35)	(7.66)	(10.01)
to Other Comprehensive Income	-	-	-
Deferred tax on basis adjustment	-	-	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>128.57</b>	<b>(7.66)</b>	<b>144.80</b>

### NOTE 34 - FAIR VALUE MEASUREMENT

#### Financial instruments by category

Particulars	As at 31 <sup>st</sup> March 2017			As at 31 <sup>st</sup> March 2016			As at 1 <sup>st</sup> April 2015		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>									
Investments in mutual funds	2,324.14	-	-	1,457.26	-	-	1,003.40	-	-
Trade and other receivables	-	-	1,567.73	-	-	1,535.89	-	-	2,015.96
Other non current financial assets	-	-	36.72	-	-	24.17	-	-	48.41
Cash and cash equivalents	-	-	54.18	-	-	25.56	-	-	24.06
Other current financial assets	-	-	22.10	-	-	13.73	-	-	40.16
<b>Total financial assets</b>	<b>2,324.14</b>	<b>-</b>	<b>1,680.73</b>	<b>1,457.26</b>	<b>-</b>	<b>1,599.35</b>	<b>1,003.40</b>	<b>-</b>	<b>2,128.59</b>
<b>Financial Liabilities</b>									
Borrowings	-	-	211.84	-	-	118.04	-	-	111.58
Derivative financial liabilities	6.70	-	-	0.45	-	-	0.99	-	-
Trade payables	-	-	940.11	-	-	1,325.27	-	-	1,764.57
Security deposits	-	-	62.55	-	-	37.30	-	-	29.30
Other financial liabilities	-	-	209.31	-	-	144.80	-	-	183.42
<b>Total financial liabilities</b>	<b>6.70</b>	<b>-</b>	<b>1,423.81</b>	<b>0.45</b>	<b>-</b>	<b>1,625.41</b>	<b>0.99</b>	<b>-</b>	<b>2,088.87</b>

#### Fair value hierarchy

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



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### Financial assets and liabilities measured at fair value

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31<sup>st</sup> March 2017</b>				
Financial assets				
Investments in mutual funds	-	2,324.14	-	2,324.14
<b>Total</b>	-	<b>2,324.14</b>	-	<b>2,324.14</b>
Financial liabilities				
Derivative financial liabilities	-	6.70	-	6.70
<b>Total</b>	-	<b>6.70</b>	-	<b>6.70</b>
<b>As at 31<sup>st</sup> March 2016</b>				
Financial assets				
Investments in mutual funds	-	1,457.26	-	1,457.26
<b>Total</b>	-	<b>1,457.26</b>	-	<b>1,457.26</b>
Financial liabilities				
Derivative financial liabilities	-	0.45	-	0.45
<b>Total</b>	-	<b>0.45</b>	-	<b>0.45</b>
<b>As at 1<sup>st</sup> April 2015</b>				
Financial assets				
Investments in mutual funds	-	1,003.40	-	1,003.40
<b>Total</b>	-	<b>1,003.40</b>	-	<b>1,003.40</b>
Financial liabilities				
Derivative financial liabilities	-	0.99	-	0.99
<b>Total</b>	-	<b>0.99</b>	-	<b>0.99</b>

### Financial assets and liabilities measured at amortised cost

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rates applicable are equal to the current market rate of interest.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. The Company does not have any financial asset in this measurement category.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, mutual Funds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company does not have any financial asset in this measurement category.

### Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include

- the use of net asset value for mutual funds.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 35 - FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

#### a) Credit Risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

The Company considers the probability of default upon recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated

- Internal credit rating for free market dealers
- External credit rating (as far as available - for OEMs)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations
- Actual or expected significant changes in the operating results of the customer
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since the initial recognition if the payments are more than 120 days past due.

Company has a history of limited write off for doubtful debts. Company on a monthly basis reviews aging of receivables and rigorous follow-up is performed by credit controller along with the help of key accounts manager. Quality/ breakage claims received from the customer are reviewed and approved by quality manager, accordingly credit memos are issued as per policy of the Company. At the end of every month credit memos raised during that month are also reviewed by Chief Financial Officer. Appropriate provision is made for each receivable based on review of supporting documents with Credit Controller. Any exception is justified and documented.

Credit risk on cash and cash equivalents is limited as Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

#### Debtors ageing

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
As at 31 <sup>st</sup> March 2017	1,137.67	254.52	137.95	21.79	8.93	6.87	1,567.73
As at 31 <sup>st</sup> March 2016	1,333.89	140.11	39.39	15.98	2.19	4.33	1,535.89
As at 1 <sup>st</sup> April 2015	1,588.82	336.55	46.39	44.20	-	-	2,015.96

#### Reconciliation of loss allowance provision

<b>Loss allowance on 1<sup>st</sup> April 2015</b>	<b>9.06</b>
Changes in loss allowance	16.43
<b>Loss allowance on 31<sup>st</sup> March 2016</b>	<b>25.49</b>
Changes in loss allowance	(13.66)
<b>Loss allowance on 31<sup>st</sup> March 2017</b>	<b>11.83</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### b) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans.

