

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga Building Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Stock Code - 530365

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai-400 051

Stock Code: **ORIENTBELL**

Sub. : Submission of Annual Report - 2017-18 of the Company, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the company for the Financial Year 2017-18 as approved and adopted at 41st Annual General Meeting of Orient Bell Limited held on Monday, the 24th day of September 2018 at 11.30 a.m. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad, Distt. Bulandshahr, (U.P.).

This is for your information and record.

Yours faithfully,
for Orient Bell Limited


Yogesh Mendiratta
Company Secretary & Head-Legal



Encl: as above

Orient Bell Limited



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About OBL

Orient Bell Limited (OBL) is amongst the largest manufacturers of Wall & Floor Tiles. It's roots in the tile industry can be traced back to 1977.

OBL has consistently been a pioneer in the industry with a focus on customer-centric innovation. It was the first to manufacture ultra-vitrified tiles. It has 4 patent-pending technologies: Forever Tiles, GermFree Tiles, Cool Tiles & Life Tiles. For OBL, new product design & development is a continuous process. As a result it has an extensive range of tiles with various finishes & textures.

OBL has a chain of signature showrooms to display this extensive range of tiles. It is privileged to be associated with premier architects and construction agencies of the country. It counts most leading developers as well as government & public sector institutions amongst its customers.

Corporate information

BOARD OF DIRECTORS

Mr. Mahendra K. Daga, Chairman & Managing Director
 Mr. Madhur Daga, Managing Director
 Mr. K.M. Pai
 Mr. P.M. Mathai
 Mr. R.N. Bansal
 Mr. Sameer Kamboj
 Ms. Tanuja Joshi

AUDIT COMMITTEE

Mr. Sameer Kamboj (Chairman)
 Mr. K.M. Pai
 Mr. P.M. Mathai
 Mr. R.N. Bansal

STAKEHOLDERS RELATIONSHIP AND GRIEVANCE COMMITTEE

Ms. Tanuja Joshi (Chairperson)
 Mr. Madhur Daga
 Mr. K.M. Pai

NOMINATION AND REMUNERATION COMMITTEE

Mr. P.M. Mathai (Chairman)
 Mr. R.N. Bansal
 Ms. Tanuja Joshi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Madhur Daga (Chairman)
 Mr. R.N. Bansal
 Mr. Sameer Kamboj
 Ms. Tanuja Joshi

COMPENSATION COMMITTEE

Mr. P.M. Mathai (Chairman)
 Mr. Mahendra K. Daga
 Mr. R.N. Bansal
 Mr. Sameer Kamboj

KEY MANAGERIAL PERSONNEL

Mr. Aditya Gupta, Chief Executive Officer
 Mr. Yogesh Mendiratta, Company Secretary

STATUTORY AUDITORS

M/s B.R. Gupta & Co., New Delhi

BANKERS / LENDERS

State Bank of India
 Punjab National Bank
 Axis Bank
 IndusInd Bank
 IDBI Bank
 ICICI Bank
 IDFC Bank
 Tata Capital Financial Services Limited

SHARE TRANSFER AGENT

M/s MCS Share Transfer Agent Limited
 F-65, Okhla Industrial Area, Phase-I,
 New Delhi – 110 020
 Tel: +91 11 41406149

REGISTERED OFFICE

8, Industrial Area, Sikandrabad – 203 205
 Distt. Bulandshahr (U.P.)
 Tel : +91 5735 222203/22424, +91 8191004575 / 76
 Fax : +91 5735 222642

CORPORATE OFFICE

IRIS House, 16, Business Centre,
 Nangal Raya, New Delhi – 110 046
 Tel : +91 11 47119100
 Fax : +91 11 28521273

PLANTS

1. Industrial Area
Sikandrabad,
Bulandshahr (U.P.)
2. Village Dora, Taluka Amod,
Dist. Bharuch – 392230, Gujarat.
3. Village Chokkahalli,
Taluka Hoskote,
Bengaluru (Rural)- 562114
Karnataka

CIN: L14101UP1977PLC021546

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Forty First Annual Report and the audited accounts for the financial year ended March 31, 2018.

Financial Results

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017*
Net Sales/ Revenue from Operations (adjusted for taxes)	64,271	61,340
Profit before finance cost, depreciation, taxation and exceptional item	4,936	5,730
Finance Cost	728	1,335
Depreciation	1,502	1,913
Exceptional Item (Net)	2,027	-
Profit before taxation	4,733	2,482
Operating Profit before taxation	2,706	2,482
Tax expense	729	1,123
Profit after tax (PAT)	4,004	1,359
Other Comprehensive Income (Net of Taxes)	78	(120)
PAT with Other Comprehensive Income	4,082	1,239
Earning per share (₹)	28.73	8.79

*regrouped

Performance Highlights

During the year ended March 31, 2018, your Company has registered a growth of 5% in terms of Reporting Revenue (net of Taxes) from ₹ 61,340 Lakhs in previous year to ₹ 64,271 Lakhs in current year as well as in Operating Profit Before Tax (PBT) by 9% from ₹ 2,482 Lakhs in the previous year to ₹ 2,706 lakhs in the current year. Good selling of High Value Products and considerable saving in finance cost has contributed to the growth in Income and Profits during the year. The display of updated portfolio of Company's products at Dealer's Showrooms as well as Company owned Boutiques has improved the efficiency. Regular updating of the Display Centers across the Country to showcase the latest products has also helped in achieving Company's sales targets.

As per the provisions of Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and in terms of the applicability of the said Rules to your Company, the financial statements for the financial year ended 31.03.2018 has been prepared in compliance with the Indian Accounting Standards (IND-AS).

Your Company has decided to install a new manufacturing line within its Sikandrabad (U.P.) Plant which will produce large format tiles viz. Digital Glazed Vitrified Tiles (DGVIT) and Polished Glazed Vitrified Tiles (PGVT). It is estimated to have a production capacity of around 8,500 sq.mtr. per day. Your Company look forward to reap good benefits out of this investment. The

project is under progress and the production is expected to start in Q3 of FY 2018-19.

During the year under review, your Company has acquired 26% equity stake of a Morbi (Gujarat) based Company, Corial Ceramic Private Limited ('Corial'). Corial has a set up of a tile manufacturing plant in Morbi, Gujarat having a production capacity of about 5.2 million square meters of wall tiles per annum. In another ongoing project in Morbi, Gujarat with Proton Granito Private Limited, the production of Double Charge (Floor) Tiles has started during the year under review. Under these arrangements, your Company will be assured of continuous supply of high quality floor tiles and wall tiles.

During the year under review, your Company has unveiled a new Logo. This contemporary Logo with a vibrant colour scheme and style is liked by all in the market and has already started giving benefits. Under this branding activity, branding replacement activity has been completed. With this, your Company's identity has become more visible. During FY 2017-18 your Company has opened 63 Franchise Boutiques at very prominent locations across the Country. This brand visibility and opening of more display showrooms has improved customer pull for OBL products. In Social media space, your Company has engaged a renowned Social Media Agency for Campaigns on various Social Media platforms and brand promotions through Influencers.

As always, your Company participated in/ sponsored several programs related to the tile industry. During the year under

review, your Company has sponsored India Arch Dialogue meet where World's renowned Architects showcase their work. Architects and Influencers play a pivotal role in growth of a Company like yours. Your Company has, as per regular practice, organized the Architects meets and also a Channel Partners meet at Dubai.

Your Company's Project sale vertical is strong as ever which continued its drive to map the Government (GPS) and Private (PPS) Projects and sell more and more of its High Value Products in these projects. Your Company has represented itself before various GPS and PPS Projects and successfully got its brand "Orient Bell" approved and listed with many more PPS, Government Departments and PSUs. A few of such PPS and GPS and PSU projects include Gannon Dunkerley & Co Ltd, B.G. Shirke Construction Tech. Pvt Ltd., NCC Limited, Som Projects Private Limited, K M V Projects Limited, Bestech India Pvt. Ltd., Ashiana Housing Limited, Wave Infratrade Private Limited, Land Craft Developers Pvt Ltd., NBCC, DDA, Military Engineer Services (MES), Medical College (Telangana/Tamilnadu/Chitrakoot), Golf Link-Ghaziabad, NTPC-Darbhanga, LDA-Lucknow etc.

Dividend

Your Directors have recommended a dividend of ₹ 0.50 per equity share for the financial year ended March 31, 2018. The total outgo of dividend (inclusive of tax of ₹ 14.64 lakhs) would amount to ₹ 85.89 lakhs as against ₹ 85.39 lakhs in the previous year. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

Particulars of Loans, Guarantees or Investments

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Public Deposits

Your Company has neither invited nor accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

Transfer to Reserves

During the year under review no amount was transferred to Reserves.

Particulars of Contracts or Arrangements made with Related Parties

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations. All Related Party Transactions are placed before the Audit Committee for

approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website. Detail of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

Directors and Key Managerial Personnel

During the year under review, Mr. K.M. Pai has resigned from the post of Executive Director & CFO of the Company due to personal reasons to spend more time with his family at Bengaluru. Your Board of Directors has accepted the resignation of Mr. K.M. Pai w.e.f. 01st June, 2018 and also approved his continuation on the Board of the Company as Non-Executive Director w.e.f. 01st June, 2018. Relevant resolution is proposed by the Board in the notice calling 41st AGM.

The present term of appointment of Mr. Mahendra K. Daga is up to 31st March, 2021 as Chairman & Managing Director of the Company. In view of the fact that Mr. Madhur Daga has completely taken over the responsibilities of Managing Director of the Company and for better Corporate Governance, Mr. Mahendra K. Daga has stepped down from the post of Managing Director but consented to continue as Whole Time Director. The Board of Directors has in its meeting held on 21st May, 2018 subject to the approval of shareholders at forthcoming AGM, approved the change in designation of Mr. Mahendra K. Daga from Chairman & Managing Director to Chairman & Whole Time Director of the Company effective 01st October, 2018. Subject to further approval of shareholders, Mr. Mahendra K. Daga will continue to drive the Company Operations from strength to strength as Whole Time Director. Relevant resolution is proposed by the Board in the notice calling 41st AGM.

The second term of appointment of Mr. R.N. Bansal as an Independent Director will expire on 29th September, 2018 and therefore he shall retire on that date in terms of Section 149 (11) of the Companies Act, 2013. His outstanding contribution and support is appreciated by the Board of Directors.

All the Independent Directors have given their respective declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Mahendra K. Daga shall retire at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

The present term of appointment of Mr. Madhur Daga as Managing Director of the Company will end on 31st March, 2019. The Nomination and Remuneration Committee and the Board of Directors have, subject to the approval of the members vide special resolution at the ensuing Annual General Meeting and such other approvals as may be necessary in this regard, approved the reappointment and remuneration of Mr. Madhur Daga as Managing Director of the Company for a further term of three years from 01st April, 2019 to 31st March, 2022.

During the year under review, your Company has appointed Mr. Aditya Gupta as Chief Executive Officer (in the category of Key Managerial Personnel) of the Company. Mr. Aditya Gupta is a Bachelor of Technology from IIT, Mumbai and a Post Graduate Diploma holder in Marketing & Finance from IIM Bangalore with around 27 years of multi-functional experience in industry leading companies. Throughout his career, he has been recognized & awarded for delivering consistent revenue growth and boosting margins through innovative marketing programs and executional excellence. He is a business leader with strong operational experience in Sales and Marketing, having led new product development, brand initiatives and building large distribution channels across India. For the last decade, he has been responsible for delivering significant revenue (in excess of ₹ 4,500 Cr) and EBITDA targets for business geographies under his control.

Mr. Aditya Gupta started his career with United Spirits Ltd (now Diageo) and also worked at Bharti Airtel Ltd. Mr. Aditya would put immense focus on Purpose, Values, Ethics and Institution Building after spending the last nine years with the TATA group, where he worked in their Telecom and Power businesses at various senior positions. His last role was asset monetization and developing new businesses in the upcoming field of Electric Vehicles, Smart Cities and Distributed Generation for TATA Power. His trademark has been a consistent ability to build and lead cross-functional teams with a relentless focus on execution.

Number of meetings of the Board

The Board met six times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, make the following statement:

- that in the preparation of annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2018 and of the profit of your Company for the year ended on that date;
- 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;
- that the accounts for the financial year ended March 31, 2018 have been prepared on a 'going concern' basis;
- that internal financial controls were in place and that

such internal financial controls were adequate and were operating effectively;

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

Audit Committee

The Audit Committee comprises of three Independent Directors namely Mr. Sameer Kamboj (Chairman), Mr. R.N. Bansal (Member) and Mr. P.M. Mathai (Member) and one Non Independent Director Mr. K.M. Pai (Member). All the recommendations made by the Audit Committee were accepted by the Board.

Remuneration Policy

The Policy of the Company on Director's appointment and remuneration, specifying criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 of the Companies Act, 2013, adopted by the Board, is appended as **Annexure 1 to the Board's Report**. We affirm that the remuneration paid to the Directors is as per the terms laid under the Nomination & Remuneration Policy of the Company.

Risk Management Policy

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formed a Risk Management Policy. This policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Risk Management Policy as approved by the Board is uploaded on the Company's website <https://www.orientbell.com>.

Vigil Mechanism cum Whistle Blower Policy

The Company has formulated a Vigil Mechanism cum Whistle Blower Policy to deal with the instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. It provides for a mechanism for Directors and Employees of the Company to approach the Chairman of the Audit Committee of the Company or the Director nominated to play the role of Audit Committee as the case may be, in exceptional cases to report such cases. The Vigil Mechanism cum Whistle Blower Policy of the Company is uploaded on the Company's website <https://www.orientbell.com>.

Corporate Social Responsibility

The Corporate Social Responsibility Committee comprises Mr. Madhur Daga (Chairman), Mr. R.N. Bansal, Ms. Tanuja Joshi and Mr. Sameer Kamboj (Members). The Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at <https://www.orientbell.com>.

The CSR activities, as per the provisions of the Companies Act, 2013, may also be undertaken through a Registered Trust. The Company continues to undertake the CSR activities also through M/s Godavari Foundation, a Trust registered under Section 12A of the Income Tax Act, 1961 (registration no. DIT(E) 268-69/8E/196/90-91).

The Company undertakes initiatives in compliance with Schedule VII of the Act.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years (i.e. 2014-15, 2015-16 and 2016-17) was ₹17,07,35,433/-. It was hence required to spend ₹34,14,709/- on CSR activities during the Financial Year 2017-18, being 2% of the average net profits of the three immediately preceding financial years. During the year, the Company has spent ₹34,45,620/- on CSR activities.

The Annual Report on CSR activities is appended as **Annexure 2 to the Board's Report**.

Code for prevention of Insider Trading Practices

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has formulated and adopted 'Code of Conduct for prevention of Insider Trading' and 'Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information' (hereinafter collectively referred to as "OBL Code of Conduct"). The OBL Code of Conduct is uploaded on the website of the company <https://www.orientbell.com>.

Information pursuant to Section 134(3)(m) of the Companies Act, 2013

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is appended as **Annexure 3 to the Board's Report**.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Employee Stock Option Scheme

The information required to be disclosed in terms of the provisions of SEBI (Share based employee benefits) Regulations, 2014 and Companies (Share Capital and Debentures) Rules, 2014 is appended as **Annexure 4 to the Board's Report**.

Management Discussion and Analysis Report

'Management Discussion and Analysis Report', as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this report, has been given under separate section in the Annual Report.

Corporate Governance Report

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate for compliance of the provisions of Corporate Governance from the Statutory Auditors forms an integral part of this Report.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is appended as **Annexure 5 to the Board's Report**.

Subsidiary Company

The Company has no Subsidiary Company.

Particulars of Employees

The information as per Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. However, as per the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the members excluding the information on particulars of employees which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

Auditors

Statutory Auditors

M/s B.R. Gupta & Co., Chartered Accountants, New Delhi Statutory Auditors of your Company have been appointed as such by the Shareholders at the 40th AGM held on 22nd September, 2017 to hold office from the conclusion of 40th AGM till the conclusion of 45th AGM to be held in the year 2022. Their appointment was, however, subject to ratification by the shareholders in every AGM, if required by law. As per the Companies (Amendment) Act, 2017 the said requirement of ratification has been dispensed with. Accordingly, M/s B.R. Gupta & Co., Chartered Accountants will continue to hold office till the conclusion of 45th AGM to be held in the year 2022 as per Shareholders' approval.

Auditors' Report

The Auditor's Report read with notes to the accounts referred to in the Auditor Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Vivek Arora, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit, appended as **Annexure 6 to the Board's Report** does not contain any qualification, reservation or adverse remark.

Material changes and commitments between the end of the financial year and date of report.

There is no material change and/or commitment held between the end of the financial year and the date of report affecting the financial position of the Company.

General

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". Your Directors further state that during the year

under review, one case was received by the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same was disposed of as per said Act and Policy on prevention, prohibition and redressal of Sexual Harassment of Women.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgement

Your Directors acknowledge with gratitude and wish to place on record, their deep appreciation of continued support and co-operation received by the Company from various Government authorities, Shareholders, Bankers, Lenders, Business Associates, Dealers, Customers, Financial Institutions and Investors during the year. Your Directors also place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date: 21st May, 2018

Madhur Daga	K.M. Pai
Managing Director	Executive Director & CFO

ANNEXURE – 1 TO BOARD'S REPORT

NOMINATION AND REMUNERATION (AMENDED) POLICY, 2016

1. Introduction

As mandated by the statutory provisions contained under section 178 of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, Nomination & Remuneration Committee of the Company has formulated this policy and on its recommendation the Board of Directors has approved the same vide Board Resolution dated 03rd November, 2014. This policy contains guidelines on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company. This policy may be treated as a benchmark for determining the qualifications, positive attributes and independence of a Director, criteria for evaluation of Independent Directors and the Board, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

2. Objective

- i. To formulate the eligibility criteria for determining qualifications, positive attributes, and independence of a Director and to formulate the criteria for evaluating Directors and Senior Management;
- ii. To identify and select for Board's consideration the persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down;
- iii. To carry out the evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and to provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations;
- iv. To determine the remuneration taking into account parameters like financial position of the Company, industry size, company size and general practice on remuneration payout in the Tile Industry;
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- vi. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

3. Effective Date

This policy shall be effective from 01st April, 2014.

4. Definitions

In this Policy unless the context otherwise requires:

- i. 'Act' means Companies Act, 2013 and rules made there under.
- ii. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
- iii. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.

- iv. 'Company' means Orient Bell Limited.
- v. 'Directors' means Directors of the Company.
- vi. 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.
- vii. 'Key Managerial Personnel' (KMP) means:
 - a. Chief Executive Officer and / or Managing Director
 - b. Whole-time Director
 - c. Chief Financial Officer
 - d. Company Secretary
 - e. Such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- viii. 'Senior Management Personnel' for this purpose shall mean employees of the company occupying the position of Functional / Department Heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. Nomination and Remuneration Committee

The Board has on 24.04.2014, in compliance with the provisions of Section 178 of the Companies Act, 2013 and applicable provisions of Listing Agreement, changed the name of the existing Remuneration committee to Nomination and Remuneration Committee and re-constituted the same to include the members as under:

- (i) Mr. P.M. Mathai – Chairman
- (ii) Mr. R.N. Bansal
- (iii) Ms. Tanuja Joshi

The Committee shall function in accordance with the statutory provisions laid down from time to time. The Board has the power to reconstitute the Committee consistent with the Company's Policy and applicable statutory requirements.

6. Applicability

This policy is applicable to:

- (i) Directors (Whole Time as well as Non Whole Time)
- (ii) Key Managerial Personnel
- (iii) Senior Management

7. Appointment of Director, KMP and Senior Management

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment on the basis of criteria laid down from time to time.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- iii. Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.
- iv. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

8. Term/ Tenure of Appointment

a) Managing Director/ Whole Time Director

The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Joint Managing Director or Executive Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

An Independent Director shall hold office for such term which should not exceed a maximum of five consecutive years on the Board of the Company, as may be recommended by the Committee and approved by the Board and shareholders and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such prescribed period by the Statutory Authority from time to time.

9. Evaluation

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The criteria of such an evaluation may be considered as under:

a) Non Whole Time Directors except Nominee Directors:

- i. Attendance in the Board and/or Committee meetings.
- ii. Positive attitude and promptness.
- iii. Contribution in improving financial and other functions of the Company.
- iv. Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures.
- v. Understanding of laws having impact on Company's business and Tile industry as a whole.
- vi. Clear sense of values and integrity.

b) Whole Time Directors:

In addition to the criteria mentioned above the following may also be considered as additional parameters for evaluation of performance of Whole Time Directors:

- i. Implementation of policies and procedures as set out by the Board.
- ii. Efforts in promoting and expanding the business.
- iii. Brand Building and establishing a respectable place in the market.
- iv. Controlling of various functions across the Company and ensuring their proper functioning.
- v. Ensuring smooth business operations across all the units of Company.
- vi. Clear sense of values and integrity.

c) Senior Management:

The parameters of the assessment will be the same as applicable to the Whole Time Directors but in the case of Senior Management, their Key Result Areas (KRA's) may be different based on the uniqueness and domain responsibility of the function. The 360 degree Performance Management System (PMS) adopted by the Company is also applicable to Senior Management. Their Competencies include:

- i. Achievement of Goals / KRA's assigned to him/her;
- ii. Demonstrated understanding of his/her area of operation;
- iii. Integrity;
- iv. Credibility;
- v. Excellent communication skills;
- vi. Competence;
- vii. Leadership;
- viii. Pro-active;
- ix. Quality decision making.

10. Removal

The Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations.

11. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

12. Provisions regarding payment of Remuneration, perquisites to the Managing Director/Wholetime Directors, KMP and Senior Management Personnel

a) General Provisions

- i. The remuneration / perquisites / commission etc. to the Managing Director/ Whole-time Directors, KMP and Senior Management Personnel will be determined

by the Committee and recommended to the Board for approval.

- ii. The remuneration / perquisite/ commission etc. shall be in accordance with the percentage / slabs / conditions laid down in the Companies Act, 2013 and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/ Whole Time Directors. The decision of the Committee as to increment shall be final.
- iv. Where any insurance is taken by the Company on behalf of its Managing Director/ Whole-time Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying any of them against any liability in respect of a deed for which they may be held guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b) Remuneration to the Managing Director/Whole-time Directors, KMP and Senior Management Personnel Remuneration

The Managing Director/ Whole-time Directors shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus / commission and quantum of perquisites including, employer's contribution to P.F. pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

Provisions for Excess Remuneration

If Managing Director/ Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c) Remuneration to Non Whole Time Director (including Independent Director) Sitting Fees

The Non Whole Time Directors (Including Independent Directors) of the Company shall be paid sitting fees as per the approval of the Board of Directors from time to time. The quantum of sitting fees will be determined on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company from time to time subject to the relevant provisions contained under Companies Act, 2013 and applicable rules made there under.

Profit Linked Commission

The Non Whole Time Directors (Including Independent Directors) of the Company may be paid profit-linked Commission within the monetary limit as may be recommended by the Board of Directors from time to time and also approved by the shareholders of the Company and by the Central Government, wherever required.

Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

Insurance

Where any insurance is taken by the Company on behalf of its Non Whole Time Directors (including independent directors) for indemnifying any of them against any liability in respect of a deed for which they may be held guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such Non Whole Time Directors (including independent directors).

d) Remuneration to KMP and Senior Management Personnel

The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per their appointment terms, Increment Letters and Company's HR policies. The Committee may direct restructure of their Salary in such manner as it may deem fit and proper. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The KMP and Senior Management Personnel may also be issued Employees Stock Options to reward them for their performance and to motivate and retain them.

13. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant Statutory authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE – 2 TO BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made there under, the Company has framed a CSR Policy. The efforts of improving the lives of communities near manufacturing factories are through projects focused in areas of Education and Health and Hygiene Like last year, the company has undertaken the projects of transformation of Government Schools, one at Jokhabad, Distt. Bulandshahr (U.P.) and two others at Jaipur, Rajasthan and Hoskote, Karnataka to make them more suitable in terms of hygiene, health and clean environment. Your Company is always conscious of green environment and carries out plantations on a regular basis within its premises and also outside its premises. These Projects are in accordance with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013 as amended from time to time.

The Company's CSR policy has been uploaded on the website of the Company under the web-link: <https://www.orientbell.com/pub/media/docs/investor/CSR-Policy.pdf>.

Composition of the CSR Committee:

Mr. Madhur Daga, Chairman	-	Managing Director
Mr. R.N. Bansal	-	Independent Director
Ms. Tanuja Joshi	-	Independent Director
Mr. Sameer Kamboj	-	Independent Director

Average net profit of the Company for last three financial years: ₹ 17,07,35,433/-.

Prescribed CSR Expenditure (2% of the average net profits of last three financial years): ₹ 34,14,709/-.

Details of CSR spent during the financial year:

- Total amount to be spent for the financial year : ₹ 34,45,620/- was spent against ₹ 34,14,709/-.
- Amount unspent : Nil
- Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/others 2. Specify the state / district (Name of the District/s, State/s where project/ programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads	Cumulative spend up to the reporting period from 01.04.2014 to 31.03.2018	Amount spent: Direct/through implementing agency*
Amount spent on CSR activities upto 31.03.2017						56,77,742 [#]	
1	Refurbishment & Development of Government school	Promoting Education	Jokhabad (Bulandshahr), U.P.	20,50,125	20,50,125	77,27,867	Godavari Foundation
2	Refurbishment & Development of Government school	Promoting Education	Jaipur, Rajasthan	10,40,000	10,40,000	87,67,867	Godavari Foundation
3	Plantations	Environment Sustainability	Delhi	1,87,782	1,87,782	89,55,649	Godavari Foundation
4	Eye Camp	Health & Sanitation	Sikandrabad (U.P.)	25,000	25,000	89,80,649	Godavari Foundation
5	Maintenance of Government Primary School	Promoting Education	Til Begumpur (U.P.)	5,774	5,774	89,86,423	Godavari Foundation

6	Maintenance of Government Primary School	Promoting Education	Hoskote Taluk (Karnataka)	72,836	72,836	90,59,259	Godavari Foundation
7	Maintenance of Government Primary School	Promoting Education	Til Begumpur (U.P.)	40,350	40,350	90,99,609	Direct
8	Plantations	Environment sustainability	Delhi	23,753	23,753	91,23,362	Direct

#Regrouped

*Godavari Foundation is a Registered Trust which fulfils the criteria for being appointed as an implementing agency in terms of Companies (Corporate Social Responsibility Policy) Rules, 2014. The said Trust was entrusted by the CSR Committee to carry out CSR activities on behalf of the Company in the areas specified in the CSR policy of the Company.

Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Place : New Delhi
Date : 21st May, 2018

Madhur Daga
Chairman-CSR Committee

Tanuja Joshi
Director & Member-CSR Committee

ANNEXURE – 3 TO BOARD'S REPORT

INFORMATION PURSUANT TO SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

At Sikandrabad Plant:

1. Modified hot air duct for optimum use of waste heat from kiln into press dryers, it has resulted gas saving of 60 SCM/day.
2. For size 600x1200, stopped use of pre-kiln dryer before kiln entry, it has resulted gas saving of 176 SCM/day & power saving of 200KW/day.
3. Replaced 18.5 KW motor by 11 KW in MP FBCC. This has led to saving of 78 KWH/day
4. Used VFDs at MP-1 & MP-4 Kiln blowers for energy saving, Total saving 348 KWH/day.
5. Stopped running of idle motors at MP1 press dryer exit, saved 16 KWH/day.
6. Installed automatic light controllers at common areas & Warehouse lighting to automatic ON/OFF the light as per requirement. It has saved 20KW/day.
7. At MP slip house, changed connection from delta to star for 10 agitator motors, saved 288KW/day.
8. Stopped idle running of the plant machinery at various other areas.

At Hoskote Plant:

1. Used VFDs at Sacmi Kiln blower for energy saving & saved 378 KWH/day.
2. Carried out modification in milling plant by replacing screw conveyors with belt conveyors for power saving and reduction in down time, saved 60 KWH/day
3. Modified hot air duct to use waste heat from kiln into press dryers, it has resulted LPG saving 280 kgs/day.
4. Continuously purchasing power from Open Access Trade through Indian Energy Exchange to & saved ₹1.08 Crores during entire year.
5. Modified hot air duct to use waste heat from kiln into milling plant in cycle-3 & reduced burner temperature from 100 to 80 degrees.
6. Installed heat recuperator system in SACMI kiln & saved 35 kg/day.

At Dora Plant:

1. Installed hot air duct line at SACMI Kiln to use waste hot air in combustion air (Temperature increased from 160 to 240°C). Gas saved approx. 550 SCM/Day.

2. Installed Capacitor 25 KVAR -2 Nos at 5-layer dryer and 6 Nos are installed at LT house to improve the power factor. This has resulted in saving 16 KWH/day.
3. Installed 15 KWH VFD at Roto pump and 1.5 KWH VFD at glaze line, Saved 72 KWH/Day.
4. Increased slip density from 1725 to 1740 gm/cc, it has resulted gas saving of 130 SCM/Day
5. Two inverters of 11 KW are installed at 5-layer dryer for exhaust fan motor, saved 40 KWH/Day.

(b) Additional investment on energy conservation equipment:

At Sikandrabad Plant:

1. Replacement of under-load motors with right capacity motors, expected saving will be 200 KWH/day.
2. Roof insulation to be changed in MF-3 Kiln, expected saving will be 250 SCM/day.
3. Replacement of sodium Vapor and Metal Halide Lamps with LEDs, proposed power saving will be 80 KWH/day.
4. Installation of VFD at MF-3 Kiln blower motor and proposed saving will be 70 KWH/day
5. Thermal insulation to be provided at hot air ducts for fuel saving.

At Hoskote Plant:

1. Introducing LEDs in place of Sodium vapor lamps, appx saving 50 KWH/day.
2. Installation of 30 KW VFD for SITI kiln smoke suction blower & Indirect cooling blower & Expected saving appx 150 KWH/day.
3. Connection of hot air fan outlet to combustion air to increase the inlet air temperature & expected saving of fuel is approx:30kgs/day.
4. Arresting of compressed air leakage & expected saving of 200 KWH/day.

At Dora Plant:

1. Utilization of waste heat of gas generator into spray dryer. Approx gas saving will be 400 SCM/day.
2. Replacement of metal halide & Sodium vapour light with LED light. Approx saving will be 25 KW/day.
3. Installation of 15 KW VFD for cooling fan of Siti spray dryer, saving is approx. 55 KWH/Day.

B. TECHNOLOGY ABSORPTION**(a) Efforts made towards technology absorption:****At Sikandrabad Plant:**

1. Introduction of DGVT/PGVT 800x800 & 800x1200 mm.
2. Expansion planning for high value products like PGVT and GVT.
3. To have new digital machine which can produce value added products.
4. New product development as per market requirement.

At Hoskote Plant:

1. Introduction of Fusion technology at Milling plant to enhance process capability to produce PGVT/GVT.
2. Introduction of 15 MT capacity pendulum mill in place of 3 MT capacity pendulum mill to have energy saving.
3. To change ball mill lining of Mill no:5 & 6 at glaze preparation for better output & less running hours.

At Dora Plant:

1. Installation of new sample glaze line with all application to reduce the sampling time.

2. Installation of new squaring machine to reduce the squaring defects and fired losses.
3. Introduction of cool tile in paver series.

(b) Benefit derived as a result of the above efforts:

As a result of these efforts, cost reduction, improved yield, energy saving, and quality up gradation became possible.

(c) Technology Imported: Nil**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

1. Foreign Exchange earned : Nil
2. Foreign Exchange outgo : ₹ 1,153.56 lakhs

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 21st May, 2018

Madhur Daga **K.M. Pai**
Managing Director Executive Director
 & CFO

ANNEXURE – 4 TO BOARD'S REPORT

DISCLOSURES REQUIRED UNDER THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014.

ORIENT BELL EMPLOYEES STOCK OPTION SCHEME, 2013

Nature of Disclosure		Particulars
A.	Summary of Status of ESOS Granted :	
	(i) The description of the existing scheme is summarized as under :	
	(a) Date of shareholder's approval	10 th July, 2013
	(b) Total number of options approved	9,40,000
	(c) Vesting requirements	The options shall vest after the expiry of one year from the date of respective grant of options
	(d) Exercise price or Pricing formula	Exercise Price is Nil
	(e) Maximum term of options granted	Three years from the date of each vesting
	(f) Source of shares	Primary
	(g) Variation in term of options	None
	(ii) The movement of options during the year is as follows :	
	(a) Number of options outstanding at the beginning of the financial year :	
	(i) Out of options granted on 02.09.2013	0
	(ii) Out of options granted on 02.09.2014	23,975
	(iii) Out of options granted on 02.09.2016	17,500
	(iv) Out of options granted on 22.03.2017	17,500
	Total	58,975
	(b) Number of options granted during the year	0
	(c) Number of options lapsed during the year	0
	(d) Number of options vested during the year	58,975
	(e) Number of options exercised during the year	41,475
	(f) Total number of shares arising as a result of exercise of options	41,475
	(g) Money realized by exercise of options	N.A.
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	Nil
	(j) Number of options exercisable at the end of the year	17,500
B.	Employee wise details of Options granted during the financial year 2017-18 under ESOS :	
	i) Key Managerial Personnel	None
	ii) Other Senior managerial personnel	None
	iii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None
	iv) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None

C.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind-AS) 33 'Earnings Per Share'.	₹ 28.70
D.	Method used to Account for ESOS Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if the fair value of the options had been used and its impact on profits and on EPS of the Company.	Employee Compensation cost has been calculated using fair value method using Black Scholes option pricing model. N.A.
E.	(i) Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock.	N.A.
	(ii) Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock.	N.A.
	(iii) Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock.	Weighted average exercise price: Nil Weighted average fair value: ₹160.13
F.	(i) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	Black Scholes Method
	(a) Risk-free interest rate	6.81%
	(b) Expected life of options	1 year
	(c) Expected volatility	4.11%
	(d) Expected Dividend yield	0.82%
	(e) The price of the underlying share in market at the time of option grant	₹ 160.13
	(f) Exercise Price	Nil
	(ii) Method used to determine expected volatility	Expected volatility is based on the Company's Share price for preceding 5 years of grant date
	(iii) No other feature has been considered for fair valuation of options except as mentioned in Point F (i) above.	