### i) Financing arrangements

The Company has access to bank overdraft facilities. These facilities may be drawn at any time and may be terminated by the bank without notice.

### ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

#### As at 31<sup>st</sup> March 2017

Particulars	Less than 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Total
<b>Non-Derivatives</b>						
Trade payables	940.10	-	-	-	-	940.10
Borrowing	211.84	-	-	-	-	211.84
Security deposits	-	-	-	-	62.55	62.55
Other financial liabilities	132.97	27.57	48.78	-	-	209.32
<b>Derivatives</b>						
Forward exchange contracts	-	6.70	-	-	-	6.70
<b>Total</b>	<b>1,284.91</b>	<b>34.27</b>	<b>48.78</b>	<b>-</b>	<b>62.55</b>	<b>1,430.51</b>

#### As at 31<sup>st</sup> March 2016

Particulars	Less than 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Total
<b>Non-Derivatives</b>						
Trade payables	1,325.28	-	-	-	-	1,325.28
Borrowing	118.04	-	-	-	-	118.04
Security deposits	-	-	-	-	37.30	37.30
Other financial liabilities	70.43	2.25	72.12	-	-	144.80
<b>Derivatives</b>						
Forward exchange contracts	-	0.45	-	-	-	0.45
<b>Total</b>	<b>1,513.75</b>	<b>2.70</b>	<b>72.12</b>	<b>-</b>	<b>37.30</b>	<b>1,625.87</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 1<sup>st</sup> April 2015

Particulars	Less than 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Total
<b>Non-Derivatives</b>						
Trade payables	1,764.57	-	-	-	-	1,764.57
Borrowing	111.58	-	-	-	-	111.58
Security deposits	-	-	-	-	29.30	29.30
Other financial liabilities	113.58	8.57	61.27	-	-	183.42
<b>Derivatives</b>						
Forward exchange contracts	-	0.99	-	-	-	0.99
<b>Total</b>	<b>1,989.73</b>	<b>9.56</b>	<b>61.27</b>	<b>-</b>	<b>29.30</b>	<b>2,089.86</b>

### c) Market risk

#### Foreign currency risk

##### i) Foreign currency exposure

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR, USD and CHF. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹).

The risk is measured through a forecast of foreign currency sales and purchases for the Company's operations. The Company uses foreign exchange forward contracts to manage its exposure in foreign currency risk.

As at 31<sup>st</sup> March 2017, the Company's exposure to foreign currency risk, expressed in ₹ is given in the table below. The amounts represent only the financial assets and liabilities that are denominated in currencies other than the functional currency of the Company.

(₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017			As at 31 <sup>st</sup> March 2016			As at 1 <sup>st</sup> April 2015		
	EUR	USD	CHF	EUR	USD	CHF	EUR	USD	CHF
<b>Financial assets</b>									
Trade receivable	16.76	-	-	5.79	-	-	12.61	7.29	-
Less: Derivative instruments									
Sell foreign currency	(12.61)	-	-	(5.62)	-	-	-	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>4.15</b>	<b>-</b>	<b>-</b>	<b>0.17</b>	<b>-</b>	<b>-</b>	<b>12.61</b>	<b>7.29</b>	<b>-</b>
<b>Financial liabilities</b>									
Trade payable	(14.76)	(61.98)	(5.47)	(48.74)	(5.05)	(0.16)	(29.37)	(0.26)	-
Less: Derivative instruments									
Buy foreign currency	5.08	-	-	36.66	-	-	27.21	-	-
<b>Net exposure to foreign currency risk assets / (liabilities)</b>	<b>(9.68)</b>	<b>(61.98)</b>	<b>(5.47)</b>	<b>(12.08)</b>	<b>(5.05)</b>	<b>(0.16)</b>	<b>(2.16)</b>	<b>(0.26)</b>	<b>-</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### ii) Foreign exchange sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The table below shows the sensitivity of profit or loss to a 10% change in foreign exchange rates.

Particulars	Decrease / (Increase) in income	
	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<i>CHF Sensitivity</i>		
Increase by 10%	0.55	0.02
Decrease by 10%	(0.55)	(0.02)
<i>EUR Sensitivity</i>		
Increase by 10%	(0.20)	4.29
Decrease by 10%	0.20	(4.29)
<i>USD Sensitivity</i>		
Increase by 10%	6.20	0.51
Decrease by 10%	(6.20)	(0.51)

### 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. Since the Company does not have any non-current borrowings, it is not exposed to cash flow interest rate risk.

### Investment in Mutual Funds

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet as fair value through profit and loss. To manage its price risk arising from investments in mutual funds, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

### NOTE 36 - CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The Company's strategy is to maintain a gearing ratio within 1-2%.

The gearing ratios were as follows

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Net debt	157.66	92.48	87.52
Total Equity	8,662.45	8,009.49	8,018.85
<b>Net debt to equity ratio</b>	<b>1.82%</b>	<b>1.15%</b>	<b>1.09%</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 37 - SEGMENT INFORMATION

The Company's Managing Director (MD) - Mr. A. Dinakar who is identified as the Chief Operating Decision Maker, examines the Company's performance on an entity level. The Company has only one reportable segment i.e. 'Automotive Glass'.

Amount of the Company's revenue from external customers broken down by each product and service is shown in the table below.

#### Revenue from external customers

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Laminated Safety Glass	13,462.05	14,419.55
Tempered Glass	231.59	1,131.64
<b>Total sales</b>	<b>13,693.64</b>	<b>15,551.19</b>

The Company's revenue from external customer attributed to country other than India are not material. The Company's non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets) in country other than India are not material.

Revenue of approximately ₹ 3,744.81 Lakhs (31<sup>st</sup> March 2016: ₹ 4,831.22 Lakhs) are derived from single external customer.

### NOTE 38 - RELATED PARTY DISCLOSURES

#### a) Parent entities

Name of the company	Type	Place of incorporation	Ownership interest (includes indirect interests)		
			As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Compagnie de Saint-Gobain	Ultimate Holding Company	France	74.78%	74.89%	74.89%
Saint-Gobain Sekurit France S.A.	Immediate Holding Company	France	48.26%	61.26%	61.26%
Saint-Gobain India Private Limited	Fellow Subsidiary	India	26.74%	13.74%	13.74%

#### b) Key management personnel compensation

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Sitting fees	6.20	4.40
<b>Total</b>	<b>6.20</b>	<b>4.40</b>

#### c) Transactions with Related parties

The following transactions occurred with related parties during the year

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<b>Sales and purchases of goods and services</b>		
Purchase of goods from fellow subsidiaries	4,475.48	5,548.17
Sale of goods to fellow subsidiary	602.44	710.22
Purchase of consumables & spares from fellow subsidiary	36.12	55.57
IT support services received from fellow subsidiary	76.82	83.65
General assistance received from fellow subsidiary	219.47	212.36
Services received from fellow subsidiary	271.05	317.85
Rebate received from holding company	4.08	-
Rebate received from fellow subsidiary	207.74	34.69
Services rendered to fellow subsidiary	172.32	192.75
Pool research and development from fellow subsidiary	197.55	188.03
<b>Other transactions</b>		
CSR expenses paid to fellow subsidiary	5.91	7.33
Sale of fixed assets to fellow subsidiary	1,013.84	-
Purchase of fixed assets from fellow subsidiary	44.19	43.80



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### d) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
<b>Trade payables</b> (for purchase of goods and services)			
Parent	-	-	0.54
Fellow subsidiaries	209.41	606.96	511.25
<b>Total trade payables to related parties (Refer note 21)</b>	<b>209.41</b>	<b>606.96</b>	<b>511.79</b>
<b>Trade receivables</b> (for sale of goods and services)			
Parent	4.08	1.04	-
Fellow Subsidiaries	16.63	8.57	30.29
<b>Total trade receivables from related parties (Refer note 9)</b>	<b>20.71</b>	<b>9.61</b>	<b>30.29</b>

All outstanding balances are unsecured and settlement will be made through banking channels.

### NOTE 39 - CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Income tax matters	1.10	200.67	200.67
Sales tax matters	158.25	159.25	122.81
Excise matters*	326.77	329.07	329.07
Other matters	2.26	0.56	0.56
<b>Total</b>	<b>488.38</b>	<b>689.55</b>	<b>653.11</b>

\*Claims not acknowledged as debts with respect to certain excise matters does not include interest since it has not been quantified in the order.

It is not practicable for the Company to estimate the timings of each outflow (if any) in respect of the above, pending resolution of the respective proceedings.

### NOTE 40 - COMMITMENTS

#### a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Property, plant and equipment	12.84	103.57	189.29
<b>Total</b>	<b>12.84</b>	<b>103.57</b>	<b>189.29</b>

#### b) Non cancellable operating leases

The Company has leased a warehouse located at Kuruli (Pune). The lease term is 5 years with a 3 year lock-in period.