Orient Bell Employees Stock Option Scheme, 2018

Nature of Disclosure		Particulars
A.	Summary of Status of ESOS Granted :	
	(i) The description of the existing scheme is summarized as under :	
	(a) Date of shareholder's approval	16 th April, 2018
	(b) Total number of options approved	2,00,000
	(c) Vesting requirements	The options granted under Scheme shall vest after the expiry of minimum one year from the date of grant, as per vesting schedule as may be decided by the Compensation Committee subject to maximum period of five years.
	(d) Exercise price or Pricing formula	The Exercise price of the Shares will be based on the Market Price of the Shares one day before the date of the meeting of the Compensation Committee wherein the grants of options will be approved. Since the shares of the Company are listed on more than one Stock Exchange, the price of the Stock Exchange where there is highest trading volume shall be considered as the market price. The Compensation Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise Price shall not go below the face value of Equity Share of the Company.
	(e) Maximum term of options granted	Three years from the date of each vesting
	(f) Source of shares	Primary
	(g) Variation in term of options	None
	(ii) The movement of options during the year is as follows :	
	(a) Number of options outstanding at the beginning of the financial year :	Nil
	Total	Nil
	(b) Number of options granted during the year	Nil
	(c) Number of options lapsed during the year	Nil
	(d) Number of options vested during the year	Nil
	(e) Number of options exercised during the year	Nil
	(f) Total number of shares arising as a result of exercise of options	Nil
	(g) Money realized by exercise of options	N.A.
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	Nil
	(j) Number of options exercisable at the end of the year	Nil
B.	Employee wise details of Options granted during the financial year 2017-18 under ESOS :	
	i) Key Managerial Personnel	
	ii) Other Senior managerial personnel	
	iii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	

	iv) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
C.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind-AS) 33 'Earnings Per Share'.	
D.	Method used to Account for ESOS Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if the fair value of the options had been used and its impact on profits and on EPS of the Company.	
E.	(i) Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock.	
	(ii) Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock.	
	(iii) Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock.	
F.	(i) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	
	(a) Risk-free interest rate	
	(b) Expected life of options	
	(c) Expected volatility	
	(d) Expected Dividend yield	
	(e) The price of the underlying share in market at the time of option grant	
	(f) Exercise Price	
	(ii) Method used to determine expected volatility	
	(iii) Feature considered for fair valuation of options	

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 21st May, 2018

Madhur Daga
Managing Director

K.M. Pai
Executive Director & CFO

ANNEXURE – 5 TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

As on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L14101UP1977PLC021546
Registration Date	:	18 th May, 1977
Name of the Company	:	Orient Bell Limited
Category / Sub-Category of the Company	:	Public Company/ Limited by Shares
Address of the Registered office and contact details	:	8, Industrial Area, Sikandrabad -203 205, Distt. -Bulandshahr (U.P.) Tel.: +91-5735-222203, 222424 Fax: +91-5735-222642
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase-I New Delhi – 110 020. Tel.: +91-11-41406149 Fax: +91-11-41709881 e-mail: admin@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover 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	Ceramic Tiles	23939	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Corial Ceramic Private Limited	U26999GJ2017PTC096842	Associate	26%	2(6)

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 [as on 1 st April, 2017]				No. of Shares held at the end of the year [as on 31 st March, 2018]				% Change during the year [#]
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	51,72,422	-	51,72,422	36.45	51,72,422	-	51,72,422	36.34	-0.11
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Governments	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	30,05,133	-	30,05,133	21.18	30,05,133	-	30,05,133	21.12	-0.06
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Trust	20,79,100	-	20,79,100	14.65	-	-	-	-	-14.65
Sub Total (A) (1)	1,02,56,655	-	1,02,56,655	72.28	81,77,555	-	81,77,555	57.46	-14.82
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A) (1)+(A)(2)	1,02,56,655	-	1,02,56,655	72.28	81,77,555	-	81,77,555	57.46	-14.82
B. Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	1,479	5,966	7,445	0.05	3,773	5,966	9,739	0.07	0.02
b) Banks / FI	5,390	4,472	9,862	0.07	5,105	3,522	8,627	0.06	-0.01
c) Central Government [@]	-	-	-	-	32,969	-	32,969	0.23	0.23
d) State Governments	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2,811	-	2,811	0.02	2,811	-	2,811	0.02	0.00
g) FIs	-	478	478	-	-	478	478	-	0.00
h) Foreign Venture Capital fund	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	9,680	10,916	20,596	0.14	44,658	9,966	54,624	0.38	0.24

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1 st April, 2017]				No. of Shares held at the end of the year [as on 31 st March, 2018]				% Change during the year [#]
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- institutions									
a) Bodies Corporate									
i) Indian	4,38,609	9,756	4,48,365	3.16	6,77,471	4,206	6,81,677	4.79	1.63
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh*	24,09,161	3,70,695	27,79,856	19.59	33,38,019	3,11,950	36,49,969	25.65	6.06
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh**	5,33,087	-	5,33,087	3.76	10,72,185	-	10,72,185	7.53	3.77
c) Any other (specify)									
i) Trust & Foundation	2,145	-	2,145	0.02	1,057	-	1,057	0.01	-0.01
ii) Unclaimed Shares Suspense Account	25,214	-	25,214	0.18	22,902	-	22,902	0.16	-0.02
iii) Non Resident Indians	1,22,351	57	1,22,408	0.86	5,69,925	57	5,69,982	4.01	3.15
iv) NBFCs registered with RBI	1,275	-	1,275	0.01	1,125	-	1,125	0.01	0.00
Sub-Total (B) (2)	35,31,842	3,80,508	39,12,350	27.58	56,82,684	3,16,213	59,98,897	42.16	14.58
Total Public Shareholding (B)= (B)(1)+(B)(2)	35,41,522	3,91,424	39,32,946	27.72	57,27,342	3,26,179	60,53,521	42.54	14.82
C. Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	1,37,98,177	3,91,424	1,41,89,601	100.00	1,39,04,897	3,26,179	1,42,31,076	100.00	0.00

* This information for the year ended 31st March, 2018 is for the individual shareholders holding Nominal share capital up to ₹ 2 lakhs.

**This information for the year ended 31st March, 2018 is for the individual shareholders holding Nominal share capital in excess of ₹ 2 lakhs.

@ During the year 32,969 shares transferred to Ministry of Corporate Affairs (MCA) IEPF Account.

The change in percentage has the impact of increase in Paid up Equity Share Capital during the year.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [as on 1 st April, 2017]			Share holding at the end of the year [as on 31 st March, 2018]			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mahendra K. Daga	28,98,716	20.43	-	28,98,716	20.37	-	-0.06
2	Good Team Investment & Trading Co. Pvt. Ltd.	23,78,914	16.77	-	23,78,914	16.72	-	-0.05
3	Orient Bell Holding Trust	20,79,100	14.65	-	-	-	-	-14.65
4	Madhur Daga	12,73,264	8.97	-	12,73,264	8.95	-	-0.02
5	Freesia Investment and Trading Co. Ltd.	5,36,479	3.78	-	5,36,479	3.77	-	-0.01
6	Sarla Daga	5,36,228	3.78	-	5,36,228	3.77	-	-0.01
7	Mahendra K. Daga (HUF)	3,64,214	2.57	-	3,64,214	2.56	-	-0.01
8	Roma Monisha Sakraney Daga	1,00,000	0.70	-	1,00,000	0.70	-	-
9	Morning Glory Leasing & Finance Ltd.	87,370	0.62	-	87,370	0.61	-	-0.01
10	Alfa Mercantile Ltd.	2,370	0.02	-	2,370	0.02	-	-
	Total	1,02,56,655	72.28	-	81,77,555	57.46	-	-14.82

*The change in percentage has the impact of increase in Paid up equity share capital during the year.

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year [as on 01.04.2017]		Increase or Decrease/ reasons	Date of Increase/ Decrease	Increase/ decrease in no. of Shares	Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company*				No. of Shares	% of total Shares of the Company**
6	Madhu Rani Maheshwari	67,121	0.47					
At the end of the year (as on 31.03.2018)							67,121	0.47
7	Gala Panbai Valji	-	-					
				Increase - Purchase	19/05/2017	60,000	60,000	0.42
At the end of the year (as on 31.03.2018)							60,000	0.42
8	Dolly khanna	-	-					
				Increase - Purchase	30/06/2017	2,879	2,879	0.02
				Increase - Purchase	07/07/2017	3,205	6,084	0.04
				Decrease - Transfer	28/07/2017	-3,000	3,084	0.02
				Decrease - Transfer	10/11/2017	-1,859	1,225	0.01
				Increase - Purchase	01/12/2017	4,854	6,079	0.04
				Increase - Purchase	08/12/2017	26,743	32,822	0.23
				Increase - Purchase	15/12/2017	3,000	35,822	0.25
				Increase - Purchase	05/01/2018	1,550	37,372	0.26
				Increase - Purchase	19/01/2018	2,050	39,422	0.28
				Increase - Purchase	09/02/2018	9,200	48,622	0.34
				Increase - Purchase	23/02/2018	1,000	49,622	0.35
				Increase - Purchase	02/03/2018	2,000	51,622	0.36
				Increase - Purchase	16/03/2018	1,450	53,072	0.37
At the end of the year (as on 31.03.2018)							53,072	0.37
9	Nileshkumar S Maisheri	-	-					
				Increase - Purchase	19/05/2017	50,690	50,690	0.36
At the end of the year (as on 31.03.2018)							50,690	0.36
10	Equity Intelligence India Private Limited	-	-					
				Increase - Purchase	05/05/2017	50,000	50,000	0.35
At the end of the year (as on 31.03.2018)							50,000	0.35
11	Harsukhlal Mohanlal Punatar	55,000	0.39					
				Decrease - Transfer	26/04/2017	-4,000	51,000	0.36
				Decrease - Transfer	19/05/2017	-4,400	46,600	0.33
				Decrease - Transfer	11/08/2017	-1,500	45,100	0.32
At the end of the year (as on 31.03.2018)							45,100	0.32
12	Raju Ajit Bhandari	50,000	0.35					
				Decrease - Transfer	08/12/2017	-5,000	45,000	0.32
				Decrease - Transfer	05/01/2018	-4,000	41,000	0.29
At the end of the year (as on 31.03.2018)							41,000	0.29
13	Ashesh Kumar	32,571	0.23					
				Decrease - Transfer	31/10/2017	-100	32,471	0.23
				Decrease - Transfer	03/11/2017	-100	32,371	0.23
				Decrease - Transfer	10/11/2017	-150	32,221	0.23
At the end of the year (as on 31.03.2018)							32,221	0.23

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year [as on 01.04.2017]		Increase or Decrease/ reasons	Date of Increase/ Decrease	Increase/ decrease in no. of Shares	Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company*				No. of Shares	% of total Shares of the Company**
14	Jyoti Hareish Shah	32,207	0.23					
At the end of the year (as on 31.03.2018)							32,207	0.23
15	Anju Goel	32,026	0.23					
At the end of the year (as on 31.03.2018)							32,026	0.23
16	Shakti Agarwalla	44,100	0.31					
				Decrease - Transfer	21/04/2017	-3,700	40,400	0.28
				Decrease - Transfer	26/04/2017	-9,624	30,776	0.22
				Decrease - Transfer	28/04/2017	-1,474	29,302	0.21
				Increase - Purchase	05/05/2017	112	29,414	0.21
				Decrease - Transfer	12/05/2017	-414	29,000	0.20
At the end of the year (as on 31.03.2018)							29,000	0.20
17	Girija Shankar Tripathy	87,999	0.62					
				Decrease - Transfer	07/04/2017	-1,058	86,941	0.61
				Decrease - Transfer	14/04/2017	-6,603	80,338	0.56
				Decrease - Transfer	21/04/2017	-16,218	64,120	0.45
				Decrease - Transfer	26/04/2017	-5,695	58,425	0.41
				Decrease - Transfer	28/04/2017	-1,004	57,421	0.40
				Decrease - Transfer	05/05/2017	-867	56,554	0.40
				Decrease - Transfer	12/05/2017	-17,000	39,554	0.28
				Decrease - Transfer	19/05/2017	-2,000	37,554	0.26
				Decrease - Transfer	16/06/2017	-1,773	35,781	0.25
				Decrease - Transfer	23/06/2017	-1,493	34,288	0.24
				Decrease - Transfer	14/07/2017	-495	33,793	0.24
				Decrease - Transfer	18/08/2017	-1,309	32,484	0.23
				Decrease - Transfer	08/09/2017	-14,922	17,562	0.12
				Decrease - Transfer	15/09/2017	-2,975	14,587	0.10
				Decrease - Transfer	24/11/2017	-100	14,487	0.10
				Decrease - Transfer	01/12/2017	-400	14,087	0.10
				Decrease - Transfer	08/12/2017	-2,297	11,790	0.08
				Decrease - Transfer	15/12/2017	-1,959	9,831	0.07
				Decrease - Transfer	29/12/2017	-528	9,303	0.07
				Decrease - Transfer	12/01/2018	-9,301	2	0.0
At the end of the year (as on 31.03.2018)							2	0.0
18	Dilshad Trading Company Private Limited	35,532	0.25					
				Decrease - Transfer	02/02/2018	-35,532	0	0.0
At the end of the year (as on 31.03.2018)							0	0.0

*calculated on the basis of paid up share capital of ₹ 14,18,96,010/- as on 01.04.2017 i.e. 1,41,89,601 shares of ₹ 10/- each.

**calculated on the basis of paid up share capital of ₹ 14,23,10,760/- as on 31.03.2018 i.e. 1,42,31,076 shares of ₹ 10/- each.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [as on 1 st April, 2017]		Increase/ Decrease in 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
I. Directors						
1	Mr. Mahendra K. Daga, Chairman and Managing Director					
	At the beginning of the year – 01.04.2017	28,98,716	20.43			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2018			-	28,98,716	20.37
2	Mr. Madhur Daga, Managing Director					
	At the beginning of the year - 01.04.2017	12,73,264	8.97			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year - 31.03.2018				12,73,264	8.95
3	Mr. Ram Nath Bansal, Director					
	At the beginning of the year – 01.04.2017	-	-		-	-
	Date wise increase/decrease in sharehold- ing during the year specifying the reasons for increase/decrease (e.g. allotment /trans- fer/bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2018	-	-		-	-
4	Mr. Sameer Kamboj, Director					
	At the beginning of the year – 01.04.2017	-	-		-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2018	-	-		-	-
5	Mr. K. M. Pai, Executive Director & CFO*					
	At the beginning of the year – 01.04.2017	15,000	0.11		-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			14,500	500	0.10
	Increase – Allotted under Orient Bell Employ- ees Stock Option Scheme, 2013 on 12.09.17			17,500	18,000	0.13
	At the end of the year – 31.03.2018	-	-		18,000	0.13
6	Mr. P. M. Mathai, Director					
	At the beginning of the year – 01.04.2017	-	-		-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2018	-	-		-	-

Sl. No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [as on 1 st April, 2017]		Increase/ Decrease in 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
7	Mrs. Tanuja Joshi, Director					
	At the beginning of the year – 01.04.2017	-	-		-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2018	-	-		-	-
II. Key Managerial Personnel						
8	Mr. K. M. Pai, Executive Director & CFO*					
	At the beginning of the year – 01.04.2017	15,000	0.11		-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			14,500	500	0.10
	Increase – Allotted under Orient Bell Employees Stock Option Scheme, 2013 on 12.09.17			17,500	18,000	0.13
	At the end of the year – 31.03.2018	-	-		18,000	0.13
9	Mr. Aditya Gupta, CEO **					
	At the beginning of the year – 01.04.2017	-	-			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2018				-	-
10	Mr. Yogesh Mendiratta, Company Secretary & Head Legal					
	At the beginning of the year – 01.04.17	6,100	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.)			2,315	3,785	0.03
	At the end of the year – 31.03.2018				3,785	0.03

*Mr. K.M. Pai is the Executive Director & CFO of the Company. His Shareholding is therefore depicted as Director as well as Key Managerial Personnel.

**Mr. Aditya Gupta was appointed as CEO of the Company w.e.f. 06.03.2018.

V. INDEBTEDNESS

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

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year – 01.04.2017				
i) Principal Amount	7,359	2,706	955	11,020
ii) Interest due but not paid	10	-	-	10
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,369	2,706	955	11,030
Change in Indebtedness during the financial year (Net)				
• Addition	-	-	63	63
• Reduction	(1,652)	(716)	-	(2,368)
Net Change	(1,652)	(716)	63	(2,305)
Indebtedness at the end of the financial year – 31.03.2018				
i) Principal Amount	5,695	1,990	1,018	8,703
ii) Interest due but not paid	22	-	-	22
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,717	1,990	1,018	8,725

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager			
		Mr. Mahendra K. Daga	Mr. Madhur Daga	Mr. K.M Pai [#]	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	187.20	108.00	66.37	361.57
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	9.56	6.34	33.45	49.35
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	44.66	44.66
3.	National Pension Scheme (NPS)	-	7.20	-	7.20
4.	Sweat Equity	-	-	-	-
5.	Commission (as a % of profit)	-	-	-	-
6.	Others – contribution to provident fund	0.22	0.22	0.22	0.66
	Total (A)	196.98	121.76	144.70	463.44
	Ceiling as per the Act	In view of inadequacy of profits, the above remuneration was paid as 'minimum remuneration' in accordance with the Special Resolutions passed by the shareholders under the applicable provisions of the Companies Act, 2013 and also the approval of the Central Government, wherever applicable.			

[#] Mr. K.M. Pai is the Executive Director & CFO of the Company. His Remuneration is therefore also shown in Point no. VI(C).

B. Remuneration to other Directors:

(₹ in lakhs)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. R.N. Bansal	Mr. P.M Mathai	Ms. Tanuja Joshi	Mr. Sameer Kamboj	
1.	Independent Directors					
	- Fee for attending board / committee meetings	4.50	4.30	4.10	3.20	16.10
	- Commission	-	-	-	-	-
	- others, please specify	-	-	-	-	-
	Total (1)	4.50	4.30	4.10	3.20	16.10
2.	Other Non Executive Directors	-None-				
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	4.50	4.30	4.10	3.20	16.10
	Total Managerial Remuneration@					479.54
	Overall Ceiling as per the Act	In view of inadequacy of profits, the above remuneration was paid as 'minimum remuneration' in accordance with the Special Resolutions passed by the shareholders under the applicable provisions of the Companies Act, 2013 and also the approval of the Central Government, wherever applicable.				

@ Total remuneration paid to Managing Director, Whole Time Director and other Directors (being the total of A and B).

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CFO#	CEO**	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.80	66.37	8.49	88.66
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4.44	33.44	3.42	41.30
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option*	-	44.66	-	44.66
3.	Sweat Equity	-	-	-	-
4.	Commission -as % of profit	-	-	-	-
5.	Others – contribution to provident fund	0.22	0.22	0.68	1.12
	Total	18.46	144.69	12.59	175.74

* The amount indicates perquisite value of ESOPs of the Company exercised during the year.

Mr. K.M. Pai is the Executive Director & CFO of the Company. His Remuneration is therefore also shown in Point no. VI(A).

**Mr. Aditya Gupta was appointed as CEO of the Company w.e.f 06.03.2018.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/Punishment/Compounding Fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 21st May, 2018

Madhur Daga
Managing Director

K.M. Pai
Executive Director & CFO

ANNEXURE – 6 TO BOARD'S REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31-03-2018

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

To,

The Members
Orient Bell Limited
8, Industrial Area,
Sikandrabad,
Distt. Bulandshahr, U.P.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Orient Bell Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Orient Bell Limited (the Company) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31-03-2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made 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') as amended from time to time:
 - (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) SEBI (Share Based Employee Benefits) Regulations, 2014;
 - (e) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) SEBI (Delisting of Equity Shares) Regulations, 2009;
 - (g) SEBI (Buy-back of Securities) Regulations, 1998.
- (vi) (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to Listed equity shares of the Company at NSE and BSE.
- (vii) (i) There is no specific law ,which is exclusively applicable to the Company, however the following general laws significant to the Company , were examined and audited for ensuring their compliance mechanism :-
 - (a) The Factories Act, 1948;
 - (b) The Environment (Protection) Act, 1986;

- (c) The Air (Prevention & Control of Pollution) Act, 1981;
 - (d) The Water (Prevention & Control of Pollution) Act, 1974.
- (II) The Company voluntarily obtained BIS (Bureau of Indian standards) certification in respect of its manufactured product i.e. Pressed Ceramic tiles, conforming to IS 15622 : 2006 which was also examined.

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

I further report that-

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines except that the Statutory Auditors of the Company have also reported the following in their Auditors Report for the Financial Year 2017-18:

"According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year except for a case of misappropriation in assets of the Company of an immaterial amount; reported by the Company to us. The same is accounted for in the books of account and the Company has taken necessary corrective action."

I further report that during the year-

- i) The Company has allotted 41,475 equity shares of ₹ 10/- each under Orient Bell Employees Stock Option Scheme, 2013 at 'Nil' exercise price.
- ii) The Board of Directors has approved Orient Bell Employees Stock Option Scheme, 2018 on 13.03.2018 involving 2,00,000 Stock Options.

for VIVEK ARORA
COMPANY SECRETARIES

CS VIVEK ARORA
(PROPRIETOR)
C.P. NO. 8255; ACS 12222

Place : New Delhi
Date : 21st May, 2018

Note:

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

Annexure 'A'

To,

The Members
Orient Bell Limited

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

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

for VIVEK ARORA
COMPANY SECRETARIES

Place : New Delhi
Date : 21st May, 2018

CS VIVEK ARORA
(PROPRIETOR)
C.P. NO. 8255; ACS 12222

MANAGEMENT DISCUSSION AND ANALYSIS

As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is provided as under:

INDUSTRY STRUCTURE AND DEVELOPMENT

The global ceramic tiles market is expected to get high demand across several regions of the world on account of a noteworthy upturn in construction activities due to rising urbanization. Gulf Cooperation Council (GCC) countries and various other economies such as Brazil and Turkey are anticipated to testify an extensive rise in the sale of ceramic tiles. In the next few years, the demand for ceramic tiles could escalate as a result of consumers gaining more aesthetical consciousness and witnessing an upward thrust in the increase of their disposable income. In the present scenario, Asia Pacific is reported to secure a significant consumption rate for ceramic tiles. In 2017, the region had accounted for a huge share of 65.6% in the overall ceramic tiles market. Bankable markets such as India, China, and South Korea are expected to draw an enormous demand for ceramic tiles owing to distinct reasons including a rapid rise in urbanization leading to increased construction activities.

India is the 3rd largest in terms of production and consumption of tiles in the world. Increase in demand for the tiles is on account of an increase in the number of new households which comprise the largest portion of the tile demand in India. The per capita consumption of tiles in India is reported to be 0.50 sq.m. The easier credit availability and tax benefits on housing loans has increased the number of home buyers from lower and middle income groups in India. Another important reason for the growth of the Tile industry in India is the rise of urbanization in India owing to an urge for better lifestyle and job opportunities.

Moreover, the shift in Indian consumer preferences towards for large format & better looking tiles coupled with easy availability and affordability has also increased the demand for in India. The Government has also played a major role in rejuvenating demand for tiles by initiating policies aimed at achieving growth in urban and rural sectors in terms of infrastructural growth. India tiles market grew at a positive CAGR during period FY'2012-2017.

OUTLOOK

With the introduction of digital technology, the face of tile design and the new product development has greatly changed, life like design of natural Italian marble, stone and wood has actually made the Indian consumer get an array of choices and designs they can choose from. Tiles are now becoming a style statement and are used for bedroom and living room walls as well. Your Company has already rejigged its product portfolio to include more large format tiles, DGV, PGVT of size 600x600 mm, 600x1200 mm, 800x800 mm and 800x1200 mm.

The ₹ 26,500/- crore ceramic tiles industry in India is set to witness nearly 5-6 per cent growth in demand this year. Government initiatives such as affordable housing and building of smart cities will help generate more demand for

tiles. Ceramic tiles segment demand in India is expected to grow at a CAGR of 8.7% for the period 2014-2019.

Your Company is expanding its production capacity by expanding its existing facilities as well as through joint ventures. Wall tiles are expected to find increased use in kitchens and washrooms where walls need protection from continuous exposure to wet and moist surrounding as paints and wall paper cannot be used as suitable substitute. These tiles are expected to generate revenue of over INR 119 billion by FY'2022 registering rise in demand and revenue.

India's real estate sector is undergoing a transformation, the results of which are now visible in Ceramic Tile sector performance also.

A broad range of flooring applications from residential to commercial and industrial is predicted to set the tone for a reliable growth in the ceramic tiles market. Airports, railway stations, and other transport infrastructures besides educational institutes and hospitals require floor tiles at a consistent rate. As a result, the demand for floor tiles could stay high in the foreseeable future.

RISKS AND CONCERNS

At OBL, we have been pursuing a prudent growth strategy and have taken steps to effectively manage the emerging risks and challenges. Your Company is facing near-term headwinds, but with proper and strategic planning, your Company has taken adequate measures to face such headwinds.

The offtake liability due to lower consumption and fluctuating prices of Gas is one of risks your Company can foresee and to mitigate this risk proper planning has been done. Under such planning, your Company has surrendered approx. 14,000 SCM per day RLNG quota of its DORA (Gujarat) plant to GAIL (India) Limited and also applied for transfer of certain Gas quota from its Sikandrabad plant to its Hoskote plant for its optimum use.

A major part of the Company's total sales comes from its retail customers. Hence, customer attrition can impact both revenues and prospective growth. To curb this risk, your Company provides adequate after sale service to retail customers. The Company also customizes products to cater to specific requirements.

The increasing Competition in the tile market is also one of the risks. To mitigate this risk, your Company always work on its product portfolio diversification and development. The immense competition in the tiles market has raised the company spends on the advertisement and promotion. Your Company has embarked on an innovative brand awareness campaign on social media.

Attrition of key executives and personnel could affect the Company's growth prospects. To mitigate this risk, OBL has initiated various measures such as deploying strategic talent management system, training and integration of learning activities. Various HR initiatives were initiated to encourage staff towards enhancing productivity and building the spirit of team work.

Another major concern to the Company is increase in transportation costs. In order to combat this risk, your company is continuously making surveys to keep the transportation cost under control. Your Company has made transportation arrangements with a fleet of transporters to curtail the possibility of monopoly.

The Fluctuating foreign currency is a threat to your Company. The Company has shifted its dependence from imports to indigenous sourcing. A very small portion of the Company's turnover is still accounted by imports. The Company covers its foreign exchange exposure as per needs.

OPPORTUNITIES AND THREATS

The Government has announced a Credit Linked Subsidy Scheme (CLSS) for economically weaker segments (EWS), Low Income Groups (LIG) and Middle Income Groups (MIG), covering households with salaries up to INR 1.8mn per annum. Under the scheme, the beneficiary households will receive an interest subsidy up to 6% for home purchases. In addition, the government has lowered GST for CLSS eligible houses from 12% to 8%. While CLSS has a meaningful impact on improving affordability, it has been successful only in the LIG/EWS segments with demand for the scheme higher than government budgeted expenditure. Reduction of interest costs improves house economics materially. Considering that households will have higher-than-average credit costs (we assume 10% home loan rates for the segment under CLSS), the interest-to-rent ratio declines below 1x for purchases of housing units costing lesser than INR 0.5mn.

The introduction of e-way bill will ensure adequate governance and compliances in GST payments and less evasion of tax. Your Company believes this will improve our Competitiveness. The slashing down in GST rates on tiles from 28% to 18% is a welcome step of Government helping out Indian Tile Industry in managing the sale smoothly. The interest subsidy provided under the Pradhan Mantri Awas Yojna (PMAY) has started giving results. Your Company is receiving orders in high volume but low margin orders. The Government's Smart City mission is under progress and would start giving returns as and when implemented.

The manpower cost in real estate sector is increasing which is a threat for tile industry. Over the past one year the gas prices along with raw material prices have witnessed a significant increase and thereby forming a threat for the Company. Unorganized tile manufacturing sector and cheaper imported tiles continue to be a threat for Organized tile industry manufacturers.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company deals with products which come under one segment only i.e. 'ceramic tiles'.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and

procedures adopted by the company 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. The Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and audit and compliance by in-house Internal Audit Division with experienced staff headed by an Internal Auditor, placed under the supervision and control of the Audit Committee. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions as per the internal audit plan approved by the Audit Committee every year.

To further strengthen the internal control process, the Company has adopted a very comprehensive statutory compliance software. This software is fully automated and generate alerts to the Primary responsible person, secondary responsible person and also to the approving authority for proper and timely compliance. The matter is escalated to the higher authorities in case it is not attended by the responsible persons.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India.

1. **Sales :** The Company's Revenue from Operation (adjusted for Taxes) has increased to ₹ 64,271 lakhs in the year 2017-18 from ₹ 61,340 lakhs in the year 2016-17.
2. **Finance charges:** Finance charges for the year 2017-18 amounted to ₹ 728 lakhs as against the previous year of ₹ 1,335 lakhs.
3. **Depreciation:** The current year depreciation amounted to ₹ 1,502 lakhs as against ₹ 1,913 lakhs of previous year.
4. **Profit:**
 - (a) Operating Profit before Depreciation and Taxation amounted to ₹ 4,936 lakhs as against the previous year of ₹ 5,730 lakhs.
 - (b) Net Profit after tax for the year amounted to ₹ 4,004 lakhs as against the previous year of ₹ 1,359 lakhs.
 - (c) Cash from Operation: During the year ₹ 3,492 lakhs were generated from operations as against the previous year figure of ₹ 3,272 lakhs.
5. **Net Working Capital:**

Inventories increased to ₹ 8,883 lakhs from ₹ 7,457 lakhs in the previous year.

Sundry Debtors increased to ₹ 12,620 lakhs as against ₹

10,210 lakhs of previous year.

Short term Loans, Advances and other Current Assets decreased to ₹ 668 lakhs from ₹ 1,140 lakhs in the previous year.

Current liabilities and provisions: The amount of ₹ 9,451 lakhs include creditors for suppliers of raw materials, stores and spares, provisions for expenses and taxes, dividend and tax payable thereon, liabilities for gratuity and leave encashment.

6. **Borrowed funds** : As on 31.03.2018, the total borrowing of the Company was ₹ 8,703 lakhs as against ₹ 11,021 lakhs in the previous year.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

The Company maintained healthy, cordial and harmonious relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization. The Company trains the employees for efficiency improvisation and rewards for the work. We believe that engaged and inspired employees are more satisfied with their work, tend to stay longer, and are more productive and committed. Team Building sessions and trainings have become the integral part of your Company's work culture. Open House Sessions are organized by the Human Resource Department at regular intervals where every employee and management sit on the same forum and exchange ideas. The understanding between the Management

and staff/workers continues to be cordial.

At the end of FY 2018, the Company had 968 permanent employees on its rolls.

CAUTIONARY STATEMENT

The Statements made in this Management Discussion and Analysis Report describing OBL's objectives, projections, estimates and expectations might be construed as 'forward looking statements' within the meaning of applicable laws and regulations and are purely based on management perceptions made on situations as could be reasonably foreseen under the existing conditions. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include many factors viz., rise in input costs, exchange rate fluctuations and significant changes in political and economic environment, environment standards, tax laws, litigation and labour relations.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi

Date : 21st May, 2018

Madhur Daga

Managing Director

K.M. Pai

Executive Director
& CFO

CORPORATE GOVERNANCE REPORT

Corporate Governance is a set of standards which aims to improve the Company's image, efficiency and effectiveness. It is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all the Shareholders, the Creditors, the Government and the Society at large. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a mix of experts of eminence and integrity, forming a core group of top level executives, including competent professionals and putting in place best systems, process and technology. The Company confirms the compliance of the various provisions of/regulations relating to Corporate Governance as contained in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), the details of which are given below.

Orient Bell Limited's (OBL) Philosophy on Corporate Governance:

The cardinal principle of the Corporate Philosophy of OBL on Corporate Governance is -"Transparency, professionalism and Accountability with an ultimate aim of value creation". OBL's

Corporate Philosophy envisages complete transparency and adequate disclosures with an ultimate aim of value creation for all players i.e. the Stakeholders, the Creditors, the Government and the Employees.

Board of Directors

I. Composition of Board

OBL's Board has a very pivotal role in the Company's operations and in ensuring that the Company should run on sound and ethical business practices and that its resources are utilized for creating sustainable and healthy growth.

The Board comprises of 7 (Seven) Directors out of which 3 (three) are Executive Directors (one Executive Chairman & Managing Director and other two are Managing Director and Whole Time Director respectively) and 4 (four) Independent & Non-Executive Directors including one woman director. The size and composition of the Board conforms to the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of Directors and their other Directorships/Committee Memberships in other Companies are as follows:

Sl. No.	Name of Director	Category	Directorship in other companies*	Committee chairmanship **	Committee membership **
1.	Mr. Mahendra K. Daga	P-E-CMD	1	None	1
2.	Mr. Madhur Daga	P-E-MD	None	None	None
3.	Mr. K. M. Pai	E-WTD	1	1	1
4.	Mr. R. N. Bansal	I-NED	None	None	None
5.	Mr. Sameer Kamboj	I-NED	None	None	None
6.	Mr. P. M. Mathai	I-NED	None	None	None
7.	Ms. Tanuja Joshi	I-NED	None	None	None

P-E-CMD Promoter & Executive Chairman and Managing Director

P-E-MD Promoter & Executive Managing Director

E-WTD Executive Whole Time Director

I-NED Independent Non-Executive Director

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees as specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which he/she is a Director.

* Excludes the directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.

** For this purpose only the membership / chairmanship in Audit Committee and Stakeholders Relationship and Grievance Committee in all other public limited companies has been considered.

II. Attendance of Directors at the Board Meetings held during the financial year 2017-2018 and at the last Annual General Meeting (AGM)

The attendance record of each Director at the Board Meetings held during the year 2017-2018 and at the last Annual General Meeting is as follows:

Sl. No.	Name of Director	No. of meetings		Whether attended last AGM
		Held	Attended	
1.	Mr. Mahendra K. Daga	6	5	No
2.	Mr. Madhur Daga	6	6	Yes
3.	Mr. R. N. Bansal	6	6	No
4.	Mr. Sameer Kamboj [@]	6	5	No
5.	Mr. K. M. Pai	6	6	No
6.	Mr. P. M. Mathai	6	6	Yes
7.	Ms. Tanuja Joshi	6	6	No

[@] Mr. Sameer Kamboj has not attended the AGM due to illness. However, Mr. P.M. Mathai, member of Audit Committee was available at the AGM to answer the queries of members

III. Meetings of the Board of Directors

Six Board Meetings were held during the financial year 2017-18 on 22nd May 2017, 12th September 2017, 05th December 2017, 30th January 2018, 06th March 2018 and 13th March 2018 respectively. The maximum time gap between any two meetings was 113 days and the minimum time gap was 6 days. The necessary quorum was present at all the meetings. The agenda papers were circulated well in advance of each meeting of the Board of Directors.

IV. Disclosure of relationships between directors inter-se

None of the Directors is/are in any way related except Mr. Mahendra K. Daga and Mr. Madhur Daga (who is son of Mr. Mahendra K. Daga).

V. Details of shareholding of Non-Executive Directors as on 31st March 2018

Name of Non-Executive Director	No. of shares held
Mr. R. N. Bansal	Nil
Mr. P. M. Mathai	Nil
Ms. Tanuja Joshi	Nil
Mr. Sameer Kamboj	Nil

VI. Web link for details of familiarization programs imparted to Independent Directors

The details of familiarization programs imparted to Independent Directors are available on Company's website viz. <https://www.orientbell.com>.

COMMITTEES OF THE BOARD

(i) Audit Committee

Audit Committee of the Board is entrusted with the powers and the role that are in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee, inter alia, include over seeing financial reporting processes, reviewing periodic financial results, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal control function, discussions with the Internal and Statutory Auditors about the scope of audit including the observations of Auditors and discussion with them on any significant findings.