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows			
Within 1 year	20.41	19.44	-
Later than 1 year but not later than 5 years	9.82	30.24	-
<b>Total</b>	<b>30.23</b>	<b>49.68</b>	<b>-</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Rental expense relating to operating leases recognised in Profit and Loss

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Rental Charges	24.08	47.61
<b>Total rental expense relating to operating leases</b>	<b>24.08</b>	<b>47.61</b>

### NOTE 41 - EARNINGS PER SHARE

Particulars	Year ended 31 <sup>st</sup> March 2017 (₹)	Year ended 31 <sup>st</sup> March 2016 (₹)
a) Basic earnings per share		
From continuing operations attributable to equity holders of the company	0.74	0.01
<b>Total basic earnings per share attributable to equity holders of the company</b>	<b>0.74</b>	<b>0.01</b>
b) Diluted earnings per share		
From continuing operations attributable to equity holders of the company	0.74	0.01
<b>Total diluted earnings per share attributable to equity holders of the company</b>	<b>0.74</b>	<b>0.01</b>

### Reconciliation of earnings used in calculating earnings per share

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share		
From continuing operations	676.81	0.12
<b>Profit attributable to the equity holders of the company used in calculating basic earnings per share</b>	<b>676.81</b>	<b>0.12</b>
Diluted earnings per share		
Profit from continuing operations	676.81	0.12
<b>Profit attributable to the equity holders of the company used in calculating diluted earnings per share</b>	<b>676.81</b>	<b>0.12</b>

### Weighted average number of shares used as the denominator

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	91,105,700	91,105,700
Adjustments for calculation of diluted earnings per share	-	-
<b>Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>91,105,700</b>	<b>91,105,700</b>

### NOTE 42 - DISCLOSURES RELATING TO SPECIFIED BANK NOTES\* (SBNS) HELD AND TRANSACTED DURING THE PERIOD FROM 8<sup>TH</sup> NOVEMBER 2016 TO 30<sup>TH</sup> DECEMBER 2016

The Company did not have any holdings or dealings in specified bank notes during the period 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and accordingly disclosure as required by notification no. G.S.R. 308(E) dated 30<sup>th</sup> March 2017 is not applicable.

\* Specified Bank Notes (SBNS) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8<sup>th</sup> November 2016.



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 43 - OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016 and 1<sup>st</sup> April 2015. The column 'Net amounts' shows the impact on the Company's Balance Sheet if all set-off rights were exercised.

Particulars	Effects of offsetting on the balance sheet		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet
<b>As at 31<sup>st</sup> March 2017</b>			
Financial assets			
Trade receivables (Refer note below)	4,014.02	(2,446.29)	1,567.73
<b>Total</b>	<b>4,014.02</b>	<b>(2,446.29)</b>	<b>1,567.73</b>
Financial liabilities			
Trade payables (Refer note below)	3,386.40	(2,446.29)	940.11
<b>Total</b>	<b>3,386.40</b>	<b>(2,446.29)</b>	<b>940.11</b>
<b>As at 31<sup>st</sup> March 2016</b>			
Financial assets			
Trade receivables (Refer note below)	3,108.54	(1,572.65)	1,535.89
<b>Total</b>	<b>3,108.54</b>	<b>(1,572.65)</b>	<b>1,535.89</b>
Financial liabilities			
Trade payables (Refer note below)	2,897.92	(1,572.65)	1,325.27
<b>Total</b>	<b>2,897.92</b>	<b>(1,572.65)</b>	<b>1,325.27</b>
<b>As at 1<sup>st</sup> April 2015</b>			
Financial assets			
Trade receivables (Refer note below)	2,905.68	(889.72)	2,015.96
<b>Total</b>	<b>2,905.68</b>	<b>(889.72)</b>	<b>2,015.96</b>
Financial liabilities			
Trade payables (Refer note below)	2,654.29	(889.72)	1,764.57
<b>Total</b>	<b>2,654.29</b>	<b>(889.72)</b>	<b>1,764.57</b>

**Note:**

Company has arrangement with the group company, where as per agreed terms company sets off its receivable against payable made to such group company. The relevant amounts have therefore been presented net in the balance sheet.

### NOTE 44 - FIRST-TIME ADOPTION OF IND AS

#### Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March 2017, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March 2016 and in the preparation of an opening Ind AS balance sheet at 1<sup>st</sup> April 2015 (the Company's date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

*(All amounts in ₹ Lakhs, unless otherwise stated)*

### a) Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### i) Optional exemptions

##### - Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its Property, plant and equipment and intangible assets at their previous GAAP carrying value except for adjustment made to Property, plant and equipment for government grant and spares capitalised.

##### - Measurement of non-current assets held for sale

Ind AS 105 requires that non-current assets that meet the criteria to be classified as held for sale be measured at the lower of their carrying amount and fair value less costs to sell on initial date of such identification. However Ind AS 101 permits a first-time adopter to measure such assets at the lower of carrying amount and fair value less costs to sell at the date of transition to Ind AS in accordance with Ind AS 105.

Accordingly, the Company has elected to value such assets at the lower of its carrying amount and fair value less costs to sell at the date of transition.

#### ii) Mandatory exceptions

##### - Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1<sup>st</sup> April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP

- Investment in equity instruments carried at FVPL
- Impairment of financial assets based on expected credit loss model; and
- Derivatives / forward contracts

##### - Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### b) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires the Company to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantifications of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101

- i) Reconciliation of equity as at date of transition (1<sup>st</sup> April 2015);
- ii) Reconciliation of equity as at 31<sup>st</sup> March 2016;
- iii) Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2016;
- iv) Reconciliation of total equity as at 31<sup>st</sup> March 2016 and 1<sup>st</sup> April 2015;
- v) Impact of Ind AS adoption on the statement of cash flows for the year ended 31<sup>st</sup> March 2016



# NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

i) **Reconciliation of equity as at date of transition (1<sup>st</sup> April 2015)** (All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	iii, iv, ix	4,940.35	133.00	5,073.35
Capital work-in-progress		145.66	-	145.66
Intangible assets		11.65	-	11.65
Financial assets		-	-	-
- Other financial assets	v	546.39	(520.85)	25.54
- Loans to employees		22.87	-	22.87
Deferred tax assets (net)	v	(101.62)	520.02	418.40
Income tax assets		49.67	-	49.67
Other non-current assets	ix	88.26	3.60	91.86
<b>Total non-current assets</b>		<b>5,703.23</b>	<b>135.77</b>	<b>5,839.00</b>
<b>Current assets</b>				
Inventories	iv	1,218.70	(57.13)	1,161.57
Financial assets				
- Investments	i	1,000.00	3.40	1,003.40
- Trade receivables	x	1,934.69	81.27	2,015.96
- Cash and cash equivalents		24.06	-	24.06
- Other financial assets	ii	0.57	(0.07)	0.50
- Loans to employees		39.66	-	39.66
Other current assets	xiii	224.40	(71.16)	153.24
Non-current assets classified as held for sale	xii	549.36	-	549.36
<b>Total current assets</b>		<b>4,991.44</b>	<b>(43.69)</b>	<b>4,947.75</b>
<b>TOTAL ASSETS</b>		<b>10,694.67</b>	<b>92.08</b>	<b>10,786.75</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		9,110.57	-	9,110.57
Other equity	xi	(1,093.45)	1.73	(1,091.72)
<b>Total equity</b>		<b>8,017.12</b>	<b>1.73</b>	<b>8,018.85</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Security deposits		29.30	-	29.30
Provisions		31.77	-	31.77
Employee benefit obligations		261.58	-	261.58
Government grants	iii	-	54.94	54.94
<b>Total non-current liabilities</b>		<b>322.65</b>	<b>54.94</b>	<b>377.59</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	x	30.31	81.27	111.58
- Trade payables	xiii	1,835.73	(71.16)	1,764.57
- Other financial liabilities	ii	183.42	0.99	184.41
Provisions		70.58	-	70.58
Employee benefit obligations		52.25	-	52.25
Government grants	iii	-	24.52	24.52
Current tax liabilities		19.45	-	19.45
Other current liabilities	ii	163.16	(0.21)	162.95
<b>Total current liabilities</b>		<b>2,354.90</b>	<b>35.41</b>	<b>2,390.31</b>
<b>Total liabilities</b>		<b>2,677.55</b>	<b>90.35</b>	<b>2,767.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,694.67</b>	<b>92.08</b>	<b>10,786.75</b>

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### ii) Reconciliation of equity as at 31<sup>st</sup> March 2016

Particulars	Note	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	iii, iv, ix	3,816.16	108.12	3,924.28
Capital work-in-progress		249.70	-	249.70
Intangible assets		5.72	-	5.72
Financial assets				
- Other financial assets	v	503.65	(485.58)	18.07
- Loans to employees		6.10	-	6.10
Deferred tax assets (net)	v	(32.41)	462.57	430.16
Income tax assets		187.86	-	187.86
Other non-current assets	ix	163.18	3.48	166.66
<b>Total non-current assets</b>		<b>4,899.96</b>	<b>88.59</b>	<b>4,988.55</b>
<b>Current assets</b>				
Inventories	iv	1,252.62	(72.34)	1,180.28
Financial assets				
- Investments	i	1,384.99	72.27	1,457.26
- Trade receivables	x	1,417.85	118.04	1,535.89
- Cash and cash equivalents		25.56	-	25.56
- Other financial assets	ii	0.30	(0.15)	0.15
- Loans to employees		13.58	-	13.58
Other current assets	xiii	303.43	(110.67)	192.76
Non-current assets classified as held for sale	iii, xii	863.22	(3.78)	859.44
<b>Total current assets</b>		<b>5,261.55</b>	<b>3.37</b>	<b>5,264.92</b>
<b>TOTAL ASSETS</b>		<b>10,161.51</b>	<b>91.96</b>	<b>10,253.47</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		9,110.57	-	9,110.57
Other equity	xi	(1,134.48)	33.40	(1,101.08)
<b>Total equity</b>		<b>7,976.09</b>	<b>33.40</b>	<b>8,009.49</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Security deposits		37.30	-	37.30
Provisions		31.77	-	31.77
Employee benefit obligations		50.53	-	50.53
Government grants	iii	-	41.84	41.84
<b>Total non-current liabilities</b>		<b>119.60</b>	<b>41.84</b>	<b>161.44</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	x	-	118.04	118.04
- Trade payables	xiii	1,435.93	(110.66)	1,325.27
- Other financial liabilities	ii	144.80	0.45	145.25
Provisions		76.71	-	76.71
Employee benefit obligations		25.09	-	25.09
Government grants	iii	-	10.38	10.38
Other current liabilities	ii	383.29	(1.49)	381.80
<b>Total current liabilities</b>		<b>2,065.82</b>	<b>16.72</b>	<b>2,082.54</b>
<b>Total liabilities</b>		<b>2,185.42</b>	<b>58.56</b>	<b>2,243.98</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,161.51</b>	<b>91.96</b>	<b>10,253.47</b>