All the members of Audit Committee are financially literate. As on 31st March, 2018, Mr. Sameer Kamboj, Independent Director, a qualified Chartered Accountant and an expert

in the fields of Finance, General Management and business processes, is the Chairman of the Audit Committee with Mr. R.N. Bansal, Mr. P.M. Mathai, and Mr. K. M. Pai as its members. The Company Secretary acts as the Secretary of the Committee.

During the financial year ended on 31st March 2018, four Audit Committee Meetings were held on 22nd May 2017, 12th September 2017, 05th December 2017 and 30th January 2018 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	Category	No. of meetings	
			Held	Attended
1.	Mr. R. N. Bansal	Independent, Non-Executive	4	4
2.	Mr. P. M. Mathai	Independent, Non-Executive	4	4
3.	Mr. K. M. Pai	Executive Director & CFO	4	4
4.	Mr. Sameer Kamboj	Independent, Non-Executive	4	4

(ii) Nomination and Remuneration Committee

The composition of the Committee as on 31st March, 2018 was Mr. P.M. Mathai as Chairman and Mr. R.N. Bansal and Ms. Tanuja Joshi as its members. All the members are independent directors. The Company Secretary acts as the Secretary of the committee.

During the year under review 4(Four) meetings of members of 'Nomination and Remuneration Committee' were held on 22nd May 2017, 05th December 2017, 13th December 2017 and 02nd February 2018 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. R.N. Bansal	4	4
2.	Mr. P.M. Mathai	4	4
3.	Ms. Tanuja Joshi	4	4

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board's diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Remuneration Policy

In accordance with the principles of transparency and consistency, the Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management which has been approved by the Board of Directors of the Company at its meeting held on

03.11.2014, based on the recommendations made by the Nomination and Remuneration Committee as amended from time to time. The Policy is annexed as Annexure 1 to the Board's Report. The objective and broad framework of the Nomination and Remuneration policy inter alia, is to determine the remuneration taking into account parameters like financial position of the Company, industry size, company size and general practice on remuneration payout in the Tile Industry; to identify and select for Board's consideration the persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down; to carry out the evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and to provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel which is approved by the Board of Directors subject to approval of shareholders and such other approvals wherever necessary. The level and composition shall be reasonable to sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully.

The detail of remuneration paid to the Directors during the financial year 2017-18 is as follows:

(Amount in ₹)

Name of the Director	Salary	Provident fund	NPS	Perquisites	Commis-sion	Sitting fee	Total
Mr. Mahendra K. Daga	1,87,20,000	21,600	-	9,56,238	-	-	1,96,97,838
Mr. Madhur Daga	1,08,00,000	21,600	7,20,000	6,34,750	-	-	1,21,76,350
Mr. K. M. Pai	66,37,500	21,600	-	78,11,276*	-	-	1,44,70,376
Mr. R. N. Bansal	-	-	-	-	-	4,50,000	4,50,000
Mr. P. M. Mathai	-	-	-	-	-	4,30,000	4,30,000
Ms. Tanuja Joshi	-	-	-	-	-	4,10,000	4,10,000
Mr. Sameer Kamboj	-	-	-	-	-	3,20,000	3,20,000

*include ₹ 44,66,525/- towards ESOP.

(iii) Stakeholders Relationship and Grievance Committee

As on 31st March, 2018, the Stakeholders Relationship and Grievance Committee comprises of Ms. Tanuja Joshi as its Chairman and Mr. K. M. Pai and Mr. Madhur Daga as its other two members. The Company Secretary acts as the Secretary of the Committee.

The Committee is entrusted with the power to approve the share transfers, issue of duplicate share certificates, issue of new share

certificates upon consolidation of shares, split of shares and also to resolve the grievances of members including complaints relating to transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc.

During the year ended 31st March 2018, 5 (Five) Committee Meetings were held on 22nd May 2017, 30th June 2017, 28th November 2017, 05th January 2018 and 27th February 2018 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Ms. Tanuja Joshi	5	5
2.	Mr. K.M. Pai	5	5
3.	Mr. Madhur Daga	5	5

To expedite the process of share transfers, the Board has delegated the power of share transfers to Company Secretary and to M/s MCS Share Transfer Agent Ltd. Registrar and Share Transfer Agents, who attend to the share transfers, promptly.

No complaint was pending at the beginning of the financial year i.e. on 01st April 2017. During the year, the Company has received 9 (Nine) complaints from members which were resolved and no complaint is pending for disposal as on 31st March, 2018.

(iv) Finance and Borrowing Committee

The Finance and Borrowing Committee of the Board has been delegated with the powers to manage the banking operations,

to open/close bank accounts, decide on the operational limits/matrix of the authorised signatories in addition to borrow secured/unsecured funds, otherwise than by way of debentures from potential lenders to meet out the funding needs of the Company as may be arising from time to time.

The Committee comprise of three Directors viz. Mr. Mahendra K. Daga as Chairman, Mr. Madhur Daga and Mr. Sameer Kamboj as its members. The Company Secretary acts as the Secretary of the Committee.

During the year under review 1(One) meeting of members of 'Finance and Borrowing Committee' was held on 26th March, 2018. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. Mahendra K. Daga	1	-
2.	Mr. Sameer Kamboj	1	1
3.	Mr. Madhur Daga	1	1

(v) Compensation Committee

The Company has Compensation Committee of the Board of Directors for the purpose of finalizing, administering, and supervising the matters applicable to grant, vest and exercise of options under the Employees Stock Option Scheme and the matters prescribed under the SEBI Guidelines. The Committee comprise of the following Directors:

- a. Mr. P.M. Mathai, Independent-Non Executive [Chairman]

- b. Mr. Mahendra K. Daga, Promoter-Executive [Member]
c. Mr. R.N. Bansal, Independent-Non Executive [Member]
d. Mr. Sameer Kamboj, Independent - Non Executive [Member]

During the financial year 2017-18, the Committee met 1(One) time on 12th September 2017. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. P.M. Mathai	1	1
2.	Mr. Mahendra K. Daga	1	1
3.	Mr. R.N. Bansal	1	1
4.	Mr. Sameer Kamboj	1	-

(vi) Corporate Social Responsibility Committee

The composition of the Committee as on 31st March, 2018 was as under:-

- (i) Mr. Madhur Daga, Promoter-Executive Chairman
(ii) Mr. R.N. Bansal, Independent-Non Executive Member
(iii) Ms. Tanuja Joshi, Independent-Non Executive Member
(iv) Mr. Sameer Kamboj, Independent-Non Executive Member

The Committee is authorized to formulate and recommend to the Board, a CSR policy indicating the activity or activities to be

undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; recommend the amount to be spent on such activities; monitor the Company's CSR policy periodically and institute a transparent monitoring mechanism for the implementation of CSR projects.

The CSR Policy of the Company as duly approved by the Board of Directors in its meeting held on 03.11.2014 is displayed on the Company's website : <https://www.orientbell.com>.

The Committee met once during the year in the meeting held on 22.05.2017 only. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. Madhur Daga	1	1
2.	Mr. R.N. Bansal	1	1
3.	Ms. Tanuja Joshi	1	1
4.	Mr. Sameer Kamboj	1	1

General Body Meetings

Detail of last three Annual General Meetings:

Year	Location	Day and Date	Time	Special resolutions
2014-15	Regd. Off.: 8, Industrial Area, Sikandrabad- 203 205, Distt. Bulandshahr (U.P.)	Wednesday, 30 th Sept., 2015	11.30 a.m.	I. Re-appointment of Mr. N.R. Srinivasan as an Independent Director. II. Creation of Charges/ Mortgages/Hypothecations in respect of Loans etc. III. Substitution of new set of Articles of Association with the existing Articles in terms of Companies Act, 2013. IV. Re-appointment of Mr. Mahendra K. Daga as Chairman & Managing Director.
2015-16	-do-	Wednesday, 14 th Sept., 2016	11.30 a.m.	I. Re-appointment of Mr. Madhur Daga as Whole Time Director (designated as Joint Managing Director). II. Re-appointment of Mr. K.M. Pai as Whole Time Director (designated as Executive Director & Chief Financial Officer). III. Re-appointment of Mr. R.N. Bansal as an independent director of the Company.
2016-17	-do-	Friday, 22 nd Sept., 2017	11.30 a.m.	I. Modification to the terms of appointment (change in designation) of Mr. Madhur Daga. II. Re-appointment & remuneration of Mr. Mahendra K. Daga as Chairman and Managing Director of the Company for a further period from 1 st April, 2018 to 31 st March, 2021, liable to retire by rotation.

All the above mentioned special resolutions were passed unanimously and no resolution was put through postal ballot.

Postal ballot

During the year ended 31st March, 2018, no resolution was passed through postal ballot. No resolution whether Special/ Ordinary Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

Means of communication

The quarterly, half-yearly and annual results of the Company are submitted with Bombay Stock Exchange and National Stock Exchange where the equity shares of the Company are listed and the same are published in leading newspapers viz. Financial Express (English) and Jansatta (Hindi) in compliance with the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The results are also posted on Company's website viz. <https://www.orientbell.com>. The website of the Company also displays the information of the Company's products, dealers, availability among others. Presentations if made to the institutional investors and analysts, are also put upon the website of the Company.

The Company also dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of Regulation 46(2) (J) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 namely investor@orientbell.com which is also displayed on the Company's website viz. <https://www.orientbell.com>.

Shareholding pattern as on 31st March 2018

Category	No. of shares	% of total shares
Promoter and promoter group	81,77,555	57.46
Public - Bodies corporate	6,81,677	4.79
Public – other than Bodies Corporate	48,01,862	33.74
Public - NRIs/OCBs	5,69,982	4.01
Total	1,42,31,076	100.00

General Shareholder Information

Annual General Meeting

Date	24 th September, 2018
Time	11.30 a.m.
Venue	8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Financial Year	1 st April to 31 st March

Book closure dates for the purpose of dividend and Annual General Meeting

To determine the entitlement of members to receive the dividend for the year ended 31st March 2018, the Register of Members

and Share Transfer Books of the Company will remain closed from 18th September, 2018 to 24th September, 2018 (both days inclusive) as well as for the purpose of Annual General Meeting.

Financial reporting for financial year 2018-19 is as follows:

Un-audited financial results for the quarter ended 30.06.2018	Will be announced within 45 days of the end of the quarter.*
Un-audited financial results for the quarter ended 30.09.2018	Will be announced within 45 days of the end of the quarter.*
Un-audited financial results for the quarter ended 31.12.2018	Will be announced within 45 days of the end of the quarter.*
Fourth/last quarter financial results	Audited financial results will be announced within 60 days of the end of the financial year.*

*Subject to change of law

Dividend payment for 2017-18

Dividend on equity shares as recommended by the Directors for the year ended 31st March, 2018 when declared at the Annual General Meeting will be paid within stipulated period:

- To the members, whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 17th September, 2018.

- in respect of shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of the business hours on 17th September, 2018.

Listing	
Presently, the Equity Shares of the Company are listed on the following Stock Exchanges:	
NAME OF STOCK EXCHANGE	STOCK CODE
BSE Ltd. (BSE) Floor 25, PJ Towers, Dalal Street, Mumbai – 400001	530365
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.	ORIENTBELL

The Company has paid the requisite Annual Listing Fee to BSE and NSE for the financial year 2018–19 within stipulated time.

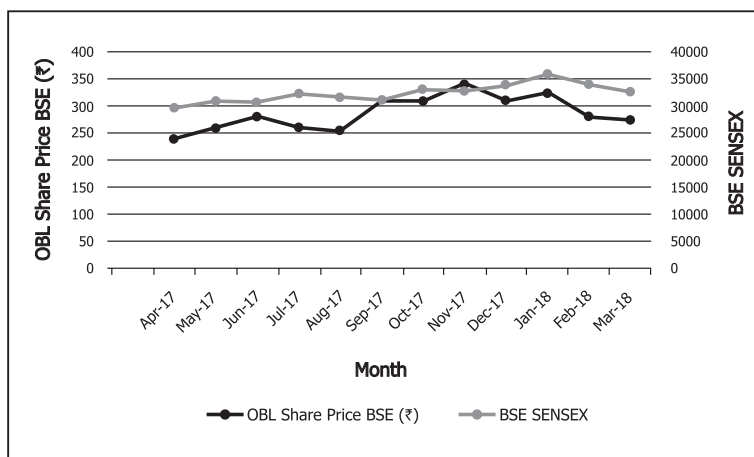
Market price data

The monthly high and low price of shares traded on the BSE Ltd and the National Stock Exchange of India Ltd are as follows:

Month	BSE Limited				BSE Sensex Month Close	National Stock Exchange of India Limited			
	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares Traded		High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares Traded
Apr-17	252.00	174.85	241.60	4,56,392	29918.4	252.00	172.05	245.35	20,08,221
May-17	298.00	210.00	259.75	24,28,538	31145.8	298.00	210.00	259.90	65,73,170
Jun-17	290.00	257.00	281.15	2,38,424	30921.61	291.90	255.10	281.65	12,77,019
Jul-17	288.65	257.10	261.75	1,06,310	32514.94	292.00	256.95	260.05	5,58,649
Aug-17	267.70	211.00	255.70	1,46,872	31730.49	268.00	208.50	255.90	5,91,481
Sep-17	375.30	251.60	310.45	8,91,636	31283.72	374.80	251.10	309.35	36,48,770
Oct-17	342.50	302.25	310.20	1,67,496	33213.13	343.00	303.70	309.70	7,88,522
Nov-17	358.00	296.00	340.00	1,82,867	33149.35	359.00	296.50	343.15	8,85,467
Dec-17	353.00	300.00	313.55	1,03,170	34056.83	352.70	299.25	312.10	5,30,258
Jan-18	347.25	303.00	326.25	1,51,800	35965.02	348.40	307.00	327.65	6,55,308
Feb-18	339.05	276.50	280.70	86,524	34184.04	339.00	276.80	282.50	3,33,928
Mar-18	310.00	251.10	274.40	1,85,577	32968.68	292.00	250.10	272.25	4,04,802

Stock price performance

The performance of Company's Equity Shares during 2017-18 in comparison to BSE's Sensitive Index was as follows:



In case, the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading.

Registrar and Share Transfer Agent

M/s. MCS Share Transfer Agent Ltd.

F-65, Okhla Industrial Area, Phase-I

New Delhi-110 020

Phone No. : (011) 41406149

Fax No. : (011) 41709881

E-mail : admin@mcsregistrars.com

Share transfer system

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, the Stakeholders Relationship and Grievance Committee / its delegated authority meets as often as required.

Distribution of shareholding as on 31st March 2018

No. of Shares	Total members	%Total members	Total shares	% Total shares
Up to 500	13,618	91.38	9,67,483	6.80
501 to 1,000	550	3.69	4,20,372	2.96
1,001 to 2,000	301	2.02	4,40,607	3.10
2,001 to 3,000	112	0.75	2,77,086	1.95
3,001 to 4,000	47	0.32	1,68,140	1.18
4,001 to 5,000	47	0.32	2,18,091	1.53
5,001 to 10,000	114	0.76	8,08,953	5.68
10,001 to 50,000	97	0.65	18,76,142	13.18
50,001 to 1,00,000	9	0.06	6,76,387	4.75
1,00,001 and above	8	0.05	83,77,815	58.87
Total	14,903	100.00	1,42,31,076	100.00

Dematerialisation of shares and liquidity

The Equity Shares of the Company are in compulsory DEMAT mode. In order to enable the members to hold their shares in electronic form and to facilitate scriptless trading, the Company has enlisted its shares with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Status of dematerialisation as on 31st March 2018

Electronic holdings			Physical holdings			Total		
No.of folios	No.of shares	%	No.of folios	No.of shares	%	No.of folios	No.of shares	%
11,819	1,39,04,897	97.71	3,084	3,26,179	2.29	14,903	1,42,31,076	100.00

The Company is making efforts to increase the dematerialisation of shares.

ISIN number allotted by NSDL and CDSL: INE607D01018

CIN : L14101UP1977PLC021546

Outstanding GDRs/ADRs/Warrants

There are no Global Depository Receipts (GDRs)/American Depository Receipts (ADRs) or any convertible instrument pending for conversion.

Commodity price risk or foreign exchange risk and hedging activities

During the year 2017-18 the Company had managed the foreign exchange risk involving foreign currency though this was not a significant amount. The details of foreign currency exposure are disclosed in note no. 46 to the Annual Accounts.

Registered Office:

8, Industrial Area,
Sikandrabad-203 205
Distt. Bulandshahr (U.P.)

Corporate office

Iris House,
16, Business Centre
Nangal Raya
New Delhi-110 046
Phone : (011) 47119100
Fax : (011) 28521273
E-mail: investor@orientbell.com
Website: www.orientbell.com

Address for correspondence:

Shareholder Services
Orient Bell Limited
Iris House, 16, Business Centre
Nangal Raya, New Delhi-110 046
Phone: (011) 47119100
Fax: (011) 28521273
E-mail: investor@orientbell.com
Website: www.orientbell.com

Plants:

- (i) Industrial Area,
Sikandrabad-203 205,
Bulandshahr (U.P.)
- (iii) Village Chokkahalli,
Taluka Hoskote,
Bengaluru (Rural) - 562 114,
Karnataka

- (ii) Village Dora, Taluka Amod,
Dist. Bharuch – 392 230,
Gujarat

Disclosures

- (i) The Company does not have any material related party transactions that may have potential conflict with the interests of the Company at large. The details of related party information and transactions are placed before the Audit Committee from time to time. The disclosures regarding the transactions with the related parties are disclosed in note no. 42 forming part of the Accounts. The Company has formulated a Related Party Transactions Policy which specifies the manner of entering in to related party transactions. This policy has been posted on the website of the Company at <https://www.orientbell.com>.
- (ii) The Company has complied with all the guidelines provided by Stock Exchanges and SEBI or any other statutory authority and no penalties or strictures were imposed on the Company on any matter relating to the capital markets, during the last three years.
- (iii) As mandated under Section 177 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and adopted a Vigil Mechanism cum Whistle Blower Policy. Under the said policy, any communication that discloses or demonstrates in formation that may evidence unethical or improper activity shall be addressed to the Chairman of the Audit Committee. A copy of the same may also be addressed to the Executive Director. No personnel has been denied access to the audit committee. The Vigil Mechanism cum Whistle Blower Policy is available on the website of the Company at <https://www.orientbell.com>.
- (iv) The Company is complying with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. The Internal Auditor reports directly to the Audit Committee.

- (v) The Company has formulated a Policy for determining 'material' subsidiaries as defined under Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy has been posted on the website of the Company at <https://www.orientbell.com>.
- (vi) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

Subsidiary companies

The Company has no subsidiary.

Code of Conduct

The Board has adopted a Code of Conduct for the Board Members and Senior Management of the Company. The same has also been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code. A declaration signed by the Managing Director is given below:

“I, Madhur Daga, Managing Director of Orient Bell Limited, do hereby confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year ended on 31st March, 2018.”

Place : New Delhi
Date : 04th May, 2018

Madhur Daga
Managing Director

Auditors' Certificate on Corporate Governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate is enclosed as **Annexure-A** to this Report.

Compliance Certificate issued by Managing Director and Chief Financial Officer

The Managing Director and Chief Financial Officer have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosures with respect to Demat suspense account / unclaimed suspense account

Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2017		Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31.03.2018	
Shareholders	No. of Shares			Shareholders	No. of Shares
108	25,214	2	2	106	22,902

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 21st May, 2018

Madhur Daga
Managing Director

K.M. Pai
Executive Director & CFO

Annexure 'A'

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To the Members of

M/s. ORIENT BELL LIMITED

We have examined the compliance of conditions of Corporate Governance by Orient Bell Limited for the year ended on 31st March 2018 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and best to 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 provisions specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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 **B.R. Gupta & Co.**

Chartered Accountants

Firm's Registration Number 008352N

Deepak Agarwal

Partner

M. No. FCA 073696

Place: New Delhi

Dated : 21st May, 2018

Independent Auditor's Report

To the Members of M/S ORIENT BELL LIMITED

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (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 Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian accounting Standards) Rule 2015 as amended.

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.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks

of material misstatement of the 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.

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

Opinion

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

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor whose report for the year ended March 31, 2017 & March 31, 2016 dated May 22, 2017 and May 23, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (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 Companies (Indian Accounting Standards) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. On the basis of written representations received from the management of the Company, the Company has no pending litigations which could impact its financial position in its financial statements.
 - ii. According to the information provided and explanation provided to us, the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- 'B', a statement on the matters specified in the paragraph 3 and 4 of the order.

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)

Place of Signature : New Delhi Partner
Dated : 21st May, 2018 Membership No. 073696

Annexure 'A' to the Independent Auditors' Report of even date on the financial statement of Orient Bell Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)

Place of Signature : New Delhi Partner
Dated : 21st May, 2018 Membership No. 073696

Annexure 'B' to the Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2018, we report that:

- | | |
|--|--|
| <p>i) In respect of fixed assets:</p> <p>a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified periodically. In accordance with this programme for the year, no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.</p> <p>c) On the basis of written representation received from the management of the Company, the title deeds of immovable properties held in the name of the Company are mortgaged with the Banks for securing the long term borrowings and credit limits raised by the Company.</p> <p>ii) In respect of its inventory:</p> <p>a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification followed by the management is reasonable. However, we were being informed that physical verification of clay was made on the basis of volume and density which is approximately correct.</p> <p>b) No material discrepancies were noticed on verification between the physical stocks and the book records. The variances found in the stocks during physical verification process and books of account were accounted for in the books of account.</p> <p>iii) (a) to (c) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.</p> <p>iv) According to the information and explanation given to us, the Company has no transaction of loans, guarantees, and security during the year covered under</p> | <p>the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.</p> <p>v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.</p> <p>vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.</p> <p>vii) In respect to statutory dues:</p> <p>a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Goods and Service Tax and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.</p> <p>b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited on account of any dispute except the following, which have not been deposited on account of dispute:</p> |
|--|--|

Name of the Statute	Nature of Dispute	Amount (in ₹)	Period	Forum where dispute is pending
U.P. Vat Act	Entry tax and other dues	11,91,100	2000-01 & 2003-04	Allahabad High Court
U.P. Vat Act	Entry tax and other dues	3,20,813	2002-03	Ghaziabad Tribunal
U.P. Vat Act	Sales Tax Demand	34,594	2003-04	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	10,98,623	2003-04	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	9,73,790	2004-05	Allahabad High Court

Name of the Statue	Nature of Dispute	Amount (in ₹)	Period	Forum where dispute is pending
U.P. Vat Act	Sales Tax Demand	27,40,918	2002-03	Supreme Court
Gujarat VAT	Sales Tax Demand	2,80,259	2010-11	Astt. Commissioner of Commercial Tax
Gujarat VAT	Sales Tax Demand	3,72,499	2006-07	Gujarat Value Added Tax Tribunal, Ahmedabad
A.P. VAT Act	Sales Tax demand	4,89,768	2005-06 & 2006-07	High Court of A.P.
A.P. VAT Act	Sales Tax Demand	5,34,158	2009-10	Commissioner (Appeals)
A.P. VAT Act	Sales Tax Demand	9,34,777	2009-10	Commissioner (Appeals)
Mumbai Vat Act	Sales Tax Demand	27,246	2006-07	VAT Officer
Mumbai Vat Act	Sales Tax Demand	18,394	2008-09	Commissioner of Sales Tax Appeal II
Mumbai Vat Act	Sales Tax Demand	13,14,013	2008-09	Commissioner of Sales Tax Appeal II
Kerala Vat Act	Sales Tax Demand	2,83,774	2005-06	Assistant commissioner, Ernakulam
Kerala Vat Act	Sales Tax Demand	55,526	2012-13	Assistant commissioner, Ernakulam
Goa VAT Act	Sales Tax Demand	3,707	2008-09	Assistant commissioner, Goa
Haryana Vat Act	Sales Tax Demand	1,21,318	2015-16	Commissioner (Appeal)-Excise & Taxation Officer
Central Excise & Customs Act	Excise & other dues	50,49,504	2010-2016	CESTAT, Ahmedabad
Central Excise & Customs Act	Excise & other dues	1,11,02,931	2011-12	High Court, Bengaluru
Income Tax Act, 1961	Income Tax demand	16,92,841	AY:1990-91	ITAT, Ahmedabad
Income Tax Act, 1961	Income Tax demand	22,37,194	AY:1995-96	Gujarat High Court
Income Tax Act, 1961	Income Tax demand	7,62,880	AY:2003-04	ITAT, Ahmedabad
Income Tax Act, 1961	Income Tax demand	16,30,483	AY:2003-04	ITAT, Ahmedabad
Income Tax Act, 1961	Income Tax demand	3,10,57,825	AY:2011-12	CIT (Appeals), Ahmedabad

viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to financial institution and bank. The Company has not taken any loan from Government and also has not issued any debentures.

ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The term loans taken during the year were applied for the purpose for which the same has been raised.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during

the year except for a case of misappropriation in assets of the Company of an immaterial amount; reported by the Company to us. The same is accounted for in the books of account and the Company has taken necessary corrective action.

xi) The Company has paid/ provided managerial remuneration to its directors during the year in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.

xii) The Company is not a nidhi company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For **B.R. Gupta & Co.**
Chartered Accountants
 Firm's Registration Number 008352N

(**Deepak Agarwal**)
 Partner
 Place of Signature : New Delhi
 Dated : 21st May, 2018 Membership No. 073696

Balance Sheet as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I. Assets				
Non-Current Assets				
(a) Property, Plant and Equipment	4	19,636.01	20,119.73	20,776.70
(b) Capital Work-in-Progress	5	102.58	49.30	64.76
(c) Intangible Assets	6	13.90	4.75	13.11
(d) Financial Assets				
(i) Investments	7	572.00	2,334.76	2,334.76
(ii) Other Financial Assets	8	312.02	294.81	346.17
(e) Non Current Tax Asset (Net)	9	-	27.22	152.17
(f) Other Non Current Assets	10	344.73	158.52	584.25
Total Non-Current Assets		20,981.24	22,989.09	24,271.92
Current Assets				
(a) Inventories	11	8,883.33	7,456.84	8,865.44
(b) Financial Assets				
(i) Trade Receivables	12	12,619.95	10,209.86	10,483.53
(ii) Cash and Cash Equivalents	13	39.70	25.16	28.18
(iii) Bank Balances other than (ii) above	14	236.29	371.21	361.00
(iv) Other Financial Assets	8	61.47	233.48	372.70
(c) Other Current Assets	10	330.66	509.72	560.12
Total Current Assets		22,171.40	18,806.27	20,670.97
Total Assets		43,152.64	41,795.36	44,942.89
II. Equity And Liabilities				
Equity				
(a) Equity Share Capital	15A	1,423.11	1,418.96	1,400.24
(b) Other Equity	16	20,756.55	16,702.99	15,485.98
Total Equity		22,179.66	18,121.95	16,886.22
Liabilities				
Non- Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	3,754.79	4,659.06	5,307.64
(ii) Other Financial Liabilities	18	29.87	32.16	23.69
(b) Provisions	19	268.82	271.29	184.85
(c) Deferred Tax Liabilities (Net)	20	2,519.75	2,611.78	2,378.73
Total Non- Current Liabilities		6,573.23	7,574.29	7,894.91
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	4,948.55	6,361.46	8,016.56
(ii) Trade Payables	21	-	-	-
a) Total Outstanding Dues to Micro and Small Enterprises		-	-	-
b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises		7,829.84	7,097.96	10,183.35
(iii) Other Financial Liabilities	18	42.70	27.98	29.28
(b) Other Current Liabilities	22	1,426.57	1,725.99	1,549.83
(c) Provisions	19	115.17	446.34	329.10
(d) Current Tax Liabilities (Net)	23	36.92	439.39	53.64
Total Current Liabilities		14,399.75	16,099.12	20,161.76
Total Equity and Liabilities		43,152.64	41,795.36	44,942.89
Summary of Significant Accounting Policies	3			
The accompanying notes are integral part of the financial statements.				

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered AccountantsFirm's Registration Number 008352N
(Deepak Agarwal)
Partner
Membership Number 073696

Madhur Daga

for and on behalf of Board of Directors of Orient Bell Limited

Sameer Kamboj
Managing Director
DIN 00062149Director
DIN 01033071Place of Signature : New Delhi
Dated : May 21, 2018K M Pai
Executive Director & CFO
DIN 01171860Yogesh Mendiratta
Company Secretary
M. No 13615

Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
I Revenue from operations	24	65,936.68	68,763.67
II Other income	25	238.20	295.27
III Total income (I+II)		66,174.88	69,058.94
IV Expenses			
(a) Cost of Materials Consumed	26	11,135.87	9,767.37
(b) Purchases of Stock-in-Trade	27	18,242.01	19,174.64
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	28	(605.81)	1,314.56
(d) Excise Duty	29	1,155.46	5,020.28
(e) Employee benefits expense	30	7,604.53	6,721.20
(f) Finance costs	31	727.81	1,335.00
(g) Depreciation and amortization expense	32	1,502.08	1,913.09
(h) Other expenses	33	23,705.91	21,331.45
Total expenses		63,467.86	66,577.59
V Profit/ (loss) before exceptional items and tax (III-IV)		2,707.02	2,481.35
VI Exceptional Items	34	2,026.70	-
VII Profit/ (loss) before tax (V+VI)		4,733.72	2,481.35
VIII Tax expense:	35		
(a) Current tax		1,005.60	1,175.92
Less:- Mat Credit Entitlement		(60.29)	-
(b) Adjustment of tax relating to earlier periods		(143.02)	(2.51)
(c) Deferred tax		(73.36)	(50.40)
Total tax expense		728.93	1,123.01
IX Profit/(loss) for the year (VII-VIII)		4,004.79	1,358.34
X Other Comprehensive Income			
(A) (i) Items that will not be reclassified subsequently to statement of profit and loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		120.25	(184.27)
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		(41.62)	63.77
(B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
Other comprehensive income for the year, net of tax		78.63	(120.50)
XI Total comprehensive income for the year, net of tax		4,083.42	1,237.84
XII Earnings per share: (Face value ₹ 10 per share)	36		
1) Basic (amount in ₹)		28.18	9.64
2) Diluted (amount in ₹)		28.14	9.60
Summary of Significant Accounting Policies	3		
The accompanying notes are integral part of the financial statements.			

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

for and on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Dated : May, 21 2018

Madhur Daga
Managing Director
DIN 00062149

K M Pai
Executive Director & CFO
DIN 01171860

Sameer Kamboj
Director
DIN 01033071

Yogesh Mendiratta
Company Secretary
M. No 13615

Statement of Changes in Equity for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Reserve & Surplus							Item of OCI	Total equity
	Capital Reserve	Security Premium	Capital Restructuring	Amalgamation Reserve	Share Options Outstanding Account	General Reserve	Retained earnings	Remeasurements of net defined benefit plans	
A. Equity Share Capital									
Opening Balance as at April 01, 2016									1,400.24
Changes during the year									18.72
Closing Balance as at March 31, 2017									1,418.96
Changes during the year									4.15
Closing Balance as at March 31, 2018									1,423.11
B. Other Equity									
Balance as at April 01, 2016	25.57	1,140.46	46.16	913.04	63.95	4,879.14	8,478.40	(60.72)	15,485.98
Restatement of prior period income of FY 15-16	-	-	-	-	-	-	1.78	-	1.78
Net Income/ Loss for the year	-	-	-	-	-	-	1,358.34	-	1,358.34
Transfer to General Reserve	-	-	-	-	-	3.77	-	-	3.77
Add: Other comprehensive income	-	-	-	-	-	-	-	(120.50)	(120.50)
Employee Stock Option Scheme	-	78.96	-	-	(21.08)	-	-	-	57.88
Final Dividend for the FY 15-16 (Refer Note 48)	-	-	-	-	-	-	(70.01)	-	(70.01)
Dividend Distribution Tax	-	-	-	-	-	-	(14.25)	-	(14.25)
Balance as at March 31, 2017	25.57	1,219.42	46.16	913.04	42.87	4,882.91	9,754.25	(181.22)	16,702.99
Net Income/ Loss for the year	-	-	-	-	-	-	4,004.79	-	4,004.79
Add: Other comprehensive income	-	-	-	-	-	-	-	78.63	78.63
Employee Stock Option Scheme	-	37.76	-	-	17.76	-	-	-	55.53
Final Dividend for the FY 16-17 (Refer Note 48)	-	-	-	-	-	-	(70.95)	-	(70.95)
Dividend Distribution Tax	-	-	-	-	-	-	(14.44)	-	(14.44)
Balance as at March 31, 2018	25.57	1,257.18	46.16	913.04	60.63	4,882.91	13,673.65	(102.59)	20,756.55
Summary of Significant Accounting Policies (Refer Note 3)									

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

For B.R. Gupta & Co.

for and on behalf of Board of Directors of Orient Bell Limited

Chartered Accountants

Firm's Registration Number 008352N
(Deepak Agarwal)

Partner

Membership Number 073696

Place of Signature : New Delhi

Dated : May 21, 2018

Madhur Daga
Managing Director
DIN 00062149K M Pai
Executive Director & CFO
DIN 01171860Sameer Kamboj
Director
DIN 01033071Yogesh Mendiratta
Company Secretary
M. No 13615

Cash Flow Statement for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	4,733.72	2,481.35
Adjustments for:		
Depreciation and amortization	1,502.08	1,913.09
Interest Paid	720.61	1,302.07
Impact of effective interest rate adjustment on borrowings	4.72	0.34
Provision for employee benefit	59.67	80.38
Loss/(Gain) on sale of fixed assets	162.66	227.10
Interest on delayed payment of Taxes	2.48	32.59
Provision for doubtful receivables written back	(33.64)	(153.41)
Unwinding of discount on deposits	(6.10)	(6.23)
Interest Income	(165.69)	(100.09)
Other adjustments	-	1.78
Excess liability written back	(3.94)	-
Provision for Slow Moving of Inventories- Finished Goods	20.35	-
Bad Debts Written Off	35.43	421.95
Operating Profit Before Working Capital Changes	7,032.35	6,200.92
Movement In Working Capital:		
Increase/(Decrease) in Trade Payables & Other Current Liabilities	451.12	(2,910.54)
Increase/(Decrease) in Other Long Term Liabilities	(2.29)	8.47
Increase/(Decrease) in Provisions	(213.39)	19.41
(Increase)/Decrease in Trade Receivables	(2,411.88)	5.13
(Increase)/Decrease in Inventories	(1,446.84)	1,408.60
(Increase)/Decrease in Other Current Assets and other bank balances	492.09	185.63
(Increase)/Decrease in Other Non-Current Assets	6.27	513.15
Cash Generated From Operations	3,907.43	5,430.77
Direct Tax paid (Net of Refunds)	(1,240.31)	(348.09)
Net Cash Inflow From/(Used In) Operating Activities (A)	2,667.12	5,082.68
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment	(1,548.24)	(1,526.41)
Sale Proceeds of Property, Plant and Equipment	95.09	30.95
Purchases of Investments	(260.00)	-
Sale of Investments	2,022.76	-
Interest Income	165.69	100.09
Net Cash From/ (Used In) Investing Activities (B)	475.30	(1,395.37)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Long Term & Short Term Borrowings	(2,321.90)	(2,304.02)
Dividend Paid	(85.39)	(84.26)
Interest paid (net)	(720.61)	(1,302.07)
Net cash inflow from/(used in) Financing Activities (C)	(3,127.90)	(3,690.35)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	14.54	(3.02)
Opening Balance of Cash and Cash Equivalents	25.16	28.18
Total Cash And Cash Equivalent (Note No. 13)	39.70	25.16
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	5.17	6.79
With banks - on current account and deposits with banks	34.53	18.37
Total Cash and Cash equivalent (Note No. 13)	39.70	25.16
Summary of Significant Accounting Policies (Note No. 3)		

See accompanying Notes to the Financial Statements

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

for and on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)

Partner

Membership Number 073696

Place of Signature : New Delhi

Dated : May 21, 2018

Madhur Daga

Managing Director

DIN 00062149

K M Pai

Executive Director & CFO

DIN 01171860

Sameer Kamboj

Director

DIN 01033071

Yogesh Mendiratta

Company Secretary

M. No 13615

Notes to Financial Statements for the year ended March 31, 2018

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (hereinafter referred as the Company) was incorporated on May 18, 1977 and is engaged in the manufacturing, trading and selling of reputed brand of ceramic wall and floor tiles. The Company is a public limited company incorporated and domiciled in India and has its registered office at Sikandrabad, Uttar Pradesh, India. The Company has its primary listings on BSE Limited and the National Stock Exchange of India Limited.