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### iii) Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2016;

Particulars	Note	Previous GAAP	Adjustments	Ind AS
<b>REVENUE</b>				
Revenue from operations	vi, xiv	15,696.47	26.93	15,723.40
Other income	i, iii	115.31	80.05	195.36
<b>Total income</b>		<b>15,811.78</b>	<b>106.98</b>	<b>15,918.76</b>
<b>EXPENSES</b>				
Cost of materials consumed		6,167.92	-	6,167.92
Purchase of stock-in-trade		544.56	-	544.56
Changes in inventory		(149.71)	-	(149.71)
Excise duty	vi	1,647.14	-	1,647.14
Employee benefit expenses	vii	1,241.27	(14.16)	1,227.11
Depreciation and amortisation expense	iii,iv,ix	807.89	43.37	851.26
Other expenses	ii,iii,iv,ix	4,110.64	(17.19)	4,093.45
Finance costs	xiv	18.16	26.93	45.09
<b>Total expenses</b>		<b>14,387.87</b>	<b>38.95</b>	<b>14,426.82</b>
<b>Profit before exceptional items and tax</b>		<b>1,423.91</b>	<b>68.03</b>	<b>1,491.94</b>
Exceptional items		(1,491.67)	-	(1,491.67)
<b>Profit before tax</b>		<b>(67.76)</b>	<b>68.03</b>	<b>0.27</b>
<b>Income tax expense</b>				
Current tax		42.50	-	42.50
Deferred tax	v	(69.21)	26.86	(42.35)
<b>Total tax expense</b>		<b>(26.71)</b>	<b>26.86</b>	<b>0.15</b>
<b>Profit for the year</b>		<b>(41.05)</b>	<b>41.17</b>	<b>0.12</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit and loss</i>				
Remeasurement gains/(losses) on net defined benefit plans	vii	-	(14.16)	(14.16)
Deferred tax relating to above	v	-	4.68	4.68
<b>Other comprehensive income for the year, net of tax</b>	viii	-	<b>(9.48)</b>	<b>(9.48)</b>
<b>Total comprehensive income for the year</b>		<b>(41.05)</b>	<b>31.69</b>	<b>(9.36)</b>

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

### iv) Reconciliation of total equity as at 31<sup>st</sup> March 2016 and 1<sup>st</sup> April 2015

Particulars	Note	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
<b>Total equity under previous GAAP</b>		7,976.09	8,017.12
Ind AS adjustments			
Fair valuation of investments	i	72.27	3.40
Gains / losses on fair valuation of forward exchange contracts	ii	0.94	(0.83)
Government grant	iii	(13.55)	-
Capitalisation of spares	iv	(3.24)	-
Deferred tax impact on Ind AS adjustments	v	(23.02)	(0.84)
<b>Total equity under Ind AS</b>		<b>8,009.49</b>	<b>8,018.85</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

### Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2016

Particulars	Note	Year ended 31 <sup>st</sup> March 2016
<b>Profit / (Loss) after tax under previous GAAP</b>		(41.02)
Ind AS adjustments		
Fair valuation of investments	i	68.87
Gains/losses on fair valuation of forward exchange contracts	iv	1.77
Government grant	iii	(13.55)
Capitalisation of spares	iv	(3.24)
Deferred tax impact on Ind AS adjustments	v	(22.19)
<b>Total comprehensive income under Ind AS</b>		<b>(9.36)</b>

### v) Impact of Ind AS adoption on the statement of cash flows for the year ended 31<sup>st</sup> March 2016

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities	982.45	82.44	1,064.89
Net cash flows from investing activities	(973.84)	(61.97)	(1,035.81)
Net cash flows from financing activities	(7.11)	(20.48)	(27.59)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1.50</b>	<b>(0.01)</b>	<b>1.49</b>

### c) Notes to first-time adoption

#### i) Fair valuation of investments

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31<sup>st</sup> March 2016. This has increased the retained earnings by ₹ 72.26 Lakhs as at 31<sup>st</sup> March 2016 (1<sup>st</sup> April 2015: ₹ 3.40 Lakhs) and profit for the year ended 31<sup>st</sup> March 2016 by ₹ 68.87 Lakhs.