NOTE 2 : STATEMENT OF COMPLIANCE

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as applicable. The financial statements up to the year ended March 31, 2017 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act ('Previously GAAP'). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note 49 for an explanation of the transition from previous GAAP to Ind AS.

Basis of Preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned. The principal accounting policies are set out below.

The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

Going Concern

The board of directors have considered the financial position of the Company at 31st March 2018 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Recent accounting pronouncement

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income Taxes', Ind AS 21 'The effects of changes in foreign exchange rates' and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 1, 2018.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- (i) Identification of the contracts with the customer
- (ii) Identification of the performance obligations in the contract
- (iii) Determination of the transaction price
- (iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- (v) Recognition of revenue when performance obligation is satisfied.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The management is yet to assess the impact of this new standard on the Company's financial statements.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which

Notes to Financial Statements for the year ended March 31, 2018

entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability) for recognising related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Note 3: Significant Accounting Policies

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have an effect on the amounts recognised in the financial statements:

Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Estimates and Assumptions

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

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves

Notes to Financial Statements for the year ended March 31, 2018

the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Operating cycle: The operating cycle is the time between the acquisition of assets / liabilities for processing and their realisation / payment in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, Plant and Equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Glow-sign Boards, which have no salvage value are charged to the Statement of Profit & Loss.

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

Notes to Financial Statements for the year ended March 31, 2018

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment w.e.f. transition date onwards.

Depreciation : Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on certain assets, where useful life has been taken based on external / internal technical evaluation which is given below in table. Leasehold Land and Leasehold Improvements are amortised over the period of lease or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Particulars	Useful life as per Schedule II of Companies Act, 2013 (Years)	Management Estimate of Useful Life (Years)
Plant and Machinery		
Moulds*	25 years	5 years
Punches*	25 years	5 years
Digital Machine*	25 years	10 years
Others*	25 years	18 years
Office Equipment		
Mobiles*	5 years	3 years

*For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

d) Intangible Assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

Transition to Ind AS

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

Amortisation

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

e) Borrowing Costs

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily

Notes to Financial Statements for the year ended March 31, 2018

takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

f) Foreign Currency Transaction

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹ in lakhs) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information are presented in ₹ in lakhs except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, exclusive of sales tax, Value Added Taxes (VAT), Goods and Service taxes (GST) and service tax and is net of returns, trade discounts, quantity discounts, cash discounts.

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

h) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows :-

Raw Materials, Stores, Spares and Packing Material	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis.
Stock-in-process and Finished Goods	Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on First in First Out basis.
Traded Goods	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on First In First Out (FIFO) basis.

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All the lease other than Finance lease are classified as operating lease. For arrangements entered into prior to the Ind AS transition date i.e. April 01, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Notes to Financial Statements for the year ended March 31, 2018

Finance lease

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

The Company has ascertained that the payments to the lessor that are structured in line with expected general inflation to compensate for the lessor's expected inflationary cost are not straight-lined. Hence, the lease payments are recognised on an accrual basis as per terms of the lease agreement.

j) Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities. Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in Statement of Profit & Loss. On the basis of companies policy, compensated absences upto 60 days (30 days in case of SKD workers) are recognised as long term employee benefit & compensated absences beyond 60/30 days as may be applicable, if any are to be recognised as short term employee benefit.

Employees Share Based Payment

Employees (including senior executives) of the Group receive component of remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Notes to Financial Statements for the year ended March 31, 2018

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

k) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Contingent liability is disclosed in the case of;

- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;
- ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

l) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement

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

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

(ii) Classification and Subsequent measurement

(a) Financial Assets

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

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

• Financial Asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

• Financial Asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

Notes to Financial Statements for the year ended March 31, 2018

and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial Asset at fair value through profit and loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- **Equity investment in Associates**

Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The contractual rights to receive cash flows from the asset has expired, or
- The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial Liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

De-recognition

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

(c) Offsetting of Financial Instruments

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

m) Impairment of Financial Assets

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

n) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to Financial Statements for the year ended March 31, 2018

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

p) Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax

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

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

Notes to Financial Statements for the year ended March 31, 2018

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

s) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Notes to Financial Statements for the year ended March 31, 2018

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Land- Free- hold	Land- Lease- hold	Buildings	Leasehold Improve- ments	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Total
Gross Block (At Deemed Cost)											
As at April 01, 2016	5,841.48	183.60	4,778.67	118.57	9,327.47	87.51	299.22	47.57	37.35	55.26	20,776.70
Add: Additions made during the year	-	-	8.83	229.27	1,192.70	1.71	33.09	18.86	13.56	7.79	1,505.81
Less: Disposals/adjustments during the year	-	-	-	10.68	238.63	41.74	10.57	0.62	1.27	1.51	305.02
As at March 31, 2017	5,841.48	183.60	4,787.50	337.15	10,281.54	47.49	321.74	65.81	49.64	61.54	21,977.49
Add: Additions made during the year	10.52	-	170.64	55.04	957.13	8.24	17.39	11.50	1.93	38.02	1,270.41
Less: Disposals/adjustments during the year	-	-	38.17	-	216.19	10.34	35.22	5.26	11.58	0.60	317.36
As at March 31, 2018	5,852.01	183.60	4,919.97	392.19	11,022.48	45.38	303.90	72.05	40.00	98.96	22,930.54
Depreciation and impairment											
As at April 01, 2016	-	-	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	-	2.74	253.78	59.73	1,477.60	18.15	49.15	18.28	7.41	17.89	1,904.73
Less: Disposals/adjustments during the year	-	-	-	2.38	34.24	9.15	0.93	0.26	0.01	-	46.97
As at March 31, 2017	-	2.74	253.78	57.35	1,443.36	9.00	48.22	18.03	7.39	17.89	1,857.76
Add: Depreciation charge for the year	-	2.74	245.18	65.77	1,088.01	6.48	49.64	17.87	6.67	14.01	1,496.37
Less: Disposals/adjustments during the year	-	-	4.25	-	37.09	3.39	7.38	1.51	5.98	0.00	59.60
As at March 31, 2018	-	5.48	494.72	123.11	2,494.28	12.09	90.48	34.38	8.08	31.90	3,294.53
Net book value											
As at March 31, 2018	5,852.01	178.12	4,425.26	269.08	8,528.20	33.30	213.42	37.66	31.92	67.06	19,636.01
As at March 31, 2017	5,841.48	180.86	4,533.73	279.81	8,838.17	38.49	273.52	47.78	42.25	43.65	20,119.73
As at April 01, 2016	5,841.48	183.60	4,778.67	118.57	9,327.47	87.51	299.22	47.57	37.35	55.26	20,776.70
a) Deemed Cost of Property, Plant and Equipment											
Gross Block											
As at April 01, 2016	5,841.48	225.40	8,418.18	577.12	37,385.10	384.98	500.64	223.69	114.98	494.90	54,166.47
Accumulated Depreciation											
As at April 01, 2016	-	41.80	3,639.50	458.55	28,057.64	297.46	201.42	176.12	77.63	439.64	33,389.76
Net Block as at April 01, 2016	5,841.48	183.60	4,778.67	118.57	9,327.47	87.51	299.22	47.57	37.35	55.26	20,776.71

b) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition.

c) In earlier years, the Company had acquired a land from Andhra Pradesh Industrial Infrastructure Corporation Limited (APILIC) at Industrial Park, Phase-II, Peddapuram, East Godavari District, Andhra Pradesh. Due to non-implementation of agreed project by the Company, the Company had received a notice from APILIC for resumption of such allotment in FY 2016-17. Against such notice, the Company has filed a writ petition before High Court of Judicature at Hyderabad to set aside the said notice of APILIC. Subsequently, the Company has received a stay order from the Hon'ble High Court granting interim suspension of the proceedings in said notice of APILIC. As on the reporting date, the matter involved is sub-judiced before the Hon'ble High Court of Judicature at Hyderabad.

Notes to Financial Statements for the year ended March 31, 2018

NOTE 5 : CAPITAL WORK IN PROGRESS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Capital work in progress	102.58	49.30	64.76
	102.58	49.30	64.76
a) Breakup of Capital Work in Progress is as follows:			
Buildings- Others	-	-	8.83
Plant and Equipment	102.58	31.89	22.24
Lease Hold Improvement	-	17.41	26.83
Patents	-	-	6.86
	102.58	49.30	64.76

b) The Company has elected Ind AS 101 exemption and continue with the carrying value for capital work in progress as its deemed cost as at the date of transition.

NOTE 6 : INTANGIBLE ASSETS (OTHER THAN GOODWILL)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Computer Software	Total
At Deemed Cost		
Gross block		
As at April 01, 2016	13.11	13.11
Add: Additions during the year	-	-
Less: Disposals / adjustments during the year	-	-
As at March 31, 2017	13.11	13.11
Add: Additions during the year	14.87	14.87
Less: Disposals / adjustments during the year	-	-
As at March 31, 2018	27.98	27.98
Amortisation and impairment		
As at April 01, 2016	-	-
Add: Amortisation charge for the year	8.36	8.36
Less: On disposals/adjustments during the year	-	-
As at March 31, 2017	8.36	8.36
Add: Amortisation charge for the year	5.72	5.72
Less: On disposals / adjustments during the year	-	-
As at March 31, 2018	14.08	14.08
Net book value		
As at March 31, 2018	13.90	13.90
As at March 31, 2017	4.75	4.75
As at April 01, 2016	13.11	13.11
a) Deemed Cost of Intangible Assets		
Gross Block		
As at April 01, 2016	309.67	309.67
Accumulated Depreciation		
As at April 01, 2016	296.56	296.56
Net Block as at April 01, 2016	13.11	13.11

b) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of intangible assets as its deemed cost as at the date of transition.

Notes to Financial Statements for the year ended March 31, 2018

NOTE 7 : NON-CURRENT INVESTMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Investment in Associates			
Unquoted			
31,20,000 (March 31, 2017 : 31,20,000 , April 01, 2016 : 31,20,000) Equity Shares of Proton Granito Private Limited of ₹ 10 each, fully paid up	312.00	312.00	312.00
26,00,000 (March 31, 2017 : Nil , April 01, 2016 : Nil) Equity Shares of Corial Ceramic Private Limited of ₹ 10 each, fully paid up	260.00	-	-
Investment in Controlled Entity	-	2,022.76	2,022.76
	572.00	2,334.76	2,334.76
Aggregate value of unquoted investments	572.00	2,334.76	2,334.76

a) The Company has elected Ind AS 101 exemption and adopted the fair value of ₹ 10 of its investment in equity shares of its associates as its deemed cost as at the date of transition.

b) Information about Associates

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Proton Granito Private Limited, India, Manufacturing of Ceramic products	19.50	19.50	19.50
Corial Ceramic Private Limited, India, Manufacturing of Ceramic products	26.00	-	-

NOTE 8 : OTHER FINANCIAL ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Security Deposits (Unsecured, considered good) (Refer Note 'a' below)	307.83	293.42	291.95
Deposits with original maturity of more than 12 months (Refer to note 'b' and 'c' below)	3.98	1.21	47.74
Interest accrued on fixed deposits	0.21	0.18	6.48
	312.02	294.81	346.17
Current			
Security Deposits (Unsecured, considered good) (Refer Note 'a' below)	41.44	55.42	49.52
Interest accrued on security deposits	19.15	17.76	24.20
Deposits with original maturity of more than 12 months (Refer to note 'b' and 'c' below)	-	147.22	243.01
Interest accrued on fixed deposits	0.88	13.09	55.96
	61.47	233.48	372.70

- a) Out of the above security deposit ₹ 10 lakh (March 31, 2017: ₹ 10 Lakh, April 01, 2016 : ₹ 10 Lakh) pertains to the related parties.
- b) Fixed Deposits with a carrying amount of ₹ 0.42 Lakh (March 31, 2017: ₹ 144.18 Lakh April 01, 2016 : ₹ 286.75 Lakh) are subject to first charge to secure the Company's loans from banks.
- c) Fixed Deposits with a carrying amount of ₹ 3.564 Lakh (March 31, 2017: ₹ 4.25 Lakh, April 01, 2016 : ₹ 4.00 lakh) are pledged with Government Authorities.

Notes to Financial Statements for the year ended March 31, 2018

NOTE 9 : NON-CURRENT TAX ASSET

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Advance Income Tax (Net of provision of ₹ Nil (March 31, 2017 : ₹ Nil, April 01, 2016: ₹ Nil)	-	27.22	151.66
Advance Wealth Tax	-	-	0.51
	-	27.22	152.17

NOTE 10 : OTHER ASSETS (Unsecured, considered good, unless otherwise stated)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- Current			
Capital Advances	245.75	36.06	-
Balance with Government Authorities	75.10	99.96	555.30
Deferred Payment Assets	13.88	13.82	15.78
Others	10.00	8.68	13.17
Total (A)	344.73	158.52	584.25
Current			
Balance with Government Authorities	80.73	337.75	273.10
Advances to Employees	14.39	20.49	15.84
Advances to Suppliers	119.17	55.38	122.37
Deferred Payment Assets	5.27	5.57	4.30
Others	111.10	90.53	144.51
Total (B)	330.66	509.72	560.12
Total (A+B)	675.39	668.24	1,144.37

- a) Advance to Suppliers due from related parties amounts to ₹ 36.50 Lakh as at March 31, 2018 (March 31, 2017 : ₹ Nil, April 01, 2016 : ₹ 69.97 Lakh).

NOTE 11 : INVENTORIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Raw Materials	1,405.71	1,006.64	979.90
Work In Progress	76.50	35.86	110.31
Finished Goods	5,595.79	4,974.77	6,127.20
Stock-in Trade	145.13	200.98	288.66
Stores and Spares	1,517.09	1,111.83	1,212.32
Goods In Transit-Stores & Spares	-	3.79	16.61
Packing Material	163.46	122.97	130.44
	8,903.68	7,456.84	8,865.44
Less Provisions for Slow and Non moving Inventories - Finished Goods	20.35	-	-
	8,883.33	7,456.84	8,865.44

- a) For mode of valuation Refer Note 3 (h).

Notes to Financial Statements for the year ended March 31, 2018

NOTE 12 : TRADE RECEIVABLES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Secured, Considered Good	387.41	330.53	391.35
Unsecured, Considered Good	12,232.54	9,879.33	10,092.18
Unsecured, Considered Doubtful	38.76	72.40	225.81
	12,658.71	10,282.26	10,709.34
Less: Allowance for Expected Credit Loss	38.76	72.40	225.81
	12,619.95	10,209.86	10,483.53

- For Credit risk related disclosures, refer note 46.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
- Nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.
- Trade receivables are generally on terms of not more than 90 days.

NOTE 13 : CASH AND CASH EQUIVALENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with Banks:			
- Current Account	19.53	18.37	20.05
- Deposits with Original Maturity of Less than 3 Months (Refer Note 'a' & 'b')	15.00	-	-
Cash on Hand	3.45	4.24	7.08
Foreign Cash on Hand	1.72	2.55	1.05
	39.70	25.16	28.18

- Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- Fixed Deposits with a carrying amount of ₹ 15 Lakh (March 31, 2017: ₹ Nil, April 01, 2016 : ₹ Nil) are subject to first charge to secure the Company's loans from banks.
- For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Current account	19.53	18.37	20.05
- Deposits with original maturity of less than 3 months	15.00	-	-
Cash on hand	3.45	4.24	7.08
Foreign Cash on hand	1.72	2.55	1.05
Less: Bank Overdraft	-	-	-
	39.70	25.16	28.18

Notes to Financial Statements for the year ended March 31, 2018

NOTE 14 : OTHER BANK BALANCE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deposits with original maturity of more than 3 months but less than 12 months	236.29	371.21	361.00
	236.29	371.21	361.00

- a) Fixed Deposits with a carrying amount of ₹ 235.96 Lakh (March 31, 2017: ₹ 370.90 Lakh, April 01, 2016 : ₹ 360.72 Lakh) are subject to first charge to secure the Company's loans from banks.
- b) Fixed Deposits with a carrying amount of ₹ 0.33 Lakh (March 31, 2017: ₹ 0.30 Lakh, April 01, 2016 : ₹ 0.28 Lakh) are pledged with Government Authorities.

NOTE 15A : EQUITY SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised			
4,00,00,000 (March 31, 2017: 4,00,00,000, April 01, 2016 : 4,00,00,000) Equity Shares of ₹ 10 each*	4,000.00	4,000.00	4,000.00
	4,000.00	4,000.00	4,000.00
Issued, subscribed and paid up			
1,42,31,076 (March 31, 2017: 1,41,89,601, April 01, 2016 : 1,40,02,401) equity shares of ₹ 10 each*	1,423.11	1,418.96	1,400.24
	1,423.11	1,418.96	1,400.24

a) Reconciliation of Issued and Subscribed Share Capital:

Particulars	No. of shares*	Amount in ₹ Lakhs
Balance as at April 1, 2016	1,40,02,401	1,400.24
Add: ESOP shares issued during the year (Refer Note 43)	1,87,200	18.72
Balance as at March 31, 2017	1,41,89,601	1,418.96
Add: ESOP shares issued during the year (Refer Note 43)	41,475	4.15
Balance as at March 31, 2018	1,42,31,076	1,423.11

- b) The above capital includes equity shares 30,43,451 nos (₹ 304.34 Lakh) which were allotted during 2012-13 pursuant to the schemes of amalgamation without payments being received in cash.

c) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2018, the amount of per share dividend proposed as distributions to equity shareholders was ₹ 0.50 per share (March 31, 2007 : ₹ 0.50 per share; April 01, 2016: ₹ 0.50 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of Shareholders Holding More than 5% Shares In the Company

Name of Party	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares*	Holding %	No. of shares*	Holding %	No. of shares*	Holding %
Mr. Mahendra K Daga	28,98,716	20.37	28,98,716	20.43	28,98,716	20.70
Mr. Madhur Daga	12,73,264	8.95	12,73,264	8.97	12,73,264	9.09
Good Team Investment & Trading Company Private Limited	23,78,914	16.72	23,78,914	16.77	23,78,914	16.99
Orient Bell Holding Trust	-	-	20,79,100	14.65	20,79,100	14.85

Notes to Financial Statements for the year ended March 31, 2018

e) Shares reserved for issue under options

Name of Party	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares*	Amount	No. of shares*	Amount	No. of shares*	Amount
Under 2013 Orient Bell Employee Stock Option Scheme : Equity Shares of ₹ 10 each, at an exercise price of ₹ Nil Per Share	17,500	-	58,975	-	1,93,775	-

For terms and other details refer note 43

NOTE 15B : PREFERENCE SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised 1,50,00,000 (March 31, 2017: 1,50,00,000, April 01, 2016 : 1,50,00,000) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10 each*	1,500.00	1,500.00	1,500.00
	1,500.00	1,500.00	1,500.00

* Number of Shares are given in absolute numbers.

NOTE 16 : OTHER EQUITY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
a) Capital Reserve	
Balance as at April 1, 2016	25.57
Changes during the year	-
Balance as at March 31, 2017	25.57
Changes during the year	-
Balance as at March 31, 2018	25.57
b) Securities Premium	
Balance as at April 1, 2016	1,140.46
Changes during the year	78.96
Balance as at March 31, 2017	1,219.42
Changes during the year	37.76
Balance as at March 31, 2018	1,257.18
c) Capital Restructuring	
Balance as at April 1, 2016	46.16
Changes during the year	-
Balance as at March 31, 2017	46.16
Changes during the year	-
Balance as at March 31, 2018	46.16
d) Amalgamation Reserve	
Balance as at April 1, 2016	913.04
Changes during the year	-
Balance as at March 31, 2017	913.04
Changes during the year	-
Balance as at March 31, 2018	913.04

Notes to Financial Statements for the year ended March 31, 2018

Particulars	Amount
e) Share Options Outstanding Account	
Balance as at April 1, 2016	63.95
Changes during the year	(21.08)
Balance as at March 31, 2017	42.87
Changes during the year	17.76
Balance as at March 31, 2018	60.63
f) General Reserve	
Balance as at April 1, 2016	4,879.14
Changes during the year	3.77
Balance as at March 31, 2017	4,882.91
Changes during the year	-
Balance as at March 31, 2018	4,882.91
g) Retained Earnings	
Balance as at April 1, 2016	8,478.40
Add:- Restatement of prior period income of FY 15-16	1.78
Add:- Profit for the year	1,358.34
Less: Dividend Paid for FY 15-16 (Refer Note 48)	70.01
Less: Dividend Distribution Tax Paid on FY 15-16 (Refer Note 48)	14.25
Less: Transfer to General Reserve	-
Balance as at March 31, 2017	9,754.25
Add:- Profit for the year	4,004.79
Less: Dividend Paid for FY 16-17 (Refer Note 48)	70.95
Less: Dividend Distribution Tax Paid for FY 16-17 (Refer Note 48)	14.44
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	13,673.65
h) Other Comprehensive Income	
Balance as at April 1, 2016	(60.72)
Add:- Profit for the year-OCI	(120.50)
Balance as at March 31, 2017	(181.22)
Add:- Profit for the year-OCI	78.63
Balance as at March 31, 2018	(102.59)
Total Other Equity	
As at March 31, 2018	20,756.55
As at March 31, 2017	16,702.99
As at April 1, 2016	15,485.98

Nature and Purpose of Other Reserves

a) Capital Reserves

Capital Reserve was carried forward under the previous GAAP from the books of amalgamating company at the time of Amalgamation.

b) Security Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

c) Capital Restructuring

Capital Restructuring reserve was carried forward under the previous GAAP from the books of amalgamating company at the time of Amalgamation.

Notes to Financial Statements for the year ended March 31, 2018

d) Amalgamation Reserve

Amalgamation reserve was created under the previous GAAP on the basis of scheme of amalgamation of Bell Ceramics Limited with the Company as approved by the High Court of Allahabad and Gujrat in the year ended March 31, 2012.

e) Share Options Outstanding Account

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

f) General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

g) Retained Earnings

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

All the profits made by the Company are transferred to retained earnings from statement of profit and loss. However retained earnings includes ₹ 4,401.24 Lakh (March 31, 2017 : ₹ 4,447.32 Lakh, April 1, 2016 : ₹ 4,493.39 Lakh) on account of amount transferred from revaluation reserve which is not available for distribution.

NOTE 17 : BORROWINGS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non Current			
Secured Loans			
Term Loan			
From Banks			
Corporate loans	736.62	685.61	598.66
Vehicle loans	7.52	32.82	58.79
From Financial Institution	299.03	497.59	887.85
Unsecured Loans			
Term Loan From Bank			
Corporate loans	193.40	987.72	1,209.49
From Related Parties	1,500.00	1,500.00	1,500.00
Trade Deposits	1,018.22	955.32	1,052.85
Total (A)	3,754.79	4,659.06	5,307.64
Current			
Secured Loans			
Term Loan			
From Banks			
Corporate loans	498.99	510.18	397.66
Vehicle loans	19.36	56.35	61.03
From Financial Institution	198.56	390.25	386.08
Cash Credit Facilities	2,735.33	3,186.38	3,183.86
Working Capital Demand Loan	1,200.00	2,000.00	3,800.00
Unsecured Loans			
Term Loan From Bank			
Corporate loans	296.31	218.30	187.93
Total (B)	4,948.55	6,361.46	8,016.56
Total (A+B)	8,703.34	11,020.52	13,324.20

a) For Interest rate and Liquidity risk related disclosures, refer note 46.

Notes to Financial Statements for the year ended March 31, 2018

b) The Nature of Security for Term Loan are :

- i) The above Secured Loans, ₹ 1,760.08 Lakh (March 31, 2017: ₹ 2,172.80 Lakh; April 01, 2016: ₹ 2,390.06 Lakh) are secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the Company. These pertain to various bankers and financial institutions namely, Tata Capital Financial Services Ltd., ICICI Bank and IDFC Bank.
- ii) Vehicle loans are secured by way of hypothecation of respective vehicles.

c) The Nature of Security for Cash Credit & Working Capital Loan are :

- i) The Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Indus Ind Bank, ICICI Bank, IDFC Bank and Axis Bank (hereafter called the "Consortium") for Non Current Borrowings (secured).
- ii) The above Cash Credit and Working Capital Loans ₹ 3,935.33 Lakh (March 31, 2017: ₹ 5,186.38 Lakh ; April 01, 2016 : ₹ 6,983.86 Lakh) are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.
- iii) The demand loans are repayable on demand and carries interest rate ranges from 9.00% to 11.00% per annum

d) Maturity Profile- Secured Term Loans

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Secured Term Loans is as set out below :	2018-19	2019-20	2020-21	Beyond 2020-21
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	698	499	400	137
Vehicle loans from banks are repayable in monthly installments	19	8	-	-

- e) The term loan(s) carries rate of interest ranging between 9.20% to 11.50% per annum.

f) Maturity Profile- Unsecured Loans

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Unsecured Term Loans is as set out below :	2018-19	2019-20	2020-21	Beyond 2020-21
Term loan from Banks is repayable in monthly/quarterly installments	296	193	-	-

g) The nature of guarantee for Unsecured Loans are :

Unsecured loan from Bank is secured against property of Promoter at Kolkata.

- h) These loans are subject to stipulation in respect of corporate loan and working capital facilities sanctioned by bank to the Company, hence are not repayable in next operating cycle.
- i) Trade deposits are repayable on cessation of business transaction with dealers. The trade deposits carry rate of interest ranging between 7% to 8% per annum.

NOTE 18 : OTHER FINANCIAL LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Earnest Money Received from Employees	27.93	30.26	21.76
Security From Employees	1.94	1.90	1.93
	29.87	32.16	23.69
Current			
Earnest Money Received from Employees	6.29	3.64	3.70
Interest Accrued but not due on Borrowings	22.36	10.36	9.54
Unpaid Dividends (Refer Note 'a')	14.05	13.98	16.04
	42.70	27.98	29.28

- a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2018 (March 31, 2017: Nil, April 01, 2016: Nil).

Notes to Financial Statements for the year ended March 31, 2018

NOTE 19 : PROVISIONS*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- Current			
Provision for Employee Benefits			
Compensated Absences (Refer Note 37)	260.28	265.24	175.24
Other Provisions	-	-	-
Lease Equalisation Reserve	8.54	6.05	9.61
	268.82	271.29	184.85
Current			
Provision for Employee Benefits			
Compensated Absences (Refer Note 37)	47.55	44.01	40.63
Gratuity (Refer Note 37)	66.68	400.86	284.53
Other Provisions	-	-	-
Lease Equalisation Reserve	0.94	1.47	3.94
	115.17	446.34	329.10

* For Movement in Provision Refer Note 47.

NOTE 20: DEFERRED TAX LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Gross Deferred Tax Liabilities	2,749.20	2,906.56	3,009.75
Gross Deferred Tax Assets	169.16	294.77	283.80
Minimum Alternate Tax Credit Entitlement	60.29	-	347.22
	2,519.75	2,611.78	2,378.73

Movement in Deferred Tax Liabilities (Net)

(All amounts in ₹ lakhs, unless otherwise stated)

	As At April 01, 2016	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre- hensive Income	As At March 31, 2017
Deferred tax assets relates to the following:				
Provision for employee benefits	174.39	11.17	63.77	249.33
Provision for employee share based payment	22.13	(7.29)	-	14.84
Lease equalisation reserve	4.69	(2.09)	-	2.60
Provision for Slow Moving of Inventories	-	-	-	-
Deferred Assets	0.32	0.07	-	0.39
Trade Receivables	78.15	(53.09)	-	25.06
Others	4.12	(1.56)	-	2.56
	283.80	(52.80)	63.77	294.77
Deferred tax liability relates to the following:				
Property, plant and equipment	3,006.11	(102.54)	-	2,903.56
Borrowing (EIR)	3.65	(0.66)	-	2.99
Other	-	-	-	-
	3,009.75	(103.20)	-	2,906.56
Minimum Alternate Tax Credit Entitlement	347.22	(347.22)	-	-
Total deferred tax assets/(liabilities) (Net)	2,378.73	296.82	(63.77)	2,611.78

Notes to Financial Statements for the year ended March 31, 2018

Movement in Deferred Tax Liabilities (Net)

(All amounts in ₹ lakhs, unless otherwise stated)

	As At April 01, 2017	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre- hensive Income	As At March 31, 2018
Deferred tax assets relates to the following:				
Provision for employee benefits	249.33	(76.22)	(41.62)	131.50
Provision for employee share based payment	14.84	(1.54)	-	13.30
Lease equalisation reserve	2.60	0.68	-	3.28
Provision for Slow Moving of Inventories	-	7.04	-	7.04
Deferred Assets	0.39	0.04	-	0.43
Trade Receivables	25.06	(11.64)	-	13.41
Others	2.56	(2.36)	-	0.20
	294.77	(84.00)	(41.62)	169.16
Deferred tax liability relates to the following:				
Property, plant and equipment	2,903.56	(156.61)	-	2,746.96
Borrowing (EIR)	2.99	(1.51)	-	1.49
Other	-	0.76	-	0.76
	2,906.56	(157.36)	-	2,749.20
Minimum Alternate Tax Credit Entitlement	-	60.29	-	60.29
Total deferred tax assets/(liabilities) (Net)	2,611.78	(133.65)	41.62	2,519.75

NOTE 21 : TRADE PAYABLE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- Outstanding Dues to Micro and Small Enterprises	-	-	-
- Others	7,829.84	7,097.96	10,183.35
	7,829.84	7,097.96	10,183.35

- (a) Trade payables are non-interest bearing and are normally settled within 90-day terms except for SME's (if any) which are settled within 45 days.
- (b) Trade payables to related parties amounts to ₹ 690.96 Lakh as at March 31, 2018 (March 31, 2017 : ₹ 390.50 Lakh, April 01, 2016 : Nil)
- (c) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- The amount of interest paid by the Company as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-
- The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-	-
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-

Notes to Financial Statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 22 : OTHER CURRENT LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Statutory dues	970.43	1,235.31	1,146.12
Advance from Customers	456.14	490.68	403.71
	1,426.57	1,725.99	1,549.83

NOTE 23 : LIABILITIES FOR CURRENT TAX (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for Income Tax {Net of Advance Tax ₹ 971.16 lakh (March 31, 2017 : ₹ 769.12 lakh ; April 01, 2016 : ₹ 243.26 lakh)}	36.92	439.39	53.64
	36.92	439.39	53.64

NOTE 24 : REVENUE FROM OPERATIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Product		
Finished Goods	45,052.10	48,032.83
Traded Goods	22,501.43	22,327.12
Revenue from Operations (Gross)		
Less: Cash Discount and Other Scheme	(1,695.32)	(1,686.28)
	65,858.22	68,673.67
Other Operating Revenues		
Miscellaneous Sale	78.46	60.03
Insurance Claim	-	29.97
Revenue from operations (Net)	65,936.68	68,763.67

Notes to Financial Statements for the year ended March 31, 2018

- a) Consequent to the introduction of goods and services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the GST is not recognised as part of revenue from operations and excise duty as a separate expense line item as per the requirements of Ind AS. This has resulted in lower reported revenue from operations in the current year in comparison to the revenue from operations reported under the pre-GST structure of indirect taxes. Accordingly, the Revenue from operations for the year ended March 31, 2018 are not comparable with year ended March 31, 2017 presented in the financial results which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations (gross of excise duty)	67,092.14	73,753.99
Excise duty	1,155.46	5,020.28
Revenue from operations (exclusive of excise duty)	65,936.68	68,733.70

NOTE 25 : OTHER INCOME

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
- On Fixed deposits	42.48	59.93
- Income tax refund	11.80	16.46
- Others	111.40	23.71
Other Non-operating income	15.24	35.53
Provision for doubtful receivables written back	33.64	153.41
Excess liability written back	3.94	-
Unwinding of discount on deposits	6.10	6.23
Miscellaneous Income	13.60	-
	238.20	295.27

NOTE 26 : COST OF RAW MATERIAL CONSUMED

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material		
Balance at the beginning of the Year	1,006.64	979.90
Add:- Purchases during the year	11,534.94	9,794.11
Less:- Balance at the end of the Year	1,405.71	1,006.64
Total Raw Material Consumption	11,135.87	9,767.37

NOTE 27 : PURCHASE OF STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stock in Trade	18,242.01	19,174.64
Total Raw Material Consumption	18,242.01	19,174.54

Notes to Financial Statements for the year ended March 31, 2018

NOTE 28 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year		
Work-in-progress	35.86	110.31
Finished Goods	4,974.77	6,127.20
Stock-in-Trade	200.98	288.66
(A)	5,211.61	6,526.17
Inventories at the end of the year		
Work-in-progress	76.50	35.86
Finished Goods	5,595.79	4,974.77
Stock-in-Trade	145.13	200.98
(B)	5,817.42	5,211.61
(Increase) / Decrease in Inventory (A-B)	(605.81)	1,314.56

NOTE 29 : EXCISE DUTY

(All amounts in ₹ lakhs, unless otherwise stated)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Excise Duty Paid	1,155.46	5,020.28
Total Excise Duty	1,155.46	5,020.28

NOTE 30 : EMPLOYEE BENEFITS EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	6,813.41	5,883.08
Compensated Absences*	33.75	131.10
Contribution to Provident and Other fund*	264.49	236.33
Expense on employee stock option schemes**	59.67	80.38
Gratuity Expense*	130.90	121.44
Staff Welfare Expenses	302.31	268.87
	7,604.53	6,721.20

* Refer Note 37

** Refer Note 43

NOTE 31 : FINANCE COST

(All amounts in ₹ lakhs, unless otherwise stated)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense		
- On Term loans	280.56	420.78
- On Cash Credit & Working Capital Facilities	168.39	517.36
- Delayed Payment of Advance Taxes	2.48	32.59
- Others	175.83	217.33
Letter of Credit Charges	25.32	65.41
Charges for Borrowing Facilities	75.23	81.53
	727.81	1,335.00

Notes to Financial Statements for the year ended March 31, 2018**NOTE 32 : DEPRECIATION AND AMORTIZATION EXPENSE**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Tangible Assets	1,496.36	1,904.73
Amortization of Intangible Assets	5.72	8.36
	1,502.08	1,913.09

NOTE 33 : OTHER EXPENSES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stores & Spares consumed	1,595.67	1,527.57
Packing Material Consumed	2,696.73	2,213.52
Increase/(Decrease) in Excise Duty	(683.37)	72.66
Gas & fuel	9,334.72	8,284.75
Electricity	2,192.93	1,562.37
Rent (Refer Note 'c' below)	445.82	516.21
Hire Charges	430.33	378.04
Rates & Taxes	61.23	158.95
Insurance	52.71	37.11
Repair & Maintenance		
Plant & Machinery	278.92	301.08
Buildings	123.43	68.24
Other	223.54	170.78
Designing & Processing	18.98	19.37
Freight & Forwarding Charges	1,721.21	1,704.48
Advertisement and Sales Promotion	2,851.90	1,851.43
Legal & Professional Expenses	585.58	351.55
Travelling & Conveyance	991.93	893.25
Communication Costs	105.90	136.98
Printing & Stationery	56.83	46.71
Bank charges	4.03	4.06
Payment to the Auditors (Refer note 'a' below)	23.97	27.01
Exchange Fluctuation (Net)	8.92	5.98
Bad debts written off	35.43	421.95
Provision for Slow Moving of Inventories- Finished Goods	20.35	-
Loss on sale of fixed assets	162.66	227.10
Corporate Social Responsibility (Refer note 'b' below)	34.46	19.50
Miscellaneous Expenses	331.10	330.80
Total	23,705.91	21,331.45

Notes to Financial Statements for the year ended March 31, 2018

a) Details of payment made to auditors is as follows:

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor:		
- Statutory audit fee	15.00	13.00
- Tax Audit Fee	3.00	2.75
- Other Services	5.50	11.00
- Reimbursement of Expenses	0.47	0.26
	23.97	27.01

b) The Company has spent ₹ 34.46 Lakh (2016-17 : ₹ 19.50 Lakh) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as follows:

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	34.15	19.30
(ii) Amount spent during the year		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above		
a) Paid to Godavari Foundation	33.82	19.44
b) Activities for Ensuring Environmental Sustainability	0.64	0.06
	34.46	19.50

(iii) Above includes a contribution of ₹ 33.82 Lakh (March 31, 2017: ₹ 19.44 lakh) to an entity (Godavari Foundation) over which KMP has significant influence and which is a Company registered under section 8 of the Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as rural development programme, granting aid to Institutions, school, colleges etc for Orphan Children and for poor students/people for their education and social welfare and establishing and maintaining schools, tube well for general public and also engaged in women empowerment by enhancing their means and capabilities to meet the emerging opportunities.

c) Operating Lease

The Company's significant lease agreements are in the nature of operating leases for premises used at various depots and showrooms. These lease agreements are cancellable by either parties thereto as per the terms and conditions of the agreements. In respect of these leases, lease rent of ₹ 445.82 Lakh (March 31, 2017: ₹ 516.21 Lakh) including ₹ 6.21 Lakh (March 31, 2017 : ₹ 1.32 Lakh) on account of amortisation of Deferred Security Deposit in accordance with Ind AS 109 and also including ₹ 1.96 Lakh (March 31, 2017 : ₹ 1.31 Lakh) being reversed on account of lease equalisation reserve as per the lease agreement, has been recognised on a straight line basis. Amount of lease equalisation reserve of ₹ 9.48 Lakh (March 31, 2017 : ₹ 7.52 Lakh ; April 01, 2016 : ₹ 13.55 Lakh) is accounted as per provision under note 19.

NOTE 34 : EXCEPTIONAL ITEMS

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Exceptional Income		
Profit on Sale of Investment	2,243.10	-
Total Exceptional Income (A)	2,243.10	-
Exceptional Expenses		
Interest and charges paid on Custom Duty	216.40	-
Total Exceptional Expenses (B)	216.40	-
Exceptional Items (Net) (A-B)	2,026.70	-

Notes to Financial Statements for the year ended March 31, 2018

NOTE 35 : INCOME TAX

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Statement of profit and loss:

Profit or loss section

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Expense:		
a) Current tax	1,005.60	1,175.92
b) Mat Credit Entitlement	(60.29)	-
c) Adjustments in respect of current income tax of previous year	(143.02)	(2.51)
d) Deferred tax	(73.36)	(50.40)
Income tax expense reported in the statement of profit or loss	728.93	1,123.01

OCI section

Deferred tax related to items recognised in OCI during the year:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	(41.62)	63.77
Net amount charged to OCI	(41.62)	63.77

Reconciliation of tax expense and the accounting Profit multiplied by India's Domestic tax rate for March 31, 2018 and March 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Accounting profit before income tax	4,733.72	2,481.35
At India's statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	1,638.25	858.75
Adjustments in respect of current income tax of previous years	(143.02)	(2.51)
Tax Effect of Expenses not deductible for tax purposes	70.96	212.46
Effect of Exempt Income for Tax Purpose	(776.29)	-
Deferred Tax on Freehold Land	(24.12)	(30.15)
Others	4.78	8.15
Impact of Ind AS on Profit for the Year	-	12.54
At the effective income tax rate	770.56	1,059.24
Income tax expense reported in the Statement of Profit and Loss	770.55	1,059.24
Difference	-	-

NOTE 36 : EARNINGS PER SHARE (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares including Employee Stock Options except for the case where the result becomes anti-dilutive.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders	4,005	1,358
Weighted average number of equity shares for Basic EPS	1,42,12,441	1,40,90,103
Basic earnings per share (in ₹) (face value ₹ 10 per share)	28.18	9.64
Weighted average number of potential equity shares on account of employee stock options	17,500	58,975
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS	1,42,29,941	1,41,49,078
Diluted earnings per share (in ₹) (face value ₹ 10 per share)	28.14	9.60

Notes to Financial Statements for the year ended March 31, 2018

NOTE 37 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) Defined Contribution Plans

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund/NPS	231.16	216.67
Employer's Contribution to Employee State Insurance	33.33	19.65
Total	264.49	236.33

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined Benefit Plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity Scheme

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of actuarial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benefits by taking scheme of insurance.

ii) Compensated Absences

The Company operates compensated absences plan wherein all permanent employees of the company are entitled to the benefit equivalent to 21 days leave salary for every completed year of service subject to maximum 60 accumulations of leaves except in case of SKD Workers where maximum accumulation is 30 days. The salary for calculation of earned leave is last drawn salary. The same is payable during service, on retirement, withdrawal of scheme, resignation by employee and upon death/ disability of employee. The Company recognised short term leave encashment expense on the basis of actual eligibility of earned leave beyond 60/30 days as applicable, of ₹ 39.75 Lakh (March 31, 2017 ₹ 35.67 Lakh) in addition to expense recognised by Actuary and a provision of ₹ Nil (March 31, 2017 : ₹ Nil, April 1, 2016 : ₹ Nil) has been recognised in addition to the obligation recognised by Actuary.

- c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves. These have been provided on accrual basis, based on year end actuarial valuation

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Change in Benefit Obligation						
1 Opening Defined Benefit Obligation	1,002.89	309.25	743.80	215.87	594.25	169.18
2 Interest cost	78.23	24.12	54.07	15.69	46.59	13.26
3 Current service cost	99.63	81.46	100.76	75.41	69.20	47.17
4 Past Service cost	-	-	-	-	-	-
5 Benefits paid	(98.68)	(35.16)	(93.05)	(37.72)	(61.53)	(64.34)
6 Actuarial (gain) / loss on obligation	(116.71)	(71.82)	197.31	40.00	95.29	50.59
Present value of obligation as at the end of the year	965.36	307.84	1,002.89	309.25	743.80	215.87

Notes to Financial Statements for the year ended March 31, 2018

d) The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Service Cost	99.63	81.46	100.76	75.41	69.20	47.17
Net Interest cost	31.27	24.12	20.69	15.69	15.11	13.26
Remeasurements	-	(71.82)	-	40.00	92.85*	50.59
Net Cost	130.90	33.75	121.44	131.10	177.17	111.03

* Transferred to OCI in retained Earning as at 01 April 2016

e) Changes in the Fair Value of the Plan Assets are as Follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	602.03	-	459.28	-	434.21	-
Expected Return on Plan Assets	46.96	-	33.39	-	31.48	-
Employer's Contribution	250.48	-	100.00	-	-	-
Benefits paid	(4.33)	-	(3.67)	-	(8.85)	-
Actuarial gains / (losses) on the Plan Assets	3.54	-	13.04	-	2.43	-
Fair Value of Plan Assets at the End	898.68	-	602.03	-	459.28	-

f) Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
1) Amount recognised in OCI, (Gain) / Loss Beginning of period	184.27	-
2) Remeasurement Due to:		
Effect of Change in Financial Assumptions	(35.92)	192.57
Effect of Change in Demographic Assumption	-	-
Effect of Experience Adjustment	(80.79)	4.74
(Gain)/Loss on Curtailments/Settlements	-	-
Return on Plan Assets (Excluding Interest)	(3.54)	(13.04)
Changes in Asset Ceiling	-	-
Total amount recognised in OCI (Gain)/Loss, End of Period	64.02	184.27

Notes to Financial Statements for the year ended March 31, 2018

g) Principal actuarial assumptions at the balance sheet date are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions						
1 Discount rate	7.80%	7.80%	7.27%	7.27%	7.84%	7.84%
2 Rate of Increase in Compensation Levels	8.50%	8.50%	8.50%	8.50%	6.00%	6.00%
3 Expected Rate of Return on Assets	7.80%	N.A.	7.27%	N.A.	7.25%	N.A.
Demographic assumptions						
1 Retirement Age (years)	58/60	58/60	58/60	58/60	58	58
2 Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate						
1 Ages up to 30 Years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2 Ages from 30-45 years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 Above 45 years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of Defined Benefit Obligation	965.36	307.84	1,002.89	309.25	743.80	215.87
Fair value of plan assets	898.68	-	602.03	-	459.28	-
Net Defined Benefit (assets) / liability	66.68	307.84	400.86	309.25	284.53	215.87

i) A Quantitative Sensitivity Analysis for Significant Assumption is as Shown Below:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(64.12)	(68.76)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	70.85	78.76
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	69.66	77.05
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(64.29)	(68.62)

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Notes to Financial Statements for the year ended March 31, 2018

j) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

Maturity Profile of Defined Benefit Obligation is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Within the next 12 months (next annual reporting period)	133.61	137.35
Between 2 and 4 years	470.44	487.63
Between 5 and 10 years	985.97	954.69

NOTE 38 : COMMITMENTS AND CONTINGENCIES

a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ 1,584.71 Lakh (March 31, 2017: ₹ 21.06 Lakh, April 1, 2016: Nil).

b) Contingent Liabilities

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Claims against Company not acknowledged as debt (refer (iii) below)	2,168.54	1,973.56	1,919.34
- Interest on above	601.31	417.06	232.63
Bank Guarantee (Net of Margins)	93.63	92.58	64.34
Other money for which the Company is contingently liable *			
Disputed liability under Income Tax	373.81	382.16	404.11
Disputed liability under Sales Tax	96.04	134.74	420.84
- interest on Sales Tax dispute	1.51	1.01	30.61
Disputed liability under Excise/Custom/Service Tax	161.52	259.93	327.34

The Company has not made the provision of bonus for the F.Y. 2014-15 on account of retrospective amendment made by The Payment of Bonus (Amendment) Act, 2015 keeping in view the disposal of writ petition vide order no. WP(C) NO. 3024/2016 (C) dated 27th January 2016 passed by the Hon'ble Kerala High Court.

- Pending resolution of the respective proceedings, it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Notes to Financial Statements for the year ended March 31, 2018

NOTE 39 : CAPITAL MANAGEMENT

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company Manages its capital structure and makes adjustment to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital as under :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Borrowings (Refer to note 17)	8,703.34	11,020.52	13,324.20
Trade Payables (Refer to note 21)	7,829.84	7,097.96	10,183.35
Other Payables (Refer to note 22)	1,426.57	1,725.99	1,549.83
Less: Cash and Bank Balance (Refer to note 13 & 14)	(275.99)	(396.37)	(389.18)
Net Debt	17,683.76	19,448.10	24,668.20
Equity Share Capital (Refer to note 15)	1,423.11	1,418.96	1,400.24
Other Equity (Refer to note 16)	20,756.55	16,702.99	15,485.98
Total Capital	22,179.65	18,121.95	16,886.22
Gearing ratio	0.80	1.07	1.46

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The above analysis indicates that the company has improved upon the financial leverage and has lower debt to service as on March 31, 2018 vis-a-vis reporting date of earlier two years.

NOTE 40 : DERIVATIVE INSTRUMENTS AND UNHEDGED

The Company has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under :-

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Foreign Currency	Amount in INR (Lakh)	Foreign Currency	Amount in INR (Lakh)	Foreign Currency	Amount in INR (Lakh)
Import of Raw Material and Stores						
Euro	4.10	330.72	0.03	19.80	0.46	33.03
US \$	-	-	-	-	0.00	3.08

NOTE 41 : SEGMENT INFORMATION

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. In Orient Bell Limited, the decision makers view the operating results internal division wise (Ceramic, Vitrified Polished). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence the disclosure requirement of Ind AS 108 of "Segment Reporting" is not considered applicable. Further the Company sells its products mostly within India with insignificant export income and does not have any operation in economic environment with different risk and returns, hence its considered operating in single geographical segment.

Major Customer: No single customers contributed 10% or more to the Company's revenue for both March 31, 2018 and March 31, 2017.

Notes to Financial Statements for the year ended March 31, 2018

NOTE 42 : RELATED PARTY DISCLOSURE

a) List of related parties

Name of Related Party	Nature of Relationship
Freesia Investment and Trading Co. Limited	Enterprise over which KMP exercise control and/or significant Influence
Proton Granito Private Limited	Associate Company
Corial Ceramic Private Limited	Associate Company (w.e.f November 1, 2017)
Mahendra K. Daga - HUF	Enterprise over which KMP exercise Control and/or Significant Influence
Godavari Foundation	Enterprise over which KMP exercise Control and/or Significant Influence
Mahendra K. Daga, Chairman and Managing Director (CMD)	Key Managerial Personnel
Madhur Daga, Managing Director (MD)	Key Managerial Personnel
Kashinath Martu Pai, Executive Director and Chief Financial Officer (ED & CFO)	Key Managerial Personnel
Yogesh Mendiratta, Company Secretary (CS)	Key Managerial Personnel
Aditya Gupta (CEO) (From 6 th March 2018)	Key Managerial Personnel
Sarla Daga w/o Mahendra Kumar Daga	Relatives of Key Managerial Personnel
Roma Monisha Sakraney Daga w/o Madhur Daga	Relatives of Key Managerial Personnel

b) Transactions with related parties (Including bifurcation of material transaction)

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Mahendra K. Daga	Key Managerial Personnel	Interest Payments	78.66	81.78
		Managerial & KMP Remuneration	196.98	186.87
		Rent Paid	12.00	12.00
Sarla Daga	Relative of Key Managerial Personnel	Interest Payments	38.47	40.00
		Rent Paid	0.24	0.24
M/s Mahendra K. Daga - HUF	Enterprises owned or significantly influenced by KMP or their relatives	Interest Payments	21.37	22.22
Freesia Investments and Trading Co. Limited	Enterprises owned or significantly influenced by KMP or their relatives	Rent Paid	64.58	61.50
Mr. Madhur Daga	Key Managerial Personnel	Managerial & KMP Remuneration	121.76	119.55
Mr. K.M.Pai	Key Managerial Personnel	Managerial & KMP Remuneration	144.70	117.42
Mr. Aditya Gupta	Key Managerial Personnel	Managerial & KMP Remuneration	12.60	-
Yogesh Mendiratta	Key Managerial Personnel	Managerial & KMP Remuneration	18.45	23.77
Roma Monisha Sakraney Daga w/o Madhur Daga	Relatives of Key Managerial Personnel	Interest Payments	3.99	4.15
Proton Granito Private Limited	Associate Company	Purchase of Goods	9,638.04	9,768.62
Corial Ceramic Private Limited	Associate Company	Advance Against Supplies	36.50	-
		Investments in shares	260.00	-
Godavari Foundation	Enterprises owned or significantly influenced by KMP or their relatives	Donation	33.82	19.44

Notes to Financial Statements for the year ended March 31, 2018

c) Year end balances of related parties

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Balance	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
M/s Mahendra K. Daga - HUF	Unsecured Loan Payable	225.00	225.00	225.00
Mahendra K. Daga	Unsecured Loan Payable	828.00	828.00	828.00
Sarla Daga	Unsecured Loan Payable	405.00	405.00	405.00
Roma Monisha Sakraney Daga w/o Madhur Daga	Unsecured Loan Payable	42.00	42.00	42.00
Freesia Investments and Trading Co. Limited	Security Deposit Given	10.00	10.00	10.00
Proton Granito Private Limited	Trade Payables (Net)	690.96	390.50	-
	Advance Outstanding	-	-	69.98
Corial Ceramic Private Limited	Advance Outstanding	36.50	-	-

d) Other Transaction

The Company has taken Unsecured loan from Bank against the collateral security on the immovable property of Mr. Mahendra K. Daga (Key Managerial Personnel).

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate. The unsecured loan from bank are secured against the property of Key Managerial Personnel. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

NOTE 43 : SHARE BASED PAYMENTS

Description of shares based payments arrangements

- The Employees Stock Options under the Orient Bell Employees Stock Options Scheme, 2013 ("Scheme") is granted to an employee in three annual tranches of 30%, 35% and 35% of the total options per employee provided such employee fulfills the eligibility criteria for each year as decided by compensation committee from time to time.
- Each Employee Stock Option vested in an Employee under the Scheme entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹10 each upon exercise thereof. The Exercise price is 'Nil'. The exercise period commences from the date of vesting in respect of options granted under the Scheme and ends upon the expiry of three years from the date of each vesting.

The expense recognised for employee services received during the year is shown in the following table:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017
Expense arising from equity-settled share-based payment transactions (at fair value)	59.67	80.38
Expense arising from cash-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	59.67	80.38

Notes to Financial Statements for the year ended March 31, 2018

There were no cancellations or modifications to the awards in March 31, 2018 or March 31, 2017.

Movement During the Year

Particulars	First Tranche of Old Employees	Second Tranche of Old Employees	First Tranche of New Employees	Third Tranche of Old Employees	Second Tranche of New Employees	First Tranche of Final Employees	Third Tranche of New Employees	Second Tranche of Final Employees	Third Tranche of Final Employees
Grant Date	Sept. 2, 2013	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2015
No. of options granted	2.63	1.54	0.41	1.51	0.37	0.15	0.26	0.18	0.18
No. of options not accepted by the employees	0.04	-	-	-	-	-	-	-	-
No. of options accepted by the employees	2.60	1.54	0.41	1.51	0.37	0.15	0.26	0.18	0.18
Exercise Price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Vesting commenced on	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2015	Sept. 2, 2015	Sept. 2, 2016	Sept. 2, 2016	March 22, 2017
Vesting end on	Sept. 1, 2014	Sept. 1, 2015	Sept. 1, 2015	Sept. 1, 2016	Sept. 1, 2016	Sept. 1, 2016	Sept. 1, 2017	Sept. 1, 2017	March 21, 2018
No of Options (granted and accepted) outstanding at the beginning of the year	-	-	-	-	-	-	0.24	0.18	0.18
No . Of Options granted and accepted during the year	-	-	-	-	-	-	-	-	-
No of Options Lapsed during the year due to employees left pertaining to option earlier granted	-	-	-	-	-	-	-	-	-
No of Options Lapsed during the year due to employees left pertaining to options granted during the year	-	-	-	-	-	-	-	-	-
No of Options vested in earlier years and exercised during the year	-	-	-	-	-	-	-	-	-
No of Options vested and exercised during the year	-	-	-	-	-	-	0.24	0.18	-
No of Options (granted and accepted) outstanding at the end of the year of which-	-	-	-	-	-	-	-	-	0.18
Options vested	-	-	-	-	-	-	-	-	0.18
Options yet to be vested	-	-	-	-	-	-	-	-	-

Note: Company vide resolution dated August 13, 2015 has stopped the ESOP scheme for the new employees joined w.e.f April 1, 2015 without affecting the further grant/ vest/ exercise of options by the existing eligible employees (i.e the employees who were granted the stock options on date September 2, 2013 & 2014 and also to Mr. K.M. Pai (ED & CFO) on September 02, 2015).

Notes to Financial Statements for the year ended March 31, 2018

(viii) The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	2017-18	2016-17		2015-16
	Vesting Commenced on : March 22, 2017	Vesting Commenced on : Sept. 2, 2016	Vesting Commenced on : March 22, 2017	Vesting Commenced on : Sept. 2, 2015
Weighted Average Risk -Free Interest Rate	6.81%	6.80%	6.80%	7.60%
Weighted Average Expected Life of Options	1 year	1 year	1 year	1 year
Weighted Average Expected Volatility	4.11%	4.48%	4.08%	4.66%
Weighted Average Expected Dividend Yield of the Options	0.82%	1.29%	1.29%	2.27%
Weighted Average Share Price (₹)	160.13	154.34	160.13	126.76
Weighted Average Exercise Price (₹)	Nil	Nil	Nil	Nil
Method Used to Determine Expected Volatility	Expected volatility is based on the Company's share price for preceding 5 years of grant date			

NOTE 44 : FAIR VALUE DISCLOSURE

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. represent the best estimate of fair value.

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments.

a) Fair Value of Financial Assets:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31 2018	As At March 31, 2017	As At April 01, 2016
Financial Assets Measured at Amortised Cost						
Investments	572.00	2,334.76	2,334.76	572.00	2,334.76	2,334.76
Security Deposits	307.83	293.42	291.95	307.83	293.42	291.95
Interest Accrued on Fixed Deposits	0.21	0.18	6.48	0.21	0.18	6.48
Deposits with Original Maturity of More Than 12 months	3.98	1.21	47.74	3.98	1.21	47.74
	884.02	2,629.57	2,680.94	884.02	2,629.57	2,680.94

b) Fair Value of Financial Liabilities:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31 2018	As At March 31, 2017	As At April 01, 2016
Financial Liabilities Measured at Amortised Cost						
Borrowings	3,754.79	4,659.06	5,307.64	3,754.79	4,659.06	5,307.64
Earnest Money Received from Employees	27.93	30.26	21.76	27.93	30.26	21.76
Security From Employees	1.94	1.90	1.93	1.94	1.90	1.93
	3,784.66	4,691.22	5,331.32	3,784.66	4,691.22	5,331.32

Notes to Financial Statements for the year ended March 31, 2018

c) Discount Rate Used in Determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Fair value of Company's interest bearing borrowing are determined using discount rate that reflects the entity's discount rate at the end of reporting period. The own non-performance risk is assessed to be insignificant as at reporting date.

NOTE 45 : FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

a) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets as at March 31, 2018:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost				
Investments	572.00	-	-	572.00
Trade Receivables	12,619.95	-	-	12,619.95
Cash and Cash Equivalents	39.70	-	-	39.70
Bank balance other than Cash and cash equivalent	236.29	-	-	236.29
Security deposits	349.26	-	-	349.26
Interest accrued on fixed deposits	1.10	-	-	1.10
Interest accrued on Security Deposits	19.15	-	-	19.15
Deposits with original maturity of more than 12 months	3.98	-	-	3.98
	13,841.44	-	-	13,841.44

b) Quantitative Disclosures Fair Value Measurement Hierarchy For Liabilities as at March 31, 2018:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost				
Borrowings	8,703.34	-	-	8,703.34
Earnest Money Received from Employees	34.22	-	-	34.22
Security From Employees	1.94	-	-	1.94
Interest Accrued but not due on Borrowings	22.36	-	-	22.36
Unpaid Dividends (Refer Note 'a')	14.05	-	-	14.05
Trade Payable	7,829.84	-	-	7,829.84
	16,605.76	-	-	16,605.76

Notes to Financial Statements for the year ended March 31, 2018

c) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets as at March 31, 2017:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost				
Investments	2,334.76	-	-	2,334.76
Trade Receivables	10,209.86	-	-	10,209.86
Cash and Cash Equivalents	25.16	-	-	25.16
Bank balance other than Cash and cash equivalent	371.21	-	-	371.21
Security deposits	348.84	-	-	348.84
Interest accrued on fixed deposits	13.27	-	-	13.27
Interest accrued on Security Deposits	17.76	-	-	17.76
Deposits with original maturity of more than 12 months	148.43	-	-	148.43
	13,469.29	-	-	13,469.29

d) Quantitative Disclosures Fair Value Measurement Hierarchy For Liabilities as at March 31, 2017:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost				
Borrowings	11,020.52	-	-	11,020.52
Earnest Money Received from Employees	33.90	-	-	33.90
Security From Employees	1.90	-	-	1.90
Interest Accrued but not due on Borrowings	10.36	-	-	10.36
Unpaid Dividends (Refer Note 'a')	13.98	-	-	13.98
Trade Payable	7,097.96	-	-	7,097.96
	18,178.61	-	-	18,178.61

e) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets as at April 01, 2016:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at April 01, 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost				
Investments	2,334.76	-	-	2,334.76
Trade Receivables	10,483.53	-	-	10,483.53
Cash and Cash Equivalents	28.18	-	-	28.18
Bank balance other than Cash and cash equivalent	361.00	-	-	361.00
Security deposits	341.47	-	-	341.47
Interest accrued on fixed deposits	62.44	-	-	62.44
Interest accrued on Security Deposits	24.20	-	-	24.20
Deposits with original maturity of more than 12 months	290.76	-	-	290.76
	13,926.34	-	-	13,926.34

Notes to Financial Statements for the year ended March 31, 2018

f) Quantitative Disclosures Fair Value Measurement Hierarchy For Liabilities as at April 01, 2016:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at April 01, 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost				
Borrowings	13,324.20	-	-	13,324.20
Earnest Money Received from Employees	25.46	-	-	25.46
Security From Employees	1.93	-	-	1.93
Interest Accrued but not due on Borrowings	9.54	-	-	9.54
Unpaid Dividends (Refer Note 'a')	16.04	-	-	16.04
Trade Payable	10,183.35	-	-	10,183.35
	23,560.53	-	-	23,560.53

(i) Valuation technique used to determine fair value:

Security Deposit : Discounted Cash Flow Method using risk adjusted discount rate.

(ii) There have been no transfers between level 1 and level 2 category during the year ended on respective reporting date given above.

NOTE 46 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables, borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior level oversees the management of these risks.

A. Market risk

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

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk.

	Increase or decrease in basis points	Effect on profit before tax
31 st March, 2018		
INR	+50	(36.88)
INR	-50	36.88
31 st March, 2017		
INR	+50	(48.34)
INR	-50	48.34

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Notes to Financial Statements for the year ended March 31, 2018

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	Year	Changes in Euro rate	Effect on profit before tax
Trade Payables	31 March, 2018	+5%	(16.54)
		-5%	16.54
Trade Payables	31 March, 2017	+5%	(0.99)
		-5%	0.99

Particulars	Year	Changes in Currency rate	Effect on profit before tax
Foreign Currency in Hand	31 March, 2018	+5%	0.09
		-5%	(0.09)
Foreign Currency in Hand	31 March, 2017	+5%	0.13
		-5%	(0.13)

B. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

C. 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, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As at March 31, 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	3,935.33	202.83	812.84	1,238.41	2,518.22	8,707.63
Trade payables	-	7,829.84	-	-	-	7,829.84
Other financial liabilities	-	22.36	20.35	29.87	-	72.58
Total	3,935.33	8,055.03	833.19	1,268.28	2,518.22	16,610.05

As at March 31, 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	5,186.38	208.54	970.90	2,208.04	2,455.32	11,029.18
Trade payables	-	7,097.96	-	-	-	7,097.96
Other financial liabilities	-	10.36	17.61	32.16	-	60.13
Total	5,186.38	7,316.86	988.51	2,240.20	2,455.32	18,187.27

As at April 01, 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	6,983.86	159.80	877.65	2,760.57	2,552.85	13,334.73
Trade payables	-	10,183.35	-	-	-	10,183.35
Other financial liabilities	-	9.54	19.75	23.68	-	52.97
Total	6,983.86	10,352.69	897.40	2,784.25	2,552.85	23,571.05

* In absolute terms i.e. undiscounted and including current maturity portion

Notes to Financial Statements for the year ended March 31, 2018

NOTE 47 : DISCLOSURE OF MOVEMENT IN PROVISION DURING THE YEAR AS PER IND AS- 37

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Balance as on March 31, 2017	Provided During the year	Paid / Adjusted during the year	Balance as on March 31, 2018
Compensated Absenses	309.25	33.75	35.16	307.84
Gratuity	400.86	10.65	344.83	66.68
Lease Equalisation Reserve	7.52	1.96	-	9.48
Income Tax	439.39	865.06	1,267.53	36.92
	1,157.02	911.42	1,647.52	420.92

NOTE 48 : DIVIDEND PAID AND PROPOSED

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Declare and Paid During the Year:		
Final Dividend for FY 2016-17: ₹ 0.5 per share (FY 2015-16: ₹ 0.5 per share) Including Dividend distribution tax of 14.43 lakhs FY 2016-17 (14.25 lakh for FY 2015-16)	85.39	84.26
	85.39	84.26
B. Proposed for Approval at the Annual General Meeting (not recognised as a liability)		
Final Dividend for FY 2017-18: ₹ 0.5 per share (FY 2016-17: ₹ 0.5 per share)	71.16	70.95
Dividend Distribution Tax	14.49	14.44
	85.64	85.39

NOTE 49: FIRST TIME ADOPTION OF IND AS

As stated in note 2, these financial statements, for the year ended March 31, 2018 are the first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). For year up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 read together with Companies (Accounts) Rules, 2014 and other relevant provisions of the Act (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Mandatory Exceptions

i) Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies, if any) apart from the following items where application of Previous GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2016, the date of transition to Ind AS and as at March 31, 2017.

Notes to Financial Statements for the year ended March 31, 2018

ii) De-recognition of Financial Assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

iii) Classification and measurement of Financial Assets:

Financial Instruments:

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

iv) Impairment of Financial Assets: (Trade Receivables and Other Financial Assets)

At the date of transition to Ind AS, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

b) Optional exemptions

i. Deemed Cost-Previous GAAP Carrying Amount: (PPE and Intangible Assets) :

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 (Indian 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. Intangible Assets covered by Ind AS 38. Accordingly, the company has elected to measure all of its property, plant and equipment, capital work in progress and intangible assets at their previous GAAP carrying value.

ii. Leases :

Appendix C to Ind AS 17 requires the first-time adopter to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

iii. Investment in Associates :

Ind AS 101 permits a first-time adopter to elect to continue Previous GAAP carrying value for its investments in equity instruments of associates. Accordingly, the Company has elected to apply the said exemption.

iv. Share based payments :

A first-time adopter is encouraged, but not required, to apply Ind AS 102 to equity instruments that vested before the date of transition to Ind ASs, it may do so only if the entity has disclosed publicly the fair value of those equity instruments, determined at the measurement date as defined in Ind AS 102.

Under Previous GAAP, a company could have used the intrinsic value method or the fair value method. However, Ind AS 102 requires all types of share-based payments and transactions to be measured at fair value and recognised over the vesting period.

However Ind-AS 101 provides that requirements of Ind-AS 102 can be applied to the options that have been vested only if the company has publically disclosed the fair value. For options that have not yet vested as at the transition date the company will need to apply the requirements of Ind-AS 102 retrospectively.

v. Business combinations:

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

Notes to Financial Statements for the year ended March 31, 2018

c) Reconciliation of Total Equity as at March 31, 2017 and April 01, 2016 :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Footnotes	March 31, 2017	April 01, 2016
Total Equity (Shareholder's Fund) as per Previous GAAP		13,833.01	18,788.48
Reversal of Proposed Dividend	i	-	84.26
Impact of change in useful life of Property, Plant and Equipment	ii	(291.13)	(110.46)
Reversal of Revaluation Reserve	ii	6,127.22	-
Reversal of Lease Equalisation Reserve	iii	4.43	3.12
Impact of Effective Interest Rate Adjustment on Borrowings	iv	10.20	10.54
Impact of Expected Credit Loss on Trade Receivables	v	(51.07)	(97.63)
Impact of Fair Valuation of Security Deposits Paid	vi	(1.12)	(0.93)
Impact of Balance Sheet Approach for measurement of Deferred Tax Liability	vii	(1,509.58)	(1,791.18)
Total Adjustments		4,288.96	(1,902.27)
Total Equity (Shareholder's Fund) as per Ind AS		18,121.96	16,886.21

d) Reconciliation of Total Comprehensive Income for the Year Ended March 31, 2017 :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Footnotes	March 31, 2017
Net Profit as per Previous GAAP		1,104.29
Impact of Expected Credit Loss on Trade Receivables	v	46.56
Impact of fair valuation of share based payments	viii	(12.93)
Impact of effective interest rate adjustment on borrowings	iv	(0.34)
Impact of change in useful life of Property, Plant and Equipment	ii	(180.67)
Reversal of Lease Equalisation Reserve	iii	1.32
Amortisation of Deferred Assets (Security Deposit)	vi	(0.19)
Other Adjustments	ix	(1.80)
Re-measurement impact of Retirement Benefits	x	184.27
Impact of Balance Sheet Approach for measurement of Deferred Tax Liability	vii	217.83
Total Adjustments		254.05
Net Profit as per Ind AS		1,358.34
Other Comprehensive Income (Net of Tax)		(120.50)
Total Comprehensive Income for the Year under Ind AS		1,237.85

e) Reconciliation of Statement of Cash Flow for the year ended 31st March, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from/(used in) Operating Activities	5,222.78	(138.02)	5,082.68
Net Cash flow from/(used in) Investing Activities	(1,359.31)	(36.07)	(1,395.37)
Net Cash flow from/(used in) Financing Activities	(3,866.49)	176.13	(3,690.35)
Net Increase/(Decrease) in Cash and Cash Equivalents	(3.01)	2.05	(3.04)
Cash and Cash equivalents at the Beginning of the Period	28.17	(16.03)	28.18
Cash and Cash equivalents at the End of the Period	25.16	(13.99)	25.14

Notes to Financial Statements for the year ended March 31, 2018

f) Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and Statement of Profit & Loss for the year ended March 31, 2018:

i. Proposed Dividend

Under Previous GAAP, Dividend is recognised in the year to which it relates. However under Ind AS, the dividend shall required to be recognised in the year in which the same has been declared and approved. Accordingly, the proposed dividend (including tax thereon) as on April 01, 2016 (on equity shares) has been reversed from the provisions and is recognized in the FY 2016-17 by decreasing the retained earnings.

ii. Property, Plant & Equipment (PPE)

As on the date of transition, Useful life estimate by the management due to which depreciation is calculated on the revised useful life.