#### ii) Fair valuation of derivative financial instruments

Under the previous GAAP, the premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/ liability, was amortised as expense or income over the life of the contract. Exchange differences on such a contract were recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates changed. Any profit or loss arising on cancellation or renewal of such a forward exchange contract was recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year-end on account of firm commitment/ highly probable forecast transactions were marked to market and the losses, if any are recognised in the Statement of Profit and Loss and gains were ignored in accordance with the announcement by the Institute of Chartered Accountants of India on "Accounting for Derivatives" issued in March 2008.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit and loss. Consequent to this adjustment, the equity of the company increased by ₹ 0.94 Lakhs as at 31<sup>st</sup> March 2016 (decreased by ₹ 0.83 Lakhs as at 1<sup>st</sup> April 2015) and profit for the year ended 31<sup>st</sup> March 2016 increased by ₹ 1.77 Lakhs.

**NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017****iii) Government grant**

The Company had imported goods under Export Promotion Capital Goods (EPCG) scheme, which has been recognised as Government grant related to assets. Under the previous GAAP, the Company presented government grant related to assets by deducting the grant in arriving at the asset's carrying amount. Under Ind AS, such grants are presented in balance sheet by setting up the grant as deferred income. Accordingly, the Company recognised a deferred income to the extent of ₹ 52.22 Lakhs as at 31<sup>st</sup> March 2016 (₹ 79.46 Lakhs as at 1<sup>st</sup> April 2015) with a corresponding increase in the value of Property, plant and equipment amounting to ₹ 79.46 Lakhs as at 1<sup>st</sup> April 2015. Depreciation is also charged on such addition made for the year ended 31<sup>st</sup> March 2016 amounting to ₹ 11.18 Lakhs and equivalent amount of government grant income. Subsequently the Company recognised a loss on repayment of the grant in excess of deferred credit amounting to ₹ 13.55 Lakhs during the year ended 31<sup>st</sup> March 2016. Total equity as at 31<sup>st</sup> March 2016 reduced by an equivalent amount.

**iv) Capitalisation of machine spares**

Under the previous GAAP, machinery spares were usually treated as inventory and charged to the profit and loss statement as and when consumed. Under Ind AS, spare parts are recognised in accordance with Ind AS 16 when they meet the definition of Property, plant and equipment. Otherwise, such items are classified as inventory.

Accordingly, the Company has capitalised spares amounting to ₹ 72.34 Lakhs as at 31<sup>st</sup> March 2016 (₹ 57.13 Lakhs as at 1<sup>st</sup> April 2015).

During the year ended 31<sup>st</sup> March 2016, the expense on account of consumption of such spares was reversed and depreciation was charged based on their useful lives. This resulted in a decrease of profit and total equity amounting to ₹ 3.24 Lakhs during the year ended 31<sup>st</sup> March 2016.

**v) Deferred tax**

Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred tax 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 approach has not resulted recognition of deferred tax on new temporary differences which was required under Indian GAAP. However, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Under Ind AS, MAT credit entitlement has been shown as a part of deferred tax assets. Under the previous GAAP, this item formed a part of loans and advances.

**vi) Excise duty**

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31<sup>st</sup> March 2016 by ₹ 1647.14 Lakhs. There is no impact on the total equity and profit.

**vii) Remeasurement of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended 31<sup>st</sup> March 2016 decreased by ₹ 14.16 Lakhs. There is no impact on the total equity as at 31<sup>st</sup> March 2016.

**viii) Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

## NOTES FORMING PART OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### ix) Leasehold land

Under the previous GAAP, leasehold land was excluded from the scope of AS 19. Accordingly, all leasehold land were shown as a part of Property, plant and equipment and was depreciated over the lease term. Under Ind AS, leasehold land is classified as a finance or operating lease as per the definition and classification criteria. Accordingly, all land taken on lease by the Company has been classified as an operating lease. The block of leasehold land has been reclassified to prepaid rent. There was no impact on the total comprehensive income or total equity due to this adjustment.

### x) Bills discounted with recourse

Under the previous GAAP, trade receivables derecognised by way of bills discounting of bills of exchange with banks have been shown as a contingent liability since there is a recourse clause. Under Ind AS, the trade receivables have been restated with a corresponding recognition of short term borrowings of ₹ 118.04 Lakhs as at 31<sup>st</sup> March 2016 (₹ 81.27 Lakhs as at 1<sup>st</sup> April 2015). There is no impact on total equity.