Further Revaluation

The Company has netted off revaluation reserve with net block of respective Property, Plant and Equipment as per the transition provision of revised AS 10 of Previous GAAP. In previous GAAP, the Company has taken the related impact on April 01, 2016 and presented the related number in previous GAAP financial Statements of March 31, 2017. The Company has opted the deemed cost exemption and adopt the revalued amount of PPE as deemed cost.

iii. Lease equalisation reserve

Under Previous GAAP, operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Whereas under Ind AS, lease equalisation reserve is derecognised as operating lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

iv. Effective Interest Rate Adjustment on Borrowings

As per Ind AS 109 requires transaction costs incurred origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the finance cost by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to statement of profit and loss on straight line basis over the period of the loan.

v. Trade Receivables

Under Previous GAAP, Provision for bad debt was recognised on doubtful debtors on a case to case basis. However under Ind AS, the Company assess impairment based on expected credit losses (ECL Model) for measurement and recognition of impairment loss on the trade receivables accounting for non payment and delay of receivables.

vi. Security deposit

Under Previous GAAP, the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as deferred asset and is amortized over the period of the lease term Further, interest is accreted on the present value of the security deposits paid for lease rent.

vii. Deferred tax

Previous GAAP requires 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 taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

viii. Share Based Payments

Under previous GAAP, Company is recording the cost of employee stock options at the intrinsic value method and corresponding provision is recorded for employee stock option bifurcated into current and non current. Whereas under Ind AS, provision for employee stock option is recorded at fair value at each reporting date.

ix. Prior Period Income

Under previous GAAP, prior period items was required to be disclosed separately in the financial statements. However, as per Ind AS, Company is required to adjust material prior period errors retrospectively by restating the comparative amounts for the earliest prior period presented. Further, where the amount of prior period pertains to the period before the earliest prior period presented, opening balances of the earliest period presented are to be restated.

Notes to Financial Statements for the year ended March 31, 2018

x. Employee benefits

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the books with a corresponding debit or credit to retained earnings through OCI.

xi. Other comprehensive income

Items of income and expense that are not recognised in profit and loss but are shown in 'other comprehensive income' includes re-measurements gain/(loss) of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. As a consequence, re-measurement gain/(loss) of defined benefit plans has been regrouped from employee benefit expense to other comprehensive income.

xii. Reclassification Adjustment

The company has reclassified previous year figures to conform to Ind AS Classification.

NOTE 50 :

In view of the management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2018.

Note 51 :

The financial statements of the Company for the year ended 31st March, 2018 were approved by the Board of Directors and authorised for issue on May 21, 2018.

for and on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Dated : May 21, 2018

K M Pai
Executive Director & CFO
DIN 01171860

Yogesh Mendiratta
Company Secretary
M.No. 13615

Independent Auditor's Report

To the Members of M/S ORIENT BELL LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **Orient Bell Limited** ("the Holding Company") and its Associates which comprises the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and Statement of changes in Equity of the Company including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian accounting Standards) Rule 2015 as amended.

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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding Company as aforesaid.

Auditor's Responsibility

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

While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other Auditor in terms of their reports referred to in para of the "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, read with paras contained in Other Matters paragraphs below and based on consideration of the reports of other auditors of Associates, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Holding Company and its associates as at March 31, 2018 and their consolidated Profit (including other comprehensive income), its Consolidated cash flows and the changes in the equity for the year ended on that date.

Other Matters

- (a) The Comparative financial information of the Holding Company for the year ended March 31, 2017 and the transition date opening Balance sheet as at April 1, 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor whose report for the year ended March 31, 2017 & March 31, 2016 dated May 22, 2017 and May 23, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
- (b) We did not audit the financial statement of two Associates included in the consolidated Ind AS financial statements of the Company whose financial statement reflects total assets

of ₹ 104,53,08,535 as at March 31, 2018, total revenue of ₹ 86,09,14,837 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of Associates, is based solely on the reports of other auditors.

- (c) As disclosed in the Accounting policies adopted by the Holding Company for the purpose of consolidation of financial statements of the Holding Company with its associates, uniform accounting policies for like transactions and other events in similar circumstances are used except for different inventory valuation method adopted by the Holding Company and the associate companies. The impact of alignment of method used by the Holding Company in the books of account of the associates could not be ascertained as at March 31, 2018 by the Company since it is certified by the Associate Companies as impracticable to do so and hence is not included in the accompanying consolidated Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- (a) Except for the matters described in the Other Matters paragraphs above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) Except for the matters described in the Other Matters paragraphs above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statement have been kept so far as it appears from our examination of those books and report of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statement.

- (d) Except for the possible effects of the matters as described in the Other Matters paragraphs above, in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Companies (Indian Accounting Standards) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors of holding Company and the reports of auditors of associates companies none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, after considering the opinion of auditors of associates companies is given in our separate Report in 'Annexure-A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. On the basis of written representations received from the management of the Company, the Company has no pending litigations which could impact its consolidated financial position in its financial statements.
- ii. According to the information provide and explanation provided to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Associates Company.

For **B.R. Gupta & Co.**
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)

Place of Signature : New Delhi Partner
Dated : 21st May, 2018 Membership No. 073696

Annexure 'A' to the Independent Auditors' Report of even date on the consolidated financial statement of Orient Bell Limited

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Orient Bell Limited** (herein after referred to as "the Holding Company") and its associates which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting

is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its Associates Company which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal 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.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting insofar as it relates to two Associates, which are the companies incorporated in India, is based on the corresponding reports of auditors of such companies incorporated in India.

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)

Place of Signature : New Delhi Partner
Dated : 21st May, 2018 Membership No. 073696

Consolidated Balance Sheet as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I. Assets				
Non-Current Assets				
(a) Property, Plant and Equipment	4	19,636.01	20,119.73	20,776.70
(b) Capital Work-in-Progress	5	102.58	49.30	64.76
(c) Intangible Assets	6	13.90	4.75	13.11
(d) Financial Assets				
(i) Investments	7	630.01	2,413.10	2,269.80
(ii) Other Financial Assets	8	312.02	294.81	346.17
(e) Non Current Tax Asset (Net)	9	-	27.22	152.17
(f) Other Non Current Assets	10	344.73	158.52	584.25
Total Non-Current Assets		21,039.25	23,067.43	24,206.96
Current Assets				
(a) Inventories	11	8,883.33	7,456.84	8,865.44
(b) Financial Assets				
(i) Trade Receivables	12	12,619.95	10,209.86	10,483.53
(ii) Cash and Cash Equivalents	13	39.70	25.16	28.18
(iii) Bank Balances other than (ii) above	14	236.29	371.21	361.00
(iv) Other Financial Assets	8	61.47	233.48	372.70
(c) Other Current Assets	10	330.66	509.72	560.12
Total Current Assets		22,171.40	18,806.27	20,670.97
Total Assets		43,210.65	41,873.70	44,877.93
II. Equity And Liabilities				
Equity				
(a) Equity Share Capital	15A	1,423.11	1,418.96	1,400.24
(b) Other Equity	16	20,814.56	16,781.33	15,421.02
Total Equity		22,237.67	18,200.29	16,821.26
Liabilities				
Non- Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	3,754.79	4,659.06	5,307.64
(ii) Other Financial Liabilities	18	29.87	32.16	23.69
(b) Provisions	19	268.82	271.29	184.85
(c) Deferred Tax Liabilities (Net)	20	2,519.75	2,611.78	2,378.73
Total Non- Current Liabilities		6,573.23	7,574.29	7,894.91
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	4,948.55	6,361.46	8,016.56
(ii) Trade Payables	21			
a) Total Outstanding Dues to Micro and Small Enterprises		-	-	-
b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises		7,829.84	7,097.96	10,183.35
(iii) Other Financial Liabilities	18	42.70	27.98	29.28
(b) Other Current Liabilities	22	1,426.57	1,725.99	1,549.83
(c) Provisions	19	115.17	446.34	329.10
(d) Current Tax Liabilities (Net)	23	36.92	439.39	53.64
Total Current Liabilities		14,399.75	16,099.12	20,161.76
Total Equity and Liabilities		43,210.65	41,873.70	44,877.93
Summary of Significant Accounting Policies	3			

The accompanying notes are integral part of the consolidated financial statements.

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Dated : May 21, 2018

for and on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

K M Pai
Executive Director & CFO
DIN 01171860

Sameer Kamboj
Director
DIN 01033071

Yogesh Mendiratta
Company Secretary
M. No 13615

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
I Revenue from operations	24	65,936.68	68,763.67
II Other income	25	238.20	295.27
III Total income (I+II)		66,174.88	69,058.94
IV Expenses			
(a) Cost of Materials Consumed	26	11,135.87	9,767.37
(b) Purchases of Stock-in-Trade	27	18,242.01	19,174.64
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	28	(605.81)	1,314.56
(d) Excise Duty	29	1,155.46	5,020.28
(e) Employee benefits expense	30	7,604.53	6,721.20
(f) Finance costs	31	727.81	1,335.00
(g) Depreciation and amortization expense	32	1,502.08	1,913.09
(h) Other expenses	33	23,705.90	21,331.45
Total expenses		63,467.85	66,577.59
V Profit/ (loss) before share of Profit/ (loss) of Associates exceptional items and tax (III-IV)		2,707.03	2,481.35
VI Share of profit/(loss) of an Associates		(20.33)	143.30
VII Profit/ (loss) before exceptional items and tax (V-VI)		2,686.70	2,624.65
VIII Exceptional Items	34	2,026.70	-
IX Profit/ (loss) before tax (VII+VIII)		4,713.40	2,624.65
X Tax expense:	35		
(a) Current tax		1,005.60	1,175.92
Less:- Mat Credit Entitlement		(60.29)	-
(b) Adjustment of tax relating to earlier periods		(143.02)	(2.51)
(c) Deferred tax		(73.36)	(50.40)
Total tax expense		728.93	1,123.01
XI Profit/(loss) for the year (IX-X)		3,984.47	1,501.64
XII Other Comprehensive Income			
(A) (i) Items that will not be reclassified subsequently to statement of profit and loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		120.25	(184.27)
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		(41.62)	63.77
(B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
Other comprehensive income for the year, net of tax		78.63	(120.50)
XIII Total comprehensive income for the year, net of tax		4,063.10	1,381.14
XIV Earnings per share: (Face value ₹ 10 per share)	36		
1) Basic (amount in ₹)		28.04	10.66
2) Diluted (amount in ₹)		28.00	10.61
Summary of Significant Accounting Policies	3		
The accompanying notes are integral part of the consolidated financial statements.			

As per our Report of even date attached

For B.R. Gupta & Co.
Chartered Accountants
Firm's Registration Number 008352N

(Deepak Agarwal)
Partner
Membership Number 073696

Place of Signature : New Delhi
Dated : May 21, 2018

for and on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

K M Pai
Executive Director & CFO
DIN 01171860

Sameer Kamboj
Director
DIN 01033071

Yogesh Mendiratta
Company Secretary
M. No 13615

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
A. Equity Share Capital	
Opening Balance as at April 01, 2016	1,400.24
Changes during the year	18.72
Closing Balance as at March 31, 2017	1,418.96
Changes during the year	4.15
Closing Balance as at March 31, 2018	1,423.11

Particulars	Reserve & Surplus						Item of OCI	Total equity
	Capital Reserve	Security Premium	Capital Restructuring	Amalgamation Reserve	Share Options Outstanding Account	General Reserve	Retained earnings	
Balance as at April 01, 2016	25.57	1,140.46	46.16	913.04	63.95	4,879.14	8,413.44	15,421.02
Restatement of prior period income of FY 15-16	-	-	-	-	-	-	1.78	1.78
Net Income/ Loss for the year	-	-	-	-	-	-	1,501.64	1,501.64
Transfer to General Reserve	-	-	-	-	-	3.77	-	3.77
Add: Other comprehensive income	-	-	-	-	-	-	-	(120.50)
Employee Stock Option Scheme	-	78.96	-	-	(21.08)	-	-	57.88
Final Dividend for the FY 15-16 (Refer Note 48)	-	-	-	-	-	-	(70.01)	(70.01)
Dividend Distribution Tax	-	-	-	-	-	-	(14.25)	(14.25)
Balance as at March 31, 2017	25.57	1,219.42	46.16	913.04	42.87	4,882.91	9,832.59	16,781.33
Net Income/ Loss for the year	-	-	-	-	-	-	3,984.47	3,984.47
Add: Other comprehensive income	-	-	-	-	-	-	-	78.63
Employee Stock Option Scheme	-	37.76	-	-	17.76	-	-	55.53
Final Dividend for the FY 16-17 (Refer Note 48)	-	-	-	-	-	-	(70.95)	(70.95)
Dividend Distribution Tax	-	-	-	-	-	-	(14.44)	(14.44)
Balance as at March 31, 2018	25.57	1,257.18	46.16	913.04	60.63	4,882.91	13,731.66	20,814.56
Summary of Significant Accounting Policies (Refer Note 3)							(102.59)	

The accompanying notes are integral part of the Consolidated financial statements.

As per our Report of even date attached

For B.R. Gupta & Co.

for and on behalf of Board of Directors of Orient Bell Limited

Chartered Accountants
Firm's Registration Number 008352N
(Deepak Agarwal)
Partner

Membership Number: 073696

Place of Signature : New Delhi

Dated : May 21, 2018

Madhur Daga
Managing Director
DIN 00062149

K M Pai
Executive Director & CFO
DIN 01171860

Sameer Kamboj
Director
DIN 01033071

Yogesh Mendiratta
Company Secretary
M. No 13615

Consolidated Cash Flow Statement for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	4,713.40	2,624.65
Adjustments for:		
Share of (Profit) / Loss of Associates and	20.33	(143.30)
Depreciation and amortization	1,502.08	1,913.09
Interest Paid	720.61	1,302.07
Impact of effective interest rate adjustment on borrowings	4.72	0.34
Provision for employee benefit	59.67	80.38
Loss/(Gain) on sale of fixed assets	162.66	227.10
Interest on delayed payment of Taxes	2.48	32.59
Provision for doubtful receivables written back	(33.64)	(153.41)
Unwinding of discount on deposits	(6.10)	(6.23)
Interest Income	(165.69)	(100.09)
Other adjustments	-	1.78
Excess liability written back	(3.94)	-
Provision for Slow Moving of Inventories- Finished Goods	20.35	-
Bad Debts Written Off	35.43	421.95
Operating Profit Before Working Capital Changes	7,032.36	6,200.92
Movement In Working Capital:		
Increase/(Decrease) in Trade Payables & Other Current Liabilities	451.12	(2,910.54)
Increase/(Decrease) in Other Long Term Liabilities	(2.29)	8.47
Increase/(Decrease) in Provisions	(213.39)	19.41
(Increase)/Decrease in Trade Receivables	(2,411.88)	5.13
(Increase)/Decrease in Inventories	(1,446.84)	1,408.60
(Increase)/Decrease in Other Current Assets and other bank balances	492.09	185.63
(Increase)/Decrease in Other Non-Current Assets	6.27	513.15
Cash Generated From Operations	3,907.44	5,430.77
Direct Tax paid (Net of Refunds)	(1,240.31)	(348.09)
Net Cash Inflow From/(Used In) Operating Activities (A)	2,667.13	5,082.68
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment	(1,548.24)	(1,526.41)
Sale Proceeds of Property, Plant and Equipment	95.09	30.95
Purchases of Investments	(260.00)	-
Sale of Investments	2,022.76	-
Interest Income	165.69	100.09
Net Cash From/ (Used In) Investing Activities (B)	475.30	(1,395.37)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Long Term & Short Term Borrowings	(2,321.90)	(2,304.02)
Dividend Paid	(85.39)	(84.26)
Interest paid (net)	(720.61)	(1,302.07)
Net cash inflow from/(used in) Financing Activities (C)	(3,127.90)	(3,690.35)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	14.54	(3.02)
Opening Balance of Cash and Cash Equivalents	25.16	28.18
Total Cash And Cash Equivalent (Note No. 13)	39.70	25.16
Components of Cash and Cash Equivalents		
Cash on hand	5.17	6.79
With banks - on current account and deposits with banks	34.53	18.37
Total Cash and Cash equivalent (Note No. 13)	39.70	25.16
Summary of Significant Accounting Policies (Note No. 3)		

The accompanying Notes are integral part of the consolidated financial statements.

As per our Report of even date attached

For B.R. Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

for and on behalf of Board of Directors of Orient Bell Limited

(Deepak Agarwal)

Partner

Membership Number 073696

Place of Signature : New Delhi

Dated : May 21, 2018

Madhur Daga

Managing Director

DIN 00062149

K M Pai

Executive Director & CFO

DIN 01171860

Sameer Kamboj

Director

DIN 01033071

Yogesh Mendiratta

Company Secretary

M. No 13615

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (hereinafter referred as the Company) was incorporated on May 18, 1977 and is engaged in the manufacturing, trading and selling of reputed brand of ceramic wall and floor tiles. The Company is a public limited company incorporated and domiciled in India and has its registered office at Sikandrabad, Uttar Pradesh, India. The Company has its primary listings on BSE Limited and the National Stock Exchange of India Limited.

NOTE 2: STATEMENT OF COMPLIANCE

The Consolidated Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as applicable.

The financial statements up to the year ended March 31, 2017 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act ('Previously GAAP'). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note 49 for an explanation of the transition from previous GAAP to Ind AS.

Basis of Preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned.

The principal accounting policies are set out below.

The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

Basis of Consolidation and Equity Accounting:

i) Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (ii) below), after initially being recognised at cost.

(ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

Going Concern

The board of directors have considered the financial position of the Company at 31st March 2018 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Recent accounting pronouncement

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income Taxes', Ind AS 21, 'The effects of changes in foreign exchange rates and also introduced

Notes to Consolidated Financial Statements for the year ended March 31, 2018

new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 1, 2018.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- (i) Identification of the contracts with the customer
- (ii) Identification of the performance obligations in the contract
- (iii) Determination of the transaction price
- (iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- (v) Recognition of revenue when performance obligation is satisfied.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The management is yet to assess the impact of this new standard on the Company's consolidated financial statements.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the consolidated financial statements.

Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability) for recognising related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the consolidated financial statements.

Note 3: Significant Accounting Policies

a) Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have an effect on the amounts recognised in the consolidated financial statements:

Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Estimates and Assumptions

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

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

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

Operating cycle: The operating cycle is the time between the acquisition of assets / liabilities for processing and their realisation / payment in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, Plant and Equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Glow-sign Boards, which have no salvage value are charged to the Statement of Profit & Loss.

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

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment w.e.f. transition date onwards.

Depreciation : Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on certain assets, where useful life has been taken based on external / internal technical evaluation which is given below in table. Leasehold Land and Leasehold Improvements are amortised over the period of lease or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Particulars	Useful life as per Schedule II of Companies Act, 2013 (Years)	Management Estimate of Useful Life (Years)
Plant and Machinery		
Moulds*	25 years	5 years
Punches*	25 years	5 years
Digital Machine*	25 years	10 years
Others*	25 years	18 years
Office Equipment		
Mobiles*	5 years	3 years

*For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

d) Intangible Assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

Transition to Ind AS

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

Amortisation

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

e) Borrowing Costs

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

f) Foreign Currency Transaction

Functional and presentational currency

The Company's consolidated financial statements are presented in Indian Rupees (₹ in lakhs) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information are presented in ₹ in lakhs except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, exclusive of sales tax, Value Added Taxes (VAT), Goods and Service Taxes (GST) and service tax and is net of returns, trade discounts, quantity discounts, cash discounts.

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

h) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows:-

Raw Materials, Stores, Spares and Packing Material	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis.
Stock-in-process and Finished Goods	Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on First in First Out basis.
Traded Goods	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on First In First Out (FIFO) basis.

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All the lease other than Finance lease are classified as operating lease.

For arrangements entered into prior to the Ind AS transition date i.e. April 01, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance lease

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

The Company has ascertained that the payments to the lessor that are structured in line with expected general inflation to compensate for the lessor's expected inflationary cost are not straight-lined. Hence, the lease payments are recognised on an accrual basis as per terms of the lease agreement.

j) Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities. Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in Statement of Profit & Loss. On the basis of companies policy, compensated absences upto 60 days (30 days in case of SKD workers) are recognised as long term employee benefit & compensated absences beyond 60/30 days as may be applicable, if any are to be recognised as short term employee benefit.

Employees Share Based Payment

Employees (including senior executives) of the Group receive component of remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

k) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Contingent liability is disclosed in the case of;

- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;
- ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

l) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are

Notes to Consolidated Financial Statements for the year ended March 31, 2018

initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

(ii) Classification and Subsequent measurement

(a) Financial Assets

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

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

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

- **Financial Asset carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial Asset at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial Asset at fair value through profit and loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- **Equity investment in Associates**

Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial Liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2018

De-recognition

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

(c) Off setting of Financial Instruments

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

m) Impairment of Financial Assets

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

n) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

p) Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation

Notes to Consolidated Financial Statements for the year ended March 31, 2018

authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

s) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Land- Free- hold	Land- Lease- hold	Buildings	Leasehold Improve- ments	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Total
Gross Block (At Deemed Cost)											
As at April 01, 2016	5,841.48	183.60	4,778.67	118.57	9,327.47	87.51	299.22	47.57	37.35	55.26	20,776.70
Add: Additions made during the year	-	-	8.83	229.27	1,192.70	1.71	33.09	18.86	13.56	7.79	1,505.81
Less: Disposals/adjustments during the year	-	-	-	10.68	238.63	41.74	10.57	0.62	1.27	1.51	305.02
As at March 31, 2017	5,841.48	183.60	4,787.50	337.15	10,281.54	47.49	321.74	65.81	49.64	61.54	21,977.49
Add: Additions made during the year	10.52	-	170.64	55.04	957.13	8.24	17.39	11.50	1.93	38.02	1,270.41
Less: Disposals/adjustments during the year	-	-	38.17	-	216.19	10.34	35.22	5.26	11.58	0.60	317.36
As at March 31, 2018	5,852.01	183.60	4,919.97	392.19	11,022.48	45.38	303.90	72.05	40.00	98.96	22,930.54
Depreciation and impairment											
As at April 01, 2016	-	-	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	-	2.74	253.78	59.73	1,477.60	18.15	49.15	18.28	7.41	17.89	1,904.73
Less: Disposals/adjustments during the year	-	-	-	2.38	34.24	9.15	0.93	0.26	0.01	-	46.97
As at March 31, 2017	-	2.74	253.78	57.35	1,443.36	9.00	48.22	18.03	7.39	17.89	1,857.76
Add: Depreciation charge for the year	-	2.74	245.18	65.77	1,088.01	6.48	49.64	17.87	6.67	14.01	1,496.37
Less: Disposals/adjustments during the year	-	-	4.25	-	37.09	3.39	7.38	1.51	5.98	0.00	59.60
As at March 31, 2018	-	5.48	494.72	123.11	2,494.28	12.09	90.48	34.38	8.08	31.90	3,294.53
Net book value											
As at March 31, 2018	5,852.01	178.12	4,425.26	269.08	8,528.20	33.30	213.42	37.66	31.92	67.06	19,636.01
As at March 31, 2017	5,841.48	180.86	4,533.73	279.81	8,838.17	38.49	273.52	47.78	42.25	43.65	20,119.73
As at April 01, 2016	5,841.48	183.60	4,778.67	118.57	9,327.47	87.51	299.22	47.57	37.35	55.26	20,776.70
a) Deemed Cost of Property, Plant and Equipment											
Gross Block											
As at April 01, 2016	5,841.48	225.40	8,418.18	577.12	37,385.10	384.98	500.64	223.69	114.98	494.90	54,166.47
Accumulated Depreciation											
As at April 01, 2016	-	41.80	3,639.50	458.55	28,057.64	297.46	201.42	176.12	77.63	439.64	33,389.76
Net Block as at April 01, 2016	5,841.48	183.60	4,778.67	118.57	9,327.47	87.51	299.22	47.57	37.35	55.26	20,776.71

b) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition.

c) In earlier years, the Company had acquired a land from Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) at Industrial Park, Phase-II, Peddapuram, East Godavari District, Andhra Pradesh. Due to non-implementation of agreed project by the Company, the Company had received a notice from APIIC for resumption of such allotment in F.Y. 2016-17. Against such notice, the Company has filed a writ petition before High Court of Judicature at Hyderabad to set aside the said notice of APIIC. Subsequently, the Company has received a stay order from the Hon'ble High Court granting interim suspension of the proceedings in said notice of APIIC. As on the reporting date, the matter involved is sub-judiced before the Hon'ble High Court of Judicature at Hyderabad.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 5 : CAPITAL WORK IN PROGRESS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Capital work in progress	102.58	49.30	64.76
	102.58	49.30	64.76
a) Breakup of Capital Work in Progress is as follows:			
Buildings- Others	-	-	8.83
Plant and Equipment	102.58	31.89	22.24
Lease Hold Improvement	-	17.41	26.83
Patents	-	-	6.86
	102.58	49.30	64.76

b) The Company has elected Ind AS 101 exemption and continue with the carrying value for capital work in progress as its deemed cost as at the date of transition.

NOTE 6 : INTANGIBLE ASSETS (OTHER THAN GOODWILL)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Computer Software	Total
At Deemed Cost		
Gross Block		
As at April 01, 2016	13.11	13.11
Add: Additions during the year	-	-
Less: Disposals / adjustments during the year	-	-
As at March 31, 2017	13.11	13.11
Add: Additions during the year	14.87	14.87
Less: Disposals / adjustments during the year	-	-
As at March 31, 2018	27.98	27.98
Amortisation and impairment		
As at April 01, 2016	-	-
Add: Amortisation charge for the year	8.36	8.36
Less: On disposals/adjustments during the year	-	-
As at March 31, 2017	8.36	8.36
Add: Amortisation charge for the year	5.72	5.72
Less: On disposals / adjustments during the year	-	-
As at March 31, 2018	14.08	14.08
Net book value		
As at March 31, 2018	13.90	13.90
As at March 31, 2017	4.75	4.75
As at April 01, 2016	13.11	13.11
a) Deemed Cost of Intangible Assets		
Gross Block		
As at April 01, 2016	309.67	309.67
Accumulated Depreciation		
As at April 01, 2016	296.56	296.56
Net Block as at April 01, 2016	13.11	13.11

b) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of intangible assets as its deemed cost as at the date of transition.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 7 : NON-CURRENT INVESTMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Investment in Associates			
Unquoted			
31,20,000 (March 31, 2017 : 31,20,000, April 01, 2016 : 31,20,000) Equity Shares of Proton Granito Private Limited of ₹ 10 each, fully paid up	312.00	312.00	312.00
Add/(Less) : Share in Reserve of Associates	78	(65)	-
Add/(Less) : Share in Profit/(loss) of Associates	(20)	143	(65)
26,00,000 (March 31, 2017 : Nil, April 01, 2016 : Nil) Equity Shares of Corial Ceramic Private Limited of ₹ 10 each, fully paid up	260.00	-	-
Investment in Controlled Entity	-	2,022.76	2,022.76
	630.01	2,413.10	2,269.80
Aggregate value of unquoted investments	630.01	2,413.10	2,269.79

a) The Company has elected Ind AS 101 exemption and adopted the fair value of ₹ 10 of its investment in equity shares of its associates as its deemed cost as at the date of transition.

b) Information about Associates

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Proton Granito Private Limited, India, Manufacturing of Vitrified products	19.50	19.50	19.50
Corial Ceramic Private Limited, India, Manufacturing of Ceramic products	26.00	-	-

NOTE 8 : OTHER FINANCIAL ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Security Deposits (Unsecured, considered good) (Refer Note 'a' below)	307.83	293.42	291.95
Deposits with original maturity of more than 12 months (Refer to note 'b' and 'c' below)	3.98	1.21	47.74
Interest accrued on fixed deposits	0.21	0.18	6.48
	312.02	294.81	346.17
Current			
Security Deposits (Unsecured, considered good) (Refer Note 'a' below)	41.44	55.42	49.52
Interest accrued on security deposits	19.15	17.76	24.20
Deposits with original maturity of more than 12 months (Refer to note 'b' and 'c' below)	-	147.22	243.01
Interest accrued on fixed deposits	0.88	13.09	55.96
	61.47	233.48	372.70

- a) Out of the above security deposit ₹ 10 lakh (March 31, 2017: ₹ 10 Lakh, April 01, 2016 : ₹ 10 Lakh) pertains to the related parties.
- b) Fixed Deposits with a carrying amount of ₹ 0.42 Lakh (March 31, 2017: ₹ 144.18 Lakh April 01, 2016 : ₹ 286.75 Lakh) are subject to first charge to secure the Company's loans from banks.
- c) Fixed Deposits with a carrying amount of ₹ 3.564 Lakh (March 31, 2017: ₹ 4.25 Lakh, April 01, 2016 : ₹ 4.00 lakh) are pledged with Government Authorities.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 9 : NON-CURRENT TAX ASSET

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Advance Income Tax (Net of provision of ₹ Nil (March 31, 2017 : ₹ Nil, April 01, 2016: ₹ Nil)	-	27.22	151.66
Advance Wealth Tax	-	-	0.51
	-	27.22	152.17

NOTE 10 : OTHER ASSETS (Unsecured, considered good, unless otherwise stated)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- Current			
Capital Advances	245.75	36.06	-
Balance with Government Authorities	75.10	99.96	555.30
Deferred Payment Assets	13.88	13.82	15.78
Others	10.00	8.68	13.17
Total (A)	344.73	158.52	584.25
Current			
Balance with Government Authorities	80.73	337.75	273.10
Advances to Employees	14.39	20.49	15.84
Advances to Suppliers	119.17	55.38	122.37
Deferred Payment Assets	5.27	5.57	4.30
Others	111.10	90.53	144.51
Total (B)	330.66	509.72	560.12
Total (A+B)	675.39	668.24	1,144.37

- a) Advance to Suppliers due from related parties amounts to ₹ 36.50 Lakh as at March 31, 2018 (March 31, 2017 : ₹ Nil, April 01, 2016 : ₹ 69.97 Lakh).

NOTE 11 : INVENTORIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Raw Materials	1,405.71	1,006.64	979.90
Work In Progress	76.50	35.86	110.31
Finished Goods	5,595.79	4,974.77	6,127.20
Stock-in Trade	145.13	200.98	288.66
Stores and Spares	1,517.09	1,111.83	1,212.32
Goods In Transit-Stores & Spares	-	3.79	16.61
Packing Material	163.46	122.97	130.44
	8,903.68	7,456.84	8,865.44
Less Provisions for Slow and Non moving Inventories - Finished Goods	20.35	-	-
	8,883.33	7,456.84	8,865.44

- a) For mode of valuation Refer Note 3 (h).

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 12 : TRADE RECEIVABLES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Secured, Considered Good	387.41	330.53	391.35
Unsecured, Considered Good	12,232.54	9,879.33	10,092.18
Unsecured, Considered Doubtful	38.76	72.40	225.81
	12,658.71	10,282.26	10,709.34
Less: Allowance for Expected Credit Loss	38.76	72.40	225.81
	12,619.95	10,209.86	10,483.53

- For Credit risk related disclosures, refer note 46.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
- Nor any trade or other receivable are due from firms or private companies in which any director is a partner, director or a member.
- Trade receivables are generally on terms of not more than 90 days.

NOTE 13 : CASH AND CASH EQUIVALENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with Banks:			
- Current Account	19.53	18.37	20.05
- Deposits with Original Maturity of Less than 3 Months (Refer Note 'a' & 'b')	15.00	-	-
Cash on Hand	3.45	4.24	7.08
Foreign Cash on Hand	1.72	2.55	1.05
	39.70	25.16	28.18

- Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- Fixed Deposits with a carrying amount of ₹ 15 Lakh (March 31, 2017: ₹ Nil, April 01, 2016 : ₹ Nil) are subject to first charge to secure the Company's loans from banks.
- For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Current account	19.53	18.37	20.05
- Deposits with original maturity of less than 3 months	15.00	-	-
Cash on hand	3.45	4.24	7.08
Foreign Cash on hand	1.72	2.55	1.05
Less: Bank Overdraft	-	-	-
	39.70	25.16	28.18

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 14 : OTHER BANK BALANCE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deposits with original maturity of more than 3 months but less than 12 months	236.29	371.21	361.00
	236.29	371.21	361.00

- a) Fixed Deposits with a carrying amount of ₹ 235.96 Lakh (March 31, 2017: ₹ 370.90 Lakh, April 01, 2016 : ₹ 360.72 Lakh) are subject to first charge to secure the Company's loans from banks.
- b) Fixed Deposits with a carrying amount of ₹ 0.33 Lakh (March 31, 2017: ₹ 0.30 Lakh, April 01, 2016 : ₹ 0.28 Lakh) are pledged with Government Authorities.

NOTE 15A : EQUITY SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised 4,00,00,000 (March 31, 2017: 4,00,00,000, April 01, 2016 : 4,00,00,000) Equity Shares of ₹ 10 each*	4,000.00	4,000.00	4,000.00
	4,000.00	4,000.00	4,000.00
Issued, subscribed and paid up 1,42,31,076 (March 31, 2017: 1,41,89,601, April 01, 2016 : 1,40,02,401) equity shares of ₹ 10 each*	1,423.11	1,418.96	1,400.24
	1,423.11	1,418.96	1,400.24

- a) Reconciliation of Issued and Subscribed Share Capital:

Particulars	No. of shares*	Amount (in ₹ Lakhs)
Balance as at April 1, 2016	1,40,02,401	1,400.24
Add: ESOP shares issued during the year (Refer Note 43)	1,87,200	18.72
Balance as at March 31, 2017	1,41,89,601	1,418.96
Add: ESOP shares issued during the year (Refer Note 43)	41,475	4.15
Balance as at March 31, 2018	1,42,31,076	1,423.11

- b) The above capital includes equity shares 30,43,451 nos (₹ 304.34 Lakh) which were allotted during 2012-13 pursuant to the schemes of amalgamation without payments being received in cash.

- c) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2018, the amount of per share dividend proposed as distributions to equity shareholders was ₹ 0.50 per share (March 31, 2007 : ₹ 0.50 per share; April 01, 2016: ₹ 0.50 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) Details of Shareholders Holding More than 5% Shares In the Company

Name of Party	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares*	Holding %	No. of shares*	Holding %	No. of shares*	Holding %
Mr. Mahendra K Daga	28,98,716	20.37	28,98,716	20.43	28,98,716	20.70
Mr. Madhur Daga	12,73,264	8.95	12,73,264	8.97	12,73,264	9.09
Good Team Investment & Trading Company Private Limited	23,78,914	16.72	23,78,914	16.77	23,78,914	16.99
Orient Bell Holding Trust	-	-	20,79,100	14.65	20,79,100	14.85

Notes to Consolidated Financial Statements for the year ended March 31, 2018

e) Shares reserved for issue under options

Name of Party	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares*	Amount	No. of shares*	Amount	No. of shares*	Amount
Under 2013 Orient Bell Employee Stock Option Scheme : Equity Shares of ₹ 10 each, at an exercise price of ₹ Nil Per Share	17,500	-	58,975	-	1,93,775	-

For terms and other details refer note 43

NOTE 15B : PREFERENCE SHARE CAPITAL

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised 1,50,00,000 (March 31, 2017: 1,50,00,000, April 01, 2016 : 1,50,00,000) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10 each*	1,500.00	1,500.00	1,500.00
	1,500.00	1,500.00	1,500.00

* Number of Shares are given in absolute numbers.

NOTE 16 : OTHER EQUITY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
a) Capital Reserve	
Balance as at April 1, 2016	25.57
Changes during the year	-
Balance as at March 31, 2017	25.57
Changes during the year	-
Balance as at March 31, 2018	25.57
b) Securities Premium	
Balance as at April 1, 2016	1,140.46
Changes during the year	78.96
Balance as at March 31, 2017	1,219.42
Changes during the year	37.76
Balance as at March 31, 2018	1,257.18
c) Capital Restructuring	
Balance as at April 1, 2016	46.16
Changes during the year	-
Balance as at March 31, 2017	46.16
Changes during the year	-
Balance as at March 31, 2018	46.16
d) Amalgamation Reserve	
Balance as at April 1, 2016	913.04
Changes during the year	-
Balance as at March 31, 2017	913.04
Changes during the year	-
Balance as at March 31, 2018	913.04

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
e) Share Options Outstanding Account	
Balance as at April 1, 2016	63.95
Changes during the year	(21.08)
Balance as at March 31, 2017	42.87
Changes during the year	17.76
Balance as at March 31, 2018	60.63
f) General Reserve	
Balance as at April 1, 2016	4,879.14
Changes during the year	3.77
Balance as at March 31, 2017	4,882.91
Changes during the year	-
Balance as at March 31, 2018	4,882.91
g) Retained Earnings	
Balance as at April 1, 2016	8,413.44
Add:- Restatement of prior period income of FY 15-16	1.78
Add:- Profit for the year	1,501.64
Less: Dividend Paid for FY 15-16 (Refer Note 48)	70.01
Less: Dividend Distribution Tax Paid on FY 15-16 (Refer Note 48)	14.25
Less: Transfer to General Reserve	-
Balance as at March 31, 2017	9,832.59
Add:- Profit for the year	3,984.47
Less: Dividend Paid for FY 16-17 (Refer Note 48)	70.95
Less: Dividend Distribution Tax Paid for FY 16-17 (Refer Note 48)	14.44
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	13,731.66
h) Other Comprehensive Income	
Balance as at April 1, 2016	(60.72)
Add:- Profit for the year-OCI	(120.50)
Balance as at March 31, 2017	(181.22)
Add:- Profit for the year-OCI	78.63
Balance as at March 31, 2018	(102.59)
Total Other Equity	
As at March 31, 2018	20,814.56
As at March 31, 2017	16,781.33
As at April 1, 2016	15,421.02

Nature and Purpose of Other Reserves

a) Capital Reserves

Capital Reserve was carried forward under the previous GAAP from the books of amalgamating company at the time of Amalgamation.

b) Security Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

c) Capital Restructuring

Capital Restructuring reserve was carried forward under the previous GAAP from the books of amalgamating company at the time of Amalgamation.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

d) Amalgamation Reserve

Amalgamation reserve was created under the previous GAAP on the basis of scheme of amalgamation of Bell Ceramics Limited with the Company as approved by the High Court of Allahabad and Gujrat in the year ended March 31, 2012.

e) Share Options Outstanding Account

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

f) General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

g) Retained Earnings

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

All the profits made by the Company are transferred to retained earnings from statement of profit and loss. However retained earnings includes ₹ 4,401.24 Lakh (March 31, 2017 : ₹ 4,447.32 Lakh, April 1, 2016 : ₹ 4,493.39 Lakh) on account of amount transferred from revaluation reserve which is not available for distribution.

NOTE 17 : BORROWINGS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non Current			
Secured Loans			
Term Loan			
From Banks			
Corporate loans	736.62	685.61	598.66
Vehicle loans	7.52	32.82	58.79
From Financial Institution	299.03	497.59	887.85
Unsecured Loans			
Term Loan From Bank			
Corporate loans	193.40	987.72	1,209.49
From Related Parties	1,500.00	1,500.00	1,500.00
Trade Deposits	1,018.22	955.32	1,052.85
Total (A)	3,754.79	4,659.06	5,307.64
Current			
Secured Loans			
Term Loan			
From Banks			
Corporate loans	498.99	510.18	397.66
Vehicle loans	19.36	56.35	61.03
From Financial Institution	198.56	390.25	386.08
Cash Credit Facilities	2,735.33	3,186.38	3,183.86
Working Capital Demand Loan	1,200.00	2,000.00	3,800.00
Unsecured Loans			
Term Loan From Bank			
Corporate loans	296.31	218.30	187.93
Total (B)	4,948.55	6,361.46	8,016.56
Total (A+B)	8,703.34	11,020.52	13,324.20

a) For Interest rate and Liquidity risk related disclosures, refer note 46.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

b) The Nature of Security for Term Loan are :

- i) The above Secured Loans, ₹ 1,760.08 Lakh (March 31, 2017: ₹ 2,172.80 Lakh; April 01, 2016: ₹ 2,390.06 Lakh) are secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the Company. These pertain to various bankers and financial institutions namely, Tata Capital Financial Services Ltd., ICICI Bank and IDFC Bank.
- ii) Vehicle loans are secured by way of hypothecation of respective vehicles.

c) The Nature of Security for Cash Credit & Working Capital Loan are :

- i) The Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Indus Ind Bank, ICICI Bank, IDFC Bank and Axis Bank (hereafter called the "Consortium") for Non Current Borrowings (secured).
- ii) The above Cash Credit and Working Capital Loans ₹ 3,935.33 Lakh (March 31, 2017: ₹ 5,186.38 Lakh ; April 01, 2016 : ₹ 6,983.86 Lakh) are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.
- iii) The demand loans are repayable on demand and carries interest rate ranges from 9.00% to 11.00% per annum

d) Maturity Profile- Secured Term Loans

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Secured Term Loans is as set out below :	2018-19	2019-20	2020-21	Beyond 2020-21
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly installments	698	499	400	137
Vehicle loans from banks are repayable in monthly installments	19	8	-	-

- e) The term loan(s) carries rate of interest ranging between 9.20% to 11.50% per annum.

f) Maturity Profile- Unsecured Loans

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of Unsecured Term Loans is as set out below :	2018-19	2019-20	2020-21	Beyond 2020-21
Term loan from Banks is repayable in monthly/quarterly installments	296	193	-	-

g) The nature of guarantee for Unsecured Loans are :

Unsecured loan from Bank is secured against property of Promoter at Kolkata.

- h) These loans are subject to stipulation in respect of corporate loan and working capital facilities sanctioned by bank to the Company, hence are not repayable in next operating cycle.
- i) Trade deposits are repayable on cessation of business transaction with dealers. The trade deposits carry rate of interest ranging between 7% to 8% per annum.

NOTE 18 : OTHER FINANCIAL LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Earnest Money Received from Employees	27.93	30.26	21.76
Security From Employees	1.94	1.90	1.93
	29.87	32.16	23.69
Current			
Earnest Money Received from Employees	6.29	3.64	3.70
Interest Accrued but not due on Borrowings	22.36	10.36	9.54
Unpaid Dividends (Refer Note 'a')	14.05	13.98	16.04
	42.70	27.98	29.28

- a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2018 (March 31, 2017: Nil, April 01, 2016: Nil).

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 19 : PROVISIONS*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- Current			
Provision for Employee Benefits			
Compensated Absences (Refer Note 37)	260.28	265.24	175.24
Other Provisions			
Lease Equalisation Reserve	8.54	6.05	9.61
	268.82	271.29	184.85
Current			
Provision for Employee Benefits			
Compensated Absences (Refer Note 37)	47.55	44.01	40.63
Gratuity (Refer Note 37)	66.68	400.86	284.53
Other Provisions	-	-	-
Lease Equalisation Reserve	0.94	1.47	3.94
	115.17	446.34	329.10

* For Movement in Provision Refer Note 47.

NOTE 20: DEFERRED TAX LIABILITIES (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Gross Deferred Tax Liabilities	2,749.20	2,906.56	3,009.75
Gross Deferred Tax Assets	169.16	294.77	283.80
Minimum Alternate Tax Credit Entitlement	60.29	-	347.22
	2,519.75	2,611.78	2,378.73

Movement in Deferred Tax Liabilities (Net)

(All amounts in ₹ lakhs, unless otherwise stated)

	As At April 01, 2016	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre- hensive Income	As At March 31, 2017
Deferred tax assets relates to the following:				
Provision for employee benefits	174.39	11.17	63.77	249.33
Provision for employee share based payment	22.13	(7.29)	-	14.84
Lease equalisation reserve	4.69	(2.09)	-	2.60
Provision for Slow Moving of Inventories	-	-	-	-
Deferred Assets	0.32	0.07	-	0.39
Trade Receivables	78.15	(53.09)	-	25.06
Others	4.12	(1.56)	-	2.56
	283.80	(52.80)	63.77	294.77
Deferred tax liability relates to the following:				
Property, plant and equipment	3,006.11	(102.54)	-	2,903.56
Borrowing (EIR)	3.65	(0.66)	-	2.99
Other	-	-	-	-
	3,009.75	(103.20)	-	2,906.56
Minimum Alternate Tax Credit Entitlement	347.22	(347.22)	-	-
Total deferred tax assets/(liabilities) (Net)	2,378.73	296.82	(63.77)	2,611.78

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Movement in Deferred Tax Liabilities (Net)

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2017	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Compre- hensive Income	As At March 31, 2018
Deferred tax assets relates to the following:				
Provision for employee benefits	249.33	(76.22)	(41.62)	131.50
Provision for employee share based payment	14.84	(1.54)	-	13.30
Lease equalisation reserve	2.60	0.68	-	3.28
Provision for Slow Moving of Inventories	-	7.04	-	7.04
Deferred Assets	0.39	0.04	-	0.43
Trade Receivables	25.06	(11.64)	-	13.41
Others	2.56	(2.36)	-	0.20
	294.77	(84.00)	(41.62)	169.16
Deferred tax liability relates to the following:				
Property, plant and equipment	2,903.56	(156.61)	-	2,746.96
Borrowing (EIR)	2.99	(1.51)	-	1.49
Other	-	0.76	-	0.76
	2,906.56	(157.36)	-	2,749.20
Minimum Alternate Tax Credit Entitlement	-	60.29	-	60.29
Total deferred tax assets/(liabilities) (Net)	2,611.78	(133.65)	41.62	2,519.75

NOTE 21 : TRADE PAYABLE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- Outstanding Dues to Micro and Small Enterprises	-	-	-
- Others	7,829.84	7,097.96	10,183.35
	7,829.84	7,097.96	10,183.35

- (a) Trade payables are non-interest bearing and are normally settled within 90-day terms except for SME's (if any) which are settled within 45 days.
- (b) Trade payables to related parties amounts to ₹ 690.96 Lakh as at March 31, 2018 (March 31, 2017 : ₹ 390.50 Lakh, April 01, 2016 : Nil)
- (c) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- The amount of interest paid by the Company as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-
- The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-	-
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 22 : OTHER CURRENT LIABILITIES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Statutory dues	970.43	1,235.31	1,146.12
Advance from Customers	456.14	490.68	403.71
	1,426.57	1,725.99	1,549.83

NOTE 23 : LIABILITIES FOR CURRENT TAX (NET)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for Income Tax {Net of Advance Tax ₹ 971.16 lakh (March 31, 2017 : ₹ 769.12 lakh ; April 01, 2016 : ₹ 243.26 lakh)}	36.92	439.39	53.64
	36.92	439.39	53.64

NOTE 24 : REVENUE FROM OPERATIONS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Product		
Finished Goods	45,052.10	48,032.83
Traded Goods	22,501.43	22,327.12
Revenue from Operations (Gross)		
Less: Cash Discount and Other Scheme	(1,695.32)	(1,686.28)
	65,858.22	68,673.67
Other Operating Revenues		
Miscellaneous Sale	78.46	60.03
Insurance Claim	-	29.97
Revenue from operations (Net)	65,936.68	68,763.67

Notes to Consolidated Financial Statements for the year ended March 31, 2018

- a) Consequent to the introduction of goods and services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the GST is not recognised as part of revenue from operations and excise duty as a separate expense line item as per the requirements of Ind AS. This has resulted in lower reported revenue from operations in the current year in comparison to the revenue from operations reported under the pre-GST structure of indirect taxes. Accordingly, the Revenue from operations for the year ended March 31, 2018 are not comparable with year ended March 31, 2017 presented in the financial results which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations (gross of excise duty)	67,092.14	73,753.99
Excise duty	1,155.46	5,020.28
Revenue from operations (exclusive of excise duty)	65,936.68	68,733.70

NOTE 25 : OTHER INCOME

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
- On Fixed deposits	42.48	59.93
- Income tax refund	11.80	16.46
- Others	111.40	23.71
Other Non-operating income	15.24	35.53
Provision for doubtful receivables written back	33.64	153.41
Excess liability written back	3.94	-
Unwinding of discount on deposits	6.10	6.23
Miscellaneous Income	13.60	-
	238.20	295.27

NOTE 26 : COST OF RAW MATERIAL CONSUMED

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material		
Balance at the beginning of the Year	1,006.64	979.90
Add:- Purchases during the year	11,534.94	9,794.11
Less:- Balance at the end of the Year	1,405.71	1,006.64
Total Raw Material Consumption	11,135.87	9,767.37

NOTE 27 : PURCHASE OF STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stock in Trade	18,242.01	19,174.64
Total Purchase of Stock-in-Trade	18,242.01	19,174.54

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 28 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year		
Work-in-progress	35.86	110.31
Finished Goods	4,974.77	6,127.20
Stock-in-Trade	200.98	288.66
(A)	5,211.61	6,526.17
Inventories at the end of the year		
Work-in-progress	76.50	35.86
Finished Goods	5,595.79	4,974.77
Stock-in-Trade	145.13	200.98
(B)	5,817.42	5,211.61
(Increase) / Decrease in Inventory (A-B)	(605.81)	1,314.56

NOTE 29 : EXCISE DUTY

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Excise Duty Paid	1,155.46	5,020.28
Total Excise Duty	1,155.46	5,020.28

NOTE 30 : EMPLOYEE BENEFITS EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	6,813.41	5,883.08
Compensated Absences*	33.75	131.10
Contribution to Provident and Other fund*	264.49	236.33
Expense on employee stock option schemes**	59.67	80.38
Gratuity Expense*	130.90	121.44
Staff Welfare Expenses	302.31	268.87
	7,604.53	6,721.20

* Refer Note 37

** Refer Note 43

NOTE 31 : FINANCE COST

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense		
- On Term loans	280.56	420.78
- On Cash Credit & Working Capital Facilities	168.39	517.36
- Delayed Payment of Advance Taxes	2.48	32.59
- Others	175.83	217.33
Letter of Credit Charges	25.32	65.41
Charges for Borrowing Facilities	75.23	81.53
	727.81	1,335.00

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 32 : DEPRECIATION AND AMORTIZATION EXPENSE

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Tangible Assets	1,496.36	1,904.73
Amortization of Intangible Assets	5.72	8.36
	1,502.08	1,913.09

NOTE 33 : OTHER EXPENSES

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stores & Spares consumed	1,595.67	1,527.57
Packing Material Consumed	2,696.73	2,213.52
Increase/(Decrease) in Excise Duty	(683.37)	72.66
Gas & fuel	9,334.72	8,284.75
Electricity	2,192.93	1,562.37
Rent (Refer Note 'c' below)	445.82	516.21
Hire Charges	430.33	378.04
Rates & Taxes	61.23	158.95
Insurance	52.71	37.11
Repair & Maintenance		
Plant & Machinery	278.92	301.08
Buildings	123.43	68.24
Other	223.54	170.78
Designing & Processing	18.98	19.37
Freight & Forwarding Charges	1,721.21	1,704.48
Advertisement and Sales Promotion	2,851.90	1,851.43
Legal & Professional Expenses	585.58	351.55
Travelling & Conveyance	991.93	893.25
Communication Costs	105.90	136.98
Printing & Stationery	56.83	46.71
Bank charges	4.03	4.06
Payment to the Auditors (Refer note 'a' below)	23.97	27.01
Exchange Fluctuation (Net)	8.92	5.98
Bad debts written off	35.43	421.95
Provision for Slow Moving of Inventories- Finished Goods	20.35	-
Loss on sale of fixed assets	162.66	227.10
Corporate Social Responsibility (Refer note 'b' below)	34.46	19.50
Miscellaneous Expenses	331.09	330.80
Total	23,705.90	21,331.45

Notes to Consolidated Financial Statements for the year ended March 31, 2018

a) Details of payment made to auditors is as follows:

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor:		
- Statutory audit fee	15.00	13.00
- Tax Audit Fee	3.00	2.75
- Other Services	5.50	11.00
- Reimbursement of Expenses	0.47	0.26
	23.97	27.01

b) The Company has spent ₹ 34.46 Lakh (2016-17 : ₹ 19.50 Lakh) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as follows:

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits of last three years)	34.15	19.30
(ii) Amount spent during the year		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above		
a) Paid to Godavari Foundation	33.82	19.44
b) Activities for Ensuring Environmental Sustainability	0.64	0.06
	34.46	19.50

(iii) Above includes a contribution of ₹ 33.82 Lakh (March 31, 2017: ₹ 19.44 lakh) to an entity (Godavari Foundation) over which KMP has significant influence and which is a Company registered under section 8 of the Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as rural development programme, granting aid to Institutions, school, colleges etc for Orphan Children and for poor students/people for their education and social welfare and establishing and maintaining schools, tube well for general public and also engaged in women empowerment by enhancing their means and capabilities to meet the emerging opportunities.

c) Operating Lease

The Company's significant lease agreements are in the nature of operating leases for premises used at various depots and showrooms. These lease agreements are cancellable by either parties thereto as per the terms and conditions of the agreements. In respect of these leases, lease rent of ₹ 445.82 Lakh (March 31, 2017: ₹ 516.21 Lakh) including ₹ 6.21 Lakh (March 31, 2017 : ₹ 1.32 Lakh) on account of amortisation of Deferred Security Deposit in accordance with Ind AS 109 and also including ₹ 1.96 Lakh (March 31, 2017 : ₹ 1.31 Lakh) being reversed on account of lease equalisation reserve as per the lease agreement, has been recognised on a straight line basis. Amount of lease equalisation reserve of ₹ 9.48 Lakh (March 31, 2017 : ₹ 7.52 Lakh ; April 01, 2016 : ₹ 13.55 Lakh) is accounted as per provision under note 19.

NOTE 34 : EXCEPTIONAL ITEMS

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Exceptional Income		
Profit on Sale of Investment	2,243.10	-
Total Exceptional Income (A)	2,243.10	-
Exceptional Expenses		
Interest and charges paid on Custom Duty	216.40	-
Total Exceptional Expenses (B)	216.40	-
Exceptional Items (Net) (A-B)	2,026.70	-

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 35 : INCOME TAX

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Statement of profit and loss:

Profit or loss section

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Expense:		
a) Current tax	1,005.60	1,175.92
b) Mat Credit Entitlement	(60.29)	-
c) Adjustments in respect of current income tax of previous year	(143.02)	(2.51)
d) Deferred tax	(73.36)	(50.40)
Income tax expense reported in the statement of profit or loss	728.93	1,123.01

OCI section

Deferred tax related to items recognised in OCI during the year:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	(41.62)	63.77
Net amount charged to OCI	(41.62)	63.77

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 & March 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Accounting profit before income tax	4,713.40	2,624.65
At India's statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	1,631.21	908.34
Adjustments in respect of current income tax of previous years	(143.02)	(2.51)
Tax Effect of Expenses not deductible for tax purposes	70.96	212.46
Effect of Exempt Income for Tax Purpose	(776.29)	-
Deferred Tax on Freehold Land	(24.12)	(30.15)
Investment in Associates	7.04	(49.59)
Others	4.78	8.13
Impact of Ind AS on Profit for the Year	-	12.54
At the effective income tax rate	770.56	1,059.23
Income tax expense reported in the Statement of Profit and Loss	770.55	1,059.24
Difference	-	-

NOTE 36 : EARNINGS PER SHARE (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares including Employee Stock Options except for the case where the result becomes anti-dilutive.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders	3,984	1,502
Weighted average number of equity shares for Basic EPS	1,42,12,441	1,40,90,103
Basic earnings per share (in ₹) (face value ₹ 10 per share)	28.04	10.66
Weighted average number of potential equity shares on account of employee stock options	17,500	58,975
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS	1,42,29,941	1,41,49,078
Diluted earnings per share (in ₹) (face value ₹ 10 per share)	28.00	10.61

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 37 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) Defined Contribution Plans

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amount in the Statement of profit and loss account under company's contribution to defined contribution plan.

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund/NPS	231.16	216.67
Employer's Contribution to Employee State Insurance	33.33	19.65
Total	264.49	236.33

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined Benefit Plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

i) Gratuity Scheme

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity asset/ Liability in the books of accounts on the basis of actuarial valuation as per projected unit credit method; net with annual contribution made by Company to insurer to provide gratuity benefits by taking scheme of insurance.

ii) Compensated Absences

The Company operates compensated absences plan wherein all permanent employees of the company are entitled to the benefit equivalent to 21 days leave salary for every completed year of service subject to maximum 60 accumulations of leaves except in case of SKD Workers where maximum accumulation is 30 days. The salary for calculation of earned leave is last drawn salary. The same is payable during service, on retirement, withdrawal of scheme, resignation by employee and upon death/disability of employee. The Company recognised short term leave encashment expense on the basis of actual eligibility of earned leave beyond 60/30 days as applicable, of ₹ 39.75 Lakh (March 31, 2017 ₹ 35.67 Lakh) in addition to expense recognised by Actuary and a provision of ₹ Nil (March 31, 2017 : ₹ Nil, April 1, 2016 : ₹ Nil) has been recognised in addition to the obligation recognised by Actuary.

- c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves. These have been provided on accrual basis, based on year end actuarial valuation

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Change in Benefit Obligation						
1 Opening Defined Benefit Obligation	1,002.89	309.25	743.80	215.87	594.25	169.18
2 Interest cost	78.23	24.12	54.07	15.69	46.59	13.26
3 Current service cost	99.63	81.46	100.76	75.41	69.20	47.17
4 Past Service cost	-	-	-	-	-	-
5 Benefits paid	(98.68)	(35.16)	(93.05)	(37.72)	(61.53)	(64.34)
6 Actuarial (gain) / loss on obligation	(116.71)	(71.82)	197.31	40.00	95.29	50.59
Present value of obligation as at the end of the year	965.36	307.84	1,002.89	309.25	743.80	215.87

Notes to Consolidated Financial Statements for the year ended March 31, 2018

d) The Following Tables summarise the Net Benefit Expense Recognised in the Statement of Profit or Loss :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Service Cost	99.63	81.46	100.76	75.41	69.20	47.17
Net Interest cost	31.27	24.12	20.69	15.69	15.11	13.26
Remeasurements	-	(71.82)	-	40.00	92.85*	50.59
Net Cost	130.90	33.75	121.44	131.10	177.17	111.03

* Transferred to OCI in retained Earning as at 01 April 2016

e) Changes in the Fair Value of the Plan Assets are as Follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	602.03	-	459.28	-	434.21	-
Expected Return on Plan Assets	46.96	-	33.39	-	31.48	-
Employer's Contribution	250.48	-	100.00	-	-	-
Benefits paid	(4.33)	-	(3.67)	-	(8.85)	-
Actuarial gains / (losses) on the Plan Assets	3.54	-	13.04	-	2.43	-
Fair Value of Plan Assets at the End	898.68	-	602.03	-	459.28	-

f) Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
1) Amount recognised in OCI, (Gain) / Loss Beginning of period	184.27	-
2) Remeasurement Due to:		
Effect of Change in Financial Assumptions	(35.92)	192.57
Effect of Change in Demographic Assumption	-	-
Effect of Experience Adjustment	(80.79)	4.74
(Gain)/Loss on Curtailments/Settlements	-	-
Return on Plan Assets (Excluding Interest)	(3.54)	(13.04)
Changes in Asset Ceiling	-	-
Total amount recognised in OCI (Gain)/Loss, End of Period	64.02	184.27

Notes to Consolidated Financial Statements for the year ended March 31, 2018

g) Principal actuarial assumptions at the balance sheet date are as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions						
1 Discount rate	7.80%	7.80%	7.27%	7.27%	7.84%	7.84%
2 Rate of Increase in Compensation Levels	8.50%	8.50%	8.50%	8.50%	6.00%	6.00%
3 Expected Rate of Return on Assets	7.80%	N.A.	7.27%	N.A.	7.25%	N.A.
Demographic assumptions						
1 Retirement Age (years)	58/60	58/60	58/60	58/60	58	58
2 Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate						
1 Ages up to 30 Years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2 Ages from 30-45 Years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 Above 45 years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of Defined Benefit Obligation	965.36	307.84	1,002.89	309.25	743.80	215.87
Fair value of plan assets	898.68	-	602.03	-	459.28	-
Net Defined Benefit (assets) / liability	66.68	307.84	400.86	309.25	284.53	215.87

i) A Quantitative Sensitivity Analysis for Significant Assumption is as Shown Below:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Discount rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Discount Rate	(64.12)	(68.76)
Effect on Defined Benefit Obligation due to 100 basis points decrease in Discount Rate	70.85	78.76
B. Salary escalation rate		
Effect on Defined Benefit Obligation due to 100 basis points increase in Salary Escalation Rate	69.66	77.05
Effect on Defined Benefit Obligation due to 100 basis points decrease in Salary Escalation Rate	(64.29)	(68.62)

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

j) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

Maturity Profile of Defined Benefit Obligation is as Follows:

Gratuity (Funded)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Within the next 12 months (next annual reporting period)	133.61	137.35
Between 2 and 4 years	470.44	487.63
Between 5 and 10 years	985.97	954.69

NOTE 38 : COMMITMENTS AND CONTINGENCIES

a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ 1,584.71 Lakh (March 31, 2017: ₹ 21.06 Lakh, April 1, 2016: Nil).

b) Contingent Liabilities

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Claims against Company not acknowledged as debt (refer (iii) below)	2,168.54	1,973.56	1,919.34
- Interest on above	601.31	417.06	232.63
Bank Guarantee (Net of Margins)	93.63	92.58	64.34
Other money for which the Company is contingently liable *			
Disputed liability under Income Tax	373.81	382.16	404.11
Disputed liability under Sales Tax	96.04	134.74	420.84
- interest on Sales Tax dispute	1.51	1.01	30.61
Disputed liability under Excise/Custom/Service Tax	161.52	259.93	327.34

The Company has not made the provision of bonus for the F.Y. 2014-15 on account of retrospective amendment made by The Payment of Bonus (Amendment) Act, 2015 keeping in view the disposal of writ petition vide order no. WP(C) NO. 3024/2016 (C) dated 27th January 2016 passed by the Hon'ble Kerala High Court.

- Pending resolution of the respective proceedings, it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 39 : CAPITAL MANAGEMENT

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company Manages its capital structure and makes adjustment to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital as under :

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Borrowings (Refer to note 17)	8,703.34	11,020.52	13,324.20
Trade Payables (Refer to note 21)	7,829.84	7,097.96	10,183.35
Other Payables (Refer to note 22)	1,426.57	1,725.99	1,549.83
Less: Cash and Bank Balance (Refer to note 13 & 14)	(275.99)	(396.37)	(389.18)
Net Debt	17,683.76	19,448.10	24,668.20
Equity Share Capital (Refer to note 15)	1,423.11	1,418.96	1,400.24
Other Equity (Refer to note 16)	20,814.56	16,781.33	15,421.02
Total Capital	22,237.67	18,200.29	16,821.26
Gearing ratio	0.80	1.07	1.47

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The above analysis indicates that the company has improved upon the financial leverage and has lower debt to service as on March 31, 2018 vis-a-vis reporting date of earlier two years.

NOTE 40 : DERIVATIVE INSTRUMENTS AND UNHEDGED

The Company has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under :-

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Foreign Currency	Amount in INR (Lakh)	Foreign Currency	Amount in INR (Lakh)	Foreign Currency	Amount in INR (Lakh)
Import of Raw Material and Stores						
Euro	4.10	330.72	0.03	19.80	0.46	33.03
US \$	-	-	-	-	0.00	3.08

NOTE 41 : SEGMENT INFORMATION

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. In Orient Bell Limited, the decision makers view the operating results internal division wise (Ceramic, Vitrified Polished). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence the disclosure requirement of Ind AS 108 of "Segment Reporting" is not considered applicable. Further the Company sells its products mostly within India with insignificant export income and does not have any operation in economic environment with different risk and returns, hence its considered operating in single geographical segment.

Major Customer: No single customers contributed 10% or more to the Company's revenue for both March 31, 2018 and March 31, 2017.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 42 : RELATED PARTY DISCLOSURE

a) List of related parties

Name of Related Party	Nature of Relationship
Freesia Investment and Trading Co. Limited	Enterprise over which KMP exercise control and/or significant Influence
Proton Granito Private Limited	Associate Company
Corial Ceramic Private Limited	Associate Company (w.e.f November 1, 2017)
Mahendra K, Daga - HUF	Enterprise over which KMP exercise Control and/or Significant Influence
Godavari Foundation	Enterprise over which KMP exercise Control and/or Significant Influence
Mahendra K. Daga, Chairman and Managing Director (CMD)	Key Managerial Personnel
Madhur Daga, Managing Director (MD)	Key Managerial Personnel
Kashinath Martu Pai, Executive Director and Chief Financial Officer (ED & CFO)	Key Managerial Personnel
Yogesh Mendiratta, Company Secretary (CS)	Key Managerial Personnel
Aditya Gupta (CEO) (From 6 th March 2018)	Key Managerial Personnel
Sarla Daga w/o Mahendra Kumar Daga	Relatives of Key Managerial Personnel
Roma Monisha Sakraney Daga w/o Madhur Daga	Relatives of Key Managerial Personnel

b) Transactions with related parties (Including bifurcation of material transaction)

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Mahendra K. Daga	Key Managerial Personnel	Interest Payments	78.66	81.78
		Managerial & KMP Remuneration	196.98	186.87
		Rent Paid	12.00	12.00
Sarla Daga	Relative of Key Managerial Personnel	Interest Payments	38.47	40.00
		Rent Paid	0.24	0.24
M/s Mahendra K. Daga - HUF	Enterprises owned or significantly influenced by KMP	Interest Payments	21.37	22.22
Freesia Investments and Trading Co. Limited	Enterprises owned or significantly influenced by KMP	Rent Paid	64.58	61.50
Mr. Madhur Daga	Key Managerial Personnel	Managerial & KMP Remuneration	121.76	119.55
Mr. K.M.Pai	Key Managerial Personnel	Managerial & KMP Remuneration	144.70	117.42
Mr. Aditya Gupta	Key Managerial Personnel	Managerial & KMP Remuneration	12.60	-
Yogesh Mendiratta	Key Managerial Personnel	Managerial & KMP Remuneration	18.45	23.77
Roma Monisha Sakraney Daga w/o Madhur Daga	Relatives of Key Managerial Personnel	Interest Payments	3.99	4.15
Proton Granito Private Limited	Associate Company	Purchase of Goods	9,638.04	9,768.62
Corial Ceramic Private Limited	Associate Company	Advance Against Supplies	36.50	-
		Investments in shares	260.00	-
Godavari Foundation	Enterprises owned or significantly influenced by KMP	Donation	33.82	19.44

Notes to Consolidated Financial Statements for the year ended March 31, 2018

c) Year end balances of related parties

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Balance	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
M/s Mahendra K. Daga - HUF	Unsecured Loan Payable	225.00	225.00	225.00
Mahendra K. Daga	Unsecured Loan Payable	828.00	828.00	828.00
Sarla Daga	Unsecured Loan Payable	405.00	405.00	405.00
Roma Monisha Sakraney Daga w/o Madhur Daga	Unsecured Loan Payable	42.00	42.00	42.00
Freesia Investments and Trading Co. Limited	Security Deposit Given	10.00	10.00	10.00
Proton Granito Private Limited	Trade Payables (Net)	690.96	390.50	-
	Advance Outstanding	-	-	69.98
Corial Ceramic Private Limited	Advance Outstanding	36.50	-	-

d) Other Transaction

The Company has taken Unsecured loan from Bank against the collateral security on the immovable property of Mr. Mahendra K. Daga (Key Managerial Personnel).

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate. The unsecured loan from bank are secured against the property of Key Managerial Personnel. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

NOTE 43 : SHARE BASED PAYMENTS

Description of shares based payments arrangements

- The Employees Stock Options under the Orient Bell Employees Stock Options Scheme, 2013 ("Scheme") is granted to an employee in three annual tranches of 30%, 35% and 35% of the total options per employee provided such employee fulfills the eligibility criteria for each year as decided by compensation committee from time to time.
- Each Employee Stock Option vested in an Employee under the Scheme entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹10 each upon exercise thereof. The Exercise price is 'Nil'. The exercise period commences from the date of vesting in respect of options granted under the Scheme and ends upon the expiry of three years from the date of each vesting.

The expense recognised for employee services received during the year is shown in the following table:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As At March 31, 2018	As At March 31, 2017
Expense arising from equity-settled share-based payment transactions (at fair value)	59.67	80.38
Expense arising from cash-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	59.67	80.38

Notes to Consolidated Financial Statements for the year ended March 31, 2018

There were no cancellations or modifications to the awards in March 31, 2018 or March 31, 2017.

Movement During the Year

Particulars	First Tranche of Old Employees	Second Tranche of Old Employees	First Tranche of New Employees	Third Tranche of Old Employees	Second Tranche of New Employees	First Tranche of Final Employees	Third Tranche of New Employees	Second Tranche of Final Employees	Third Tranche of Final Employees
Grant Date	Sept. 2, 2013	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2015
No. of options granted	2.63	1.54	0.41	1.51	0.37	0.15	0.26	0.18	0.18
No. of options not accepted by the employees	0.04	-	-	-	-	-	-	-	-
No. of options accepted by the employees	2.60	1.54	0.41	1.51	0.37	0.15	0.26	0.18	0.18
Exercise Price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Vesting commenced on	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2015	Sept. 2, 2015	Sept. 2, 2016	Sept. 2, 2016	March 22, 2017
Vesting end on	Sept. 1, 2014	Sept. 1, 2015	Sept. 1, 2015	Sept. 1, 2016	Sept. 1, 2016	Sept. 1, 2016	Sept. 1, 2017	Sept. 1, 2017	March 21, 2018
No of Options (granted and accepted) outstanding at the beginning of the year	-	-	-	-	-	-	0.24	0.18	0.18
No . Of Options granted and accepted during the year	-	-	-	-	-	-	-	-	-
No of Options Lapsed during the year due to employees left pertaining to option earlier granted	-	-	-	-	-	-	-	-	-
No of Options Lapsed during the year due to employees left pertaining to options granted during the year	-	-	-	-	-	-	-	-	-
No of Options vested in earlier years and exercised during the year	-	-	-	-	-	-	-	-	-
No of Options vested and exercised during the year	-	-	-	-	-	-	0.24	0.18	-
No of Options (granted and accepted) outstanding at the end of the year of which-	-	-	-	-	-	-	-	-	0.18
Options vested	-	-	-	-	-	-	-	-	0.18
Options yet to be vested	-	-	-	-	-	-	-	-	-

Note: Company vide resolution dated August 13, 2015 has stopped the ESOP scheme for the new employees joined w.e.f April 1, 2015 without affecting the further grant/ vest/ exercise of options by the existing eligible employees (i.e the employees who were granted the stock options on date September 2, 2013 & 2014 and also to Mr. K.M. Pai (ED & CFO) on September 02, 2015).