### xi) Retained earnings

Retained earnings as at 1<sup>st</sup> April 2015 have been adjusted consequent to the above adjustments. The subsequent impacts of all adjustments have been given in profit and loss.

### xii) Assets held for sale

Under the previous GAAP, assets held for sale were presented as part of other current assets. Under Ind AS, asset held for sale are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

### xiii) Rebate receivable

Under the previous GAAP, rebate receivable from supplier was presented as part of other current assets. Under Ind AS, rebate receivable to be netted off against trade payables, since the settlement of payable happen on net basis. There is no impact on the total equity or profit as a result of this adjustment.

### xiv) Bills discounted charges

Under the previous GAAP, bills discounting charges reimbursed to customer were netted off against sales. Under Ind AS, such discounted charges are separately shown as finance cost and revenue is grossed up to that extent.

In terms of our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration No 012754N / N500016

For and on behalf of the Board

**A. Y. Mahajan**  
Director

**A. Dinakar**  
Managing Director

**Sachin Parekh**  
Partner  
Membership No. 107038

**Manigandann R**  
Chief Financial Officer

**Rukmini Subramanian**  
Company Secretary

Place : Mumbai  
Date : 26<sup>th</sup> May 2017

Place : Mumbai  
Date : 26<sup>th</sup> May 2017



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Particulars	Year ended 31 <sup>st</sup> March 2017 (₹ Lakhs)		Year ended 31 <sup>st</sup> March 2016 (₹ Lakhs)	
<b>Cash flow from operating activities:</b>				
Profit before taxation and exceptional items		1,037.05		1,491.94
<b>Adjusted for :</b>				
Depreciation and amortisation expense	773.74		851.26	
Loss on disposal of Property, plant and equipment	-		11.05	
Gain on disposal of Property, plant and equipment	(3.78)		-	
Income from government grant	(9.30)		(11.18)	
Repayment of government grant	-		13.55	
Gain on sale of investments	(84.75)		(63.01)	
Changes in fair value of investments at fair value through profit and loss	(104.31)		(72.27)	
Provision no longer required written back	(30.53)		(22.41)	
Provision/ (reversal of provision) for indirect tax matters	(7.51)		6.13	
Provision/ (reversal of provision) for doubtful debts	(13.66)		16.43	
Finance costs	28.99	548.89	45.09	774.64
<b>Operating Profit before Working Capital Changes</b>		<b>1,585.94</b>		<b>2,266.57</b>
<b>Changes in Working Capital</b>				
Increase/(decrease) in trade payables	(354.63)		(416.89)	
Increase/(decrease) in provisions and employee benefit obligations	9.21		(252.37)	
Increase/(decrease) in other financial liabilities	31.13		(0.25)	
Increase/(decrease) in other current liabilities	(215.47)		207.81	
(Increase)/decrease in other financial assets	(20.92)		50.67	
(Increase)/decrease in inventories	70.94		(271.67)	
(Increase)/decrease in trade receivables	(18.18)		463.64	
(Increase)/decrease in other current assets	(104.38)		(39.52)	
(Increase)/decrease in other non current assets	(12.81)	(615.11)	6.20	(252.38)
<b>Cash Generated From Operations</b>		<b>970.83</b>		<b>2,014.19</b>
Income taxes paid		(254.96)		(164.87)
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>715.87</b>		<b>1,849.32</b>
Exceptional Items (excluding non cash items)		-		(784.43)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>		<b>715.87</b>		<b>1,064.89</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
<b>Payments for Property, plant and equipment</b>	(937.45)		(691.57)	
Proceeds from sale of Property, plant and equipment / asset held for sale	863.22		3.96	
Repayment of government grant	-		(29.61)	
Payment for purchase of investments	(3,065.00)		(3,425.00)	
Proceeds from sale of investments	2,387.17	(752.06)	3,106.41	(1,035.81)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(752.06)</b>		<b>(1,035.81)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from borrowings	93.80		6.46	
Interest Paid	(28.99)	64.81	(34.05)	(27.59)
<b>NET CASH GENERATED FROM /(USED) IN FINANCING ACTIVITIES (C)</b>		<b>64.81</b>		<b>(27.59)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b>		<b>28.62</b>		<b>1.49</b>
Cash and cash equivalents (Opening Balance)		25.56		24.06
Cash and cash equivalents (Closing Balance)		54.18		25.56
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>28.62</b>		<b>1.50</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

In terms of our report of even date

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N / N500016

For and on behalf of the Board

**A. Y. Mahajan**  
Director

**A. Dinakar**  
Managing Director

**Sachin Parekh**  
Partner  
Membership No. 107038  
Place : Mumbai  
Date : 26<sup>th</sup> May 2017

**Manigandann R**  
Chief Financial Officer  
Place : Mumbai  
Date : 26<sup>th</sup> May 2017

**Rukmini Subramanian**  
Company Secretary

## Notes



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