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(viii) The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	2017-18	2016-17		2015-16
	Vesting Commenced on : March 22, 2017	Vesting Commenced on : Sept. 2, 2016	Vesting Commenced on : March 22, 2017	Vesting Commenced on : Sept. 2, 2015
Weighted Average Risk -Free Interest Rate	6.81%	6.80%	6.80%	7.60%
Weighted Average Expected Life of Options	1 year	1 year	1 year	1 year
Weighted Average Expected Volatility	4.11%	4.48%	4.08%	4.66%
Weighted Average Expected Dividend Yield of the Options	0.82%	1.29%	1.29%	2.27%
Weighted Average Share Price (₹)	160.13	154.34	160.13	126.76
Weighted Average Exercise Price (₹)	Nil	Nil	Nil	Nil
Method Used to Determine Expected Volatility	Expected volatility is based on the Company's share price for preceding 5 years of grant date			

NOTE 44 : FAIR VALUE DISCLOSURE

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. represent the best estimate of fair value.

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments.

a) Fair Value of Financial Assets:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial Assets Measured at Amortised Cost						
Investments	630.01	2,413.10	2,269.80	630.01	2,413.10	2,269.80
Security Deposits	307.83	293.42	291.95	307.83	293.42	291.95
Interest Accrued on Fixed Deposits	0.21	0.18	6.48	0.21	0.18	6.48
Deposits with Original Maturity of More Than 12 months	3.98	1.21	47.74	3.98	1.21	47.74
	942.03	2,707.91	2,615.98	942.03	2,707.91	2,615.98

b) Fair Value of Financial Liabilities:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial Liabilities Measured at Amortised Cost						
Borrowings	3,754.79	4,659.06	5,307.64	3,754.79	4,659.06	5,307.64
Earnest Money Received from Employees	27.93	30.26	21.76	27.93	30.26	21.76
Security From Employees	1.94	1.90	1.93	1.94	1.90	1.93
	3,784.66	4,691.22	5,331.32	3,784.66	4,691.22	5,331.32

Notes to Consolidated Financial Statements for the year ended March 31, 2018

c) Discount Rate Used in Determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Fair value of Company's interest bearing borrowing are determined using discount rate that reflects the entity's discount rate at the end of reporting period. The own non-performance risk is assessed to be insignificant as at reporting date.

NOTE 45 : FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

a) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets as at March 31, 2018:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost				
Investments	631.01	-	-	630.01
Trade Receivables	12,619.95	-	-	12,619.95
Cash and Cash Equivalents	39.70	-	-	39.70
Bank balance other than Cash and cash equivalent	236.29	-	-	236.29
Security deposits	349.26	-	-	349.26
Interest accrued on fixed deposits	1.10	-	-	1.10
Interest accrued on Security Deposits	19.15	-	-	19.15
Deposits with original maturity of more than 12 months	3.98	-	-	3.98
	13,899.445	-	-	13,899.45

b) Quantitative Disclosures Fair Value Measurement Hierarchy For Liabilities as at March 31, 2018:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost				
Borrowings	8,703.34	-	-	8,703.34
Earnest Money Received from Employees	34.22	-	-	34.22
Security From Employees	1.94	-	-	1.94
Interest Accrued but not due on Borrowings	22.36	-	-	22.36
Unpaid Dividends (Refer Note 'a')	14.05	-	-	14.05
Trade Payable	7,829.84	-	-	7,829.84
	16,605.76	-	-	16,605.76

Notes to Consolidated Financial Statements for the year ended March 31, 2018

c) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets as at March 31, 2017:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost				
Investments	2,413.10	-	-	2,413.10
Trade Receivables	10,209.86	-	-	10,209.86
Cash and Cash Equivalents	25.16	-	-	25.16
Bank balance other than Cash and cash equivalent	371.21	-	-	371.21
Security deposits	348.84	-	-	348.84
Interest accrued on fixed deposits	13.27	-	-	13.27
Interest accrued on Security Deposits	17.76	-	-	17.76
Deposits with original maturity of more than 12 months	148.43	-	-	148.43
	13,547.63	-	-	13,547.63

d) Quantitative Disclosures Fair Value Measurement Hierarchy For Liabilities as at March 31, 2017:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost				
Borrowings	11,020.52	-	-	11,020.52
Earnest Money Received from Employees	33.90	-	-	33.90
Security From Employees	1.90	-	-	1.90
Interest Accrued but not due on Borrowings	10.36	-	-	10.36
Unpaid Dividends (Refer Note 'a')	13.98	-	-	13.98
Trade Payable	7,097.96	-	-	7,097.96
	18,178.61	-	-	18,178.61

e) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets as at April 01, 2016:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at April 01, 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost				
Investments	2,269.80	-	-	2,269.80
Trade Receivables	10,483.53	-	-	10,483.53
Cash and Cash Equivalents	28.18	-	-	28.18
Bank balance other than Cash and cash equivalent	361.00	-	-	361.00
Security deposits	341.47	-	-	341.47
Interest accrued on fixed deposits	62.44	-	-	62.44
Interest accrued on Security Deposits	24.20	-	-	24.20
Deposits with original maturity of more than 12 months	290.76	-	-	290.76
	13,861.38	-	-	13,861.38

Notes to Consolidated Financial Statements for the year ended March 31, 2018

f) Quantitative Disclosures Fair Value Measurement Hierarchy For Liabilities as at April 01, 2016:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at April 01, 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities Measured at Amortised Cost				
Borrowings	13,324.20	-	-	13,324.20
Earnest Money Received from Employees	25.46	-	-	25.46
Security From Employees	1.93	-	-	1.93
Interest Accrued but not due on Borrowings	9.54	-	-	9.54
Unpaid Dividends (Refer Note 'a')	16.04	-	-	16.04
Trade Payable	10,183.35	-	-	10,183.35
	23,560.53	-	-	23,560.53

(i) Valuation technique used to determine fair value:

Security Deposit : Discounted Cash Flow Method using risk adjusted discount rate.

(ii) There have been no transfers between level 1 and level 2 category during the year ended on respective reporting date given above.

NOTE 46 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables, borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior level oversees the management of these risks.

A. Market risk

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

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk.

	Increase or decrease in basis points	Effect on profit before tax
31 st March, 2018		
INR	+50	(36.88)
INR	-50	36.88
31 st March, 2017		
INR	+50	(48.34)
INR	-50	48.34

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

Particulars	Year	Changes in Euro rate	Effect on profit before tax
Trade Payables	31 March, 2018	+5%	(16.54)
		-5%	16.54
Trade Payables	31 March, 2017	+5%	(0.99)
		-5%	0.99

Particulars	Year	Changes in Currency rate	Effect on profit before tax
Foreign Currency in Hand	31 March, 2018	+5%	0.09
		-5%	(0.09)
Foreign Currency in Hand	31 March, 2017	+5%	0.13
		-5%	(0.13)

B. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

C. 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, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As at March 31, 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	3,935.33	202.83	812.84	1,238.41	2,518.22	8,707.63
Trade payables	-	7,829.84	-	-	-	7,829.84
Other financial liabilities	-	22.36	20.35	29.87	-	72.58
Total	3,935.33	8,055.03	833.19	1,268.28	2,518.22	16,610.05

As at March 31, 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	5,186.38	208.54	970.90	2,208.04	2,455.32	11,029.18
Trade payables	-	7,097.96	-	-	-	7,097.96
Other financial liabilities	-	10.36	17.61	32.16	-	60.13
Total	5,186.38	7,316.86	988.51	2,240.20	2,455.32	18,187.27

As at April 01, 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings*	6,983.86	159.80	877.65	2,760.57	2,552.85	13,334.73
Trade payables	-	10,183.35	-	-	-	10,183.35
Other financial liabilities	-	9.54	19.75	23.68	-	52.97
Total	6,983.86	10,352.69	897.40	2,784.25	2,552.85	23,571.05

* In absolute terms i.e. undiscounted and including current maturity portion

Notes to Consolidated Financial Statements for the year ended March 31, 2018

NOTE 47 : DISCLOSURE OF MOVEMENT IN PROVISION DURING THE YEAR AS PER IND AS- 37

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Balance as on March 31, 2017	Provided During the year	Paid / Adjusted during the year	Balance as on March 31, 2018
Compensated Absenses	309.25	33.75	35.16	307.84
Gratuity	400.86	10.65	344.83	66.68
Lease Equalisation Reserve	7.52	1.96	-	9.48
Income Tax	439.39	865.06	1,267.53	36.92
	1,157.02	911.42	1,647.52	420.92

NOTE 48 : DIVIDEND PAID AND PROPOSED

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Declare and Paid During the Year:		
Final Dividend for FY 2016-17: ₹ 0.5 per share (FY 2015-16: ₹ 0.5 per share) Including Dividend distribution tax of 14.43 lakhs FY 2016-17 (14.25 lakh for FY 2015-16)	85.39	84.26
	85.39	84.26
B. Proposed for Approval at the Annual General Meeting (not recognised as a liability)		
Final Dividend for FY 2017-18: ₹ 0.5 per share (FY 2016-17: ₹ 0.5 per share) Dividend Distribution Tax	71.16 14.49	70.95 14.44
	85.64	85.39

NOTE 49: ADDITIONAL REQUIREMENT AS REVISED UNDER SCHEDULE III TO COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED / ASSOCIATES / JOINT VENTURES

Particulars	Net Assets (Total Assets less Total Liability)						Share in Profit & Loss			
	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016		FY 2017-18		FY 2016-17	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company										
Orient Bell Limited	99.74%	22,179.66	99.57%	18,121.96	100.39%	16,886.22	100.50%	4,083.41	89.63%	1,237.85
Associates										
Proton Granito Private Limited	0.26%	58.01	0.43%	78.34	(0.39%)	(64.96)	(0.50%)	(20.33)	10.38%	143.30
Corial Ceramic Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total		22,237.67		18,200.29		16,821.26		4,063.10		1,381.14

NOTE 50 : In view of the management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2018.

Note 51 : The consolidated financial statements of the Company for the year ended 31st March, 2018 were approved by the Board of Directors and authorised for issue on May 21, 2018.

for and on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Dated : May 21, 2018

K M Pai
Executive Director & CFO
DIN 01171860

Yogesh Mendiratta
Company Secretary
M.No. 13615

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting of the members of Orient Bell Limited will be held on Monday, the 24th day of September, 2018 at 11:30 a.m. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited (Standalone and Consolidated) Balance Sheet as at 31st March 2018, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the reports of Directors' and Statutory Auditors' thereon.
2. To appoint a director in place of Mr. Mahendra K. Daga (DIN: 00062503), who retires by rotation and being eligible has offered himself for re-appointment.
3. To declare dividend on equity shares.

SPECIAL BUSINESS:

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

"RESOLVED that in partial modification of the Special Resolution passed by the members of the Company in 40th Annual General Meeting held on 22.09.2017 regarding the appointment and remuneration payable to Mr. Mahendra K. Daga, Chairman & Managing Director of the Company for a period from 01st April, 2018 to 31st March, 2021 and pursuant to the provisions of Section 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (hereafter called the 'Act'), if any and rules made there under and any amendments thereto or statutory modifications or re-enactment thereof, Articles of Association of the Company, special resolution passed in the 40th AGM dated 22.09.2017, recommendation of Nomination & Remuneration Committee and the approval of the Board of Directors and subject to the approval of the Central Govt., if necessary and such other approvals, permissions and sanctions as may be required in this regard, consent of the Company is hereby accorded to modify the said Resolution to change the category/ designation of Mr. Mahendra K. Daga (DIN: 00062503) from Chairman & Managing Director to Chairman & Whole Time Director of the Company with effect from 01st October, 2018.

RESOLVED FURTHER THAT all other terms and conditions of appointment and remuneration of Mr. Mahendra K. Daga as passed by the shareholders at 40th AGM dated 22.09.2017 of the Company will remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds and things as may be considered necessary to give effect to the above resolution."

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

"RESOLVED that pursuant to the provisions of Section 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (hereafter called the 'Act'), if any and rules made there under and any amendments thereto or statutory modifications or re-enactment thereof, Articles of Association of the Company, recommendation of Nomination & Remuneration Committee

and approval of the Board of Directors and subject to the approval of the Central Govt., if necessary and such other approvals, permissions and sanctions as may be required in this regard, consent of the Company is hereby accorded for the re-appointment of Mr. Madhur Daga (DIN: 00062149) as Managing Director of the Company for a further period from 1st April, 2019 to 31st March 2022, liable to retire by rotation, on the remuneration and terms and conditions as set out below:-

- A. Salary: Rs. 6,00,000/- per month;
- B. Rent free furnished / unfurnished residential accommodation or HRA of maximum of 50% of salary or such other suitable amount as may be decided by the Board of Directors;
- C. Commission: On net profits of the Company computed in accordance with relevant provisions of the Act, to be determined by the Board from time to time provided that the total remuneration including salary, commission and other perquisites shall be subject to the overall ceilings laid down in the relevant provisions of the Act or any amendments thereto;
- D. In addition to the above, Mr. Madhur Daga shall be entitled, as per rules of the Company, to the following perquisites (not exceeding Rs. 18 Lakhs p.a.) with an authority to the Board to grant, alter or vary from time to time, the amount and type of perquisites payable to him:
 - i. The expenditure pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company;
 - ii. Such furniture and furnishings as may be required by Mr. Madhur Daga;
 - iii. Full reimbursement of all medical expenses incurred for self and family, including hospitalization, membership of any hospital and / or doctors' scheme and medical insurance. Facility of medical checkup / treatment abroad, if and when needed, the total cost of which include travel to and from and for the stay in the foreign country, with an attendant, shall be borne by the Company in addition to the aforesaid remuneration;
 - iv. Leave Travel Concession for self and family;
 - v. Reimbursement of membership fee/ Subscription to clubs, in India and/or abroad including admission and life membership fee. Use of Corporate credit card facility;
 - vi. Personal accident insurance premium;
 - vii. Employer's contribution to National Pension Scheme (NPS);
 - viii. Company maintained car with driver, telephones, computers, printers, internet and all other communication instruments/ devices/ services at residence. Use of telephones, computers, printers, internet and all other communication instruments/ devices/ services and car with driver for official purposes shall not be considered as a

perquisite. The valuation of personal use of car would be as per prevalent Income-tax Rules and personal use of telephone for long distance calls will be charged on actual basis;

- ix. Mr. Madhur Daga shall be entitled to such other benefits or amounts as may be approved by the Board and permissible under Schedule V to the Companies Act, 2013 or otherwise.

The following perquisites shall also be allowed and they will not be included in the computation of the ceiling on perquisites:

- i. Company's contribution to Provident Fund, Superannuation Fund, annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- ii. Payment of Gratuity and other retiral benefits as per policies/ rules of the Company;
- iii. Encashment of leave as per policy of the Company.

The above perquisites shall be valued as per Income Tax Rules, 1962.

E. Other Terms and Conditions:

Minimum Remuneration:

Notwithstanding anything contained herein, in case of no profits or inadequate profits in any financial year in terms of section 197 and 198 of the Act, the payment of remuneration shall be made to Mr. Madhur Daga in terms of and within the limits as prescribed under Section II of Part II of Schedule V to the Act or any other statutory modifications therein, substitutions or re-enactment thereof, as applicable (hereinafter called Schedule V). The payment of remuneration in excess of the limits prescribed under Schedule V i.e. minimum remuneration may be granted to Mr. Madhur Daga after obtaining necessary statutory approval(s) including approval of the Central Government as referred to in the Act.

Others:

- a) The Company shall reimburse travelling, entertainment and other business promotion expenses actually incurred for the business of the Company.
- b) For the purpose of Gratuity and other benefits, the services of Mr. Madhur Daga will be considered continuous service with the Company from the date he joined the services of this Company in any capacity including renewal of his agreement with the Company as Director or in any other capacity as may be decided by the Board of Directors from time to time.
- c) Mr. Madhur Daga shall not be paid sitting fee for attending meetings of the Board or Committee(s).
- d) Subject to the provisions of the Companies Act, 2013, Mr. Madhur Daga shall while he continues to hold office as Managing Director, be subject to retirement by rotation. However, Mr. Madhur Daga re-appointed as a Director of the Company immediately on retirement by rotation, shall continue to hold his office of Managing Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment / service as Managing Director of the Company.

RESOLVED FURTHER that the Board of Directors/ Nomination & Remuneration Committee be and is hereby authorised to approve annually or otherwise increment of the above remuneration (within the overall maximum limits whether or not it results into any change in any of the heads as aforesaid) subject to their conformity with the Act and if required with any statutory approvals including the approval of Central Government to grant remuneration in excess of the limits prescribed under the Act.

RESOLVED FURTHER that the Board of Directors/ Nomination & Remuneration Committee be and is hereby further authorised to alter and vary the terms and conditions of the appointment of Mr. Madhur Daga and/ or change his designation in such manner and to such extent as may be agreed to between the Board of Directors/ Nomination & Remuneration Committee and Mr. Madhur Daga in terms of the provisions of the Act.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds and things as may be considered necessary to give effect to the above resolution."

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

"RESOLVED that pursuant to the provisions of section 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules") (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and the Policy on Board Diversity and the recommendation of Nomination & Remuneration Committee and the approval of the Board of Directors, Mr. K.M. Pai (DIN: 01171860), who had resigned from the position of Executive Director & CFO and was appointed by the Board of Directors in its meeting held on 21st May, 2018 as Additional Director (Category- Non Executive-Non Independent Director) of the Company with effect from 01st June, 2018 and who holds office up to the date of this Annual General Meeting and who has submitted necessary declarations under relevant provisions of the Act and Rules and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company (Category-Non Executive & Non Independent), liable to retirement by rotation.

RESOLVED FURTHER that with effect from 01st June, 2018 Mr. K.M. Pai will be entitled to get the sitting fee for attending the meetings of the Board and/or its Committees in accordance with applicable laws / approval of the Board and shall also be entitled to get other benefits, whether monetary or not, as prescribed under the Act and/or Rules subject to the approval of Board of Directors.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, things and deeds as may be necessary to give effect to this resolution."

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 21st May, 2018

Yogesh Mendiratta
Company Secretary & Head- Legal

NOTES:

The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto and forms part of this Notice.

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF /HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE APPOINTMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, IN THE FORM ENCLOSED HERETO, DULY FILLED AND AUTHENTICATED. IT IS ADVISABLE THAT THE PROXY HOLDER'S SIGNATURE MAY ALSO BE FURNISHED IN THE PROXY FORM, FOR IDENTIFICATION PURPOSES.

A person can act as proxy on behalf of the members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the company, carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint single person as proxy and such person shall not act as proxy for any other person or shareholder.

- ii. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- iii. In case of joint holders attending the meeting, only the first holder will be entitled to vote.
- iv. The explanatory statement pursuant to section 102(1) of the Companies Act, 2013 in respect of special business is annexed hereto.
- v. The register of members and share transfer books will remain closed from 18th September, 2018 to 24th September, 2018 (both days inclusive) for the purpose of determining the names of members eligible for dividend on equity shares, if declared by the members at the Meeting.
- vi. The dividend, if declared, will be paid to those members whose name appear on the register of members of the Company after giving effect to all valid transfers in physical form lodged with the Company on or before 17th September, 2018; in respect of shares held in electronic form, the dividend will be paid to members whose names appear as beneficial owners as at the end of business hours on 17th September, 2018 as per the list to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories").
- vii. Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20th April, 2018 has directed all Companies to make payment of dividend to the shareholders through approved electronic mode and also directed that updated bank details and PAN of the Shareholders be obtained and maintained by

the Companies. Accordingly, members holding shares in physical form who have not yet provided their Bank details are requested to provide their PAN, Bank Account Number, name and address of the Bank & IFSC Code. In respect of members who are holding shares in electronic form, their bank particulars registered against their respective depository accounts, will be used by the Company for payment of dividend. Any change in bank particulars, will therefore be intimated to Depository Participants.

- viii. The shares of the Company are traded in DEMAT segment only. Members who still hold the shares of Company in physical form are advised to contact their Depository Participant for dematerialization of their holdings in their own interest. The ISIN No. allotted to Company is INE607D01018. Further, the SEBI had vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, also mandated that with effect from 5th December, 2018, transfer of shares of a listed Company shall be in dematerialized form only. Hence, you are requested to get your physical shareholding dematerialized at the earliest, in order to avoid inconvenience at later stage.
- ix. The Annual Report 2017-18 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.orientbell.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.
- x. Members holding equity shares in physical form are requested to notify any change in address, bank mandate or e-mail ID to the Company's Registrar i.e. MCS Share Transfer Agent Ltd. At F-65, Okhla Industrial Area, Phase-I, New Delhi 110020 or at Company's Corporate Office at IRIS House, 16, Business Centre, Nangal Raya, New Delhi-110 046. Members holding equity shares in electronic form are requested to notify any change in address, bank mandate or e-mail ID to their Depository Participants (DPs).
- xi. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Sundays and Holidays during business hours up to the date of Annual General Meeting.
- xii. Pursuant to section 124(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividend for the Financial Years up to 2009-10, to the Investor Education and Protection Fund of the Central Government ("the Fund") as per the relevant provisions of the Companies Act, 2013. The unpaid dividend for the Financial Year 2010-11 will become due for transfer to the Fund, on 09th October, 2018.

Pursuant to section 124(6) of the Companies Act, 2013 and Rules made thereunder, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years, are liable to be transferred to the said Fund. Members who have not yet encashed the dividend warrants for any of the Financial Years from 2010-11 to 2016-17 are therefore once again requested to make their claims immediately to the Company or the Company's Registrar & Share Transfer Agents for issuance of duplicate / revalidated dividend warrants. The list of unclaimed

dividend for the Financial Years 2010-11 to 2016-17 and the list of members whose shares are liable to be transferred to the said Fund are available on the Company's website <https://www.orientbell.com>.

- xiii. Members are entitled to make nomination in respect of shares held by them in physical form as per the provisions of section 72 of the Companies Act, 2013. Members desirous of making nomination are requested to send Form SH.13 either to the Company or its Registrar and Share Transfer Agent. Members holding shares in DEMAT form may contact their respective Depository Participant for recording nomination in respect of their shares.
- xiv. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. However, the members having their shareholding in the Demat form are requested to provide their PAN details to their respective DPs and those who have in physical mode are requested to provide their PAN details to the company or its registrar.
- xv. Members (Transferees) who wish to get the shares held by them in physical form transferred in their name are advised to send copy of their PAN card along with the request for share transfer.
- xvi. As a green initiative, the Annual Report for the FY 2017-18 has been sent electronically to those members whose e-mail IDs are registered with the Company/ Depositories Participant(s) for communication purpose unless any such member has requested for a hard copy of the same. For members who have not registered their email address with Company/ Depository Participant(s), physical copies of the Annual Report for FY 2017-18 is being sent through permitted mode and the same is also placed on the website of the company viz. <https://www.orientbell.com>.
- xvii. Members who have not registered their e-mail addresses with Company/ Depository Participant(s) so far are requested to register their e-mail address with the Company/ Depository Participant(s).
- xviii. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company / MCS Share Transfer Agent Limited (R&TA), for consolidation into a single folio.
- xix. In compliance with the provisions of section 108 of the Act and Rules framed there under, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL, on all resolutions set forth in this Notice.
- xx. "Electronic voting system" means a secured system based process of display of electronic ballots, recording of votes of the Members and the number of votes polled in favour or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate cyber security.

"Remote e-voting" means the facility of casting votes by a Member using an electronic voting system from a place

other than venue of a general meeting.

The facility for voting, through ballot/polling paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The instructions for remote e-voting are as under:

A. How to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is-
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' shall be communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on ["Forgot User Details/Password?"](#) (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) ["Physical User Reset Password?"](#) (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting.

Then, click on Active Voting Cycles.

2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Orient Bell Limited i.e. 108974.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to agc.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ["Forgot User Details/Password?"](#) or ["Physical User Reset Password?"](#) option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- B.** In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- a) EVEN (e-Voting Event Number), user ID and password are provided in the enclosed Remote e-voting instruction sheet.
 - b) Follow the steps mentioned hereinbefore in order to cast your vote.

C. Other Instructions:

- a) The “cut-off date” for determining the eligibility for voting either through electronic voting system or ballot is fixed as 17th September, 2018. The e-voting period commences on 21st September, 2018 at 9:00 a.m. and ends on 23rd September, 2018 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period members of the Company, holding shares either in physical form or in demat form, as on the cut-off date, i.e., 17th September, 2018, shall be entitled to avail the facility of remote e-voting.
- b) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date i.e. 17th September, 2018.
- c) Members who have already exercised their voting through Remote e-voting can attend the Annual General Meeting but cannot vote again.
- d) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 17th September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsregistrars.com.
- e) Ms. Ashu Gupta, Company Secretary in whole time practice (Membership No. FCS 4123; COP No. 6646), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- f) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- g) As per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results of the e-voting are to be submitted to the Stock Exchange(s) within 48 hours of the conclusion of the AGM. The results declared along with Scrutinizer’s Report shall be placed on the Company’s website <https://www.orientbell.com> and the website of NSDL.
- h) The results on resolutions so declared at or after the Annual General Meeting of the Company will be deemed to have been passed on the Annual General Meeting date subject to receipt of the requisite number of votes cast in favour of the Resolutions.
- xxi. Members are requested to send their queries, if any, to the Company Secretary at Corporate Office at least 10 days before the date of the Annual General Meeting.
- xxii. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the Annual Report for attending the meeting.
- xxiii. The route map of the venue of the meeting is given in the notice. The prominent landmark for the venue is near to over bridge in Sikandrabad industrial area and 1 K.M. from Sikandrabad toll collection centre on NH-91.
- xxiv. E-mail Registration:
Members who have not registered their e-mail ID are requested to update the same with the Company, if held in physical form or to the Depository, if held in demat mode.
- xxv. As usual, no gifts will be distributed at the meeting.

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 21st May, 2018

Yogesh Mendiratta
Company Secretary & Head- Legal

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

Item No. 4

Mr. Mahendra K. Daga, Chairman & Managing Director took over the management of Orient Bell Limited (OBL) way back in the year 1993. Since then he has been at the helm of affairs of OBL as Chairman & Managing Director. He converted the Company into a profitable venture and a dividend paying Company. The Company has never seen downturn (except normal business ups and downs) since Mr. Daga's assuming the office of Managing Director.

In the present scenario, when Mr. Madhur Daga has assumed the office of Managing Director since 22nd May, 2017 and is successfully discharging his duties and responsibilities as Managing Director, and also keeping in view good Corporate Governance which emphasis on separation of the posts of Chairman and CEO/MD, Mr. Mahendra K. Daga has decided to step down as Managing Director of the Company and at the same time given his consent to continue as Whole Time Director of the Company. It is therefore justified to change the category/designation of Mr. Mahendra K. Daga from Chairman & Managing Director to Chairman & Whole Time Director.

The present term of Mr. Mahendra K. Daga as Chairman & Managing Director is effective up to 31.03.2021 at a remuneration as approved by the members of the Company at 40th AGM held on 22.09.2017. The Nomination & Remuneration Committee and the Board of Directors have considered and approved this proposal in their respective meetings held on 21.05.2018.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Mahendra K. Daga and Mr. Madhur Daga (son of Mr. Mahendra K. Daga) is/are in any way, concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the passing of the Resolution at Item No. 4 as Special Resolution.

Item No. 5

Mr. Madhur Daga was appointed as Joint Managing Director for a period effective from 01st October, 2016 till 31st March, 2019 by the members in the 39th AGM held on 14.09.2016. Thereafter in the 40th AGM held on 22.09.2017, the members approved the change in designation of Mr. Madhur Daga from Joint Managing Director to Managing Director effective 22.05.2017. The Nomination & Remuneration Committee and the Board of Directors have at their respective meetings held on 21st May, 2018, subject to the approvals of Members, Central Government and such other approvals as may be necessary, approved the re-appointment of Mr. Madhur Daga as Managing Director of the Company for a further period from 01st April, 2019 to 31st March 2022 and also the remuneration as enumerated in the Special Resolution which is commensurate with his qualification, experience and the responsibilities entrusted on him.

Mr. Madhur Daga, BBA (University of Southern California, US), PG and degree holder in International Corporate Finance (University of New South Wales, Sydney, Australia), aged about 45 yrs. has over 22 years of rich experience. He had joined the Company as Executive Director in the year 1998 and since then

with his dedicated and timeless efforts the Company has seen a sea change in the Company's products in terms of innovations and designs. He is a driving force behind the continual growth of the organization. Mr. Daga's continuous and rigorous efforts of brand building have made the Company's Brand known widely. Although responsible for the overall management of the Company in his present role as Managing Director, Mr. Daga spends most of his time leading the Company's Product Innovation Team & interacting with customers. Subject to the provisions contained under sections 152, 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, member's approval by way of Special Resolution is required for the appointment and payment of remuneration for an amount as stated in the Special Resolution at item no. 5 of the accompanying notice.

None of the Directors except Mr. Madhur Daga and Mr. Mahendra K. Daga (who is father of Mr. Madhur Daga) are concerned or interested in the resolution.

In terms of Section 190 of the Companies Act, 2013, this may be construed as a memorandum setting out the terms of appointment of Mr. Madhur Daga and shall be open for inspection of the members of the Company at its Registered Office between 11.00 am to 1.00 pm on all working days except Saturday, Sunday and public holidays.

The following disclosures are being made in this Explanatory Statement in compliance with Section II in Part II of Schedule V to the Companies Act, 2013:

I. General Information:

1. The Company is engaged in the business of manufacture and trading of Ceramic Tiles. The manufacturing facilities of the Company are situated at Sikandrabad (Uttar Pradesh), Dora (Gujarat) and Hoskote (Karnataka) with an aggregate production capacity of 20 Million sq. meters.
2. The Company commenced commercial production w.e.f. 7th October 1977.
3. The Company is an existing entity and has already commenced Commercial Production.
4. Financial performance of the Company for the Financial year 2017-18 is as follows:

(₹ in Lakhs, unless otherwise stated)

Particulars	2017-18	2016-17
Total Income	66,174	69,059
Profit Before Tax	4,733	2,482
Profit After Tax (PAT)	4,004	1,359
Other Comprehensive Income (OCI)	78	(120)
PAT after OCI	4,082	1,239
Paid up Equity Capital	1,423	1,419
Other Equity	20,757	16,703
Basic Earnings per share (In ₹)	28.73	8.79
Diluted Earnings per share (In ₹)	28.70	8.75

- The company has earned Nil (FOB value of Exports) foreign Exchange during the financial year 2017-18.

II. Information about the appointee:

- Mr. Madhur Daga, BBA (University of Southern California, US), PG with a degree in International Corporate Finance (University of New South Wales, Sydney, Australia), aged about 45 yrs. has over 22 years of successful experience. Under the overall supervision of the Board of Directors, he has been instrumental in taking the Company from strength to strength to its present position.
- The total remuneration of Mr. Madhur Daga for the Financial Year 2017-18 was Rs. 1,21,76,350/-.
- Mr. Madhur Daga had joined the Company on 01.01.1998 as the Whole Time Director (designated as Executive Director) and since then Mr. Daga has been serving the Company. Mr. Madhur Daga was re-designated as Joint Managing Director w.e.f. 01.10.2013 and as Managing Director w.e.f. 22.05.2017. Mr. Daga although responsible for the overall management of the company in his present role, spends most of his time leading the Company's Product Innovation Team & interacting with customers.
- Mr. Madhur Daga's role in the Company as Managing Director of the Company is most suitable considering his present role in the Company's day to day management. Under his valuable guidance and leadership, the Company has achieved significant growth in a considerable less span of time and has carved a niche for itself in the industry.
- The detail of proposed remuneration is as per special resolution at item no. 5.
- The remuneration proposed to be paid to Mr. Madhur Daga is commensurate with the size of the Company, nature of its operations and is in line with the industry standards.
- Mr. Madhur Daga is a Promoter - Director of the Company and falls under the category of Related Party as per the provisions of the Companies Act, 2013 and Indian Accounting Standards (IND-AS). Mr. Madhur Daga is the son of Mr. Mahendra K. Daga, Managing Director of the Company. Mr. Madhur Daga has no relationship with any managerial personnel, Director, Key Managerial Personnel of the Company except Mr. Mahendra K. Daga who is his father.

III. Other Information:

- At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.
- The Company has rejigged its product portfolio to include large format tiles in it and aims to sell more of bigger size and high value tiles and increase gross margins. The Company is also trying up additional manufacturing capacities in West Zone to cater to the demand of relevant market. The Company's Brand 'Orient Bell tiles' is known widely. The Company's thrust on augmenting more and more high

value customers and increase sale of High Value Products. During the year 2017-18 the Company has opened 63 franchise Orient Bell Tile Boutiques across the country. To boost the sales, the Company is increasing spends on its branding and advertising and also to have more of Orient Bell Tile Boutiques this year.

- It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and Profitability may improve and would be comparable with the industry average.

IV. Disclosures:

- The shareholders are being informed of the remuneration package by way of explanatory statement as given above.
- The details of remuneration etc. of other Directors are included in the Corporate Governance Report and forming part of the Annual Report of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives other than Mr. Madhur Daga and Mr. Mahendra K. Daga (father of Mr. Madhur Daga) is/are in any way, concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding, if any, in the Company. The Board recommends the passing of the Resolution at Item No.5 as a Special Resolution.

Item No. 6

Mr. K.M. Pai, Executive Director & Chief Financial Officer of the Company has resigned from the post of Executive Director & Chief Financial Officer effective 01st June 2018 and thereafter he has consented for his appointment as Non-Executive Director of the Company. The Board of Directors has in its meeting held on 06.03.2018 accepted the resignation of Mr. K.M. Pai appreciating his contribution to the Company and also approved his resignation w.e.f. 01.06.2018.

Mr. K.M. Pai has given declarations that he is not disqualified to become a Director under Section 164(2) of the Companies Act, 2013 and also given his consent to hold office as Director from 01.06.2018. As per the provisions of Section 160 of the Companies Act, 2013 the Company has received notice in writing from a member signifying the candidature of Mr. K.M. Pai as a Director along with deposit of ₹ 1,00,000/- towards refundable fee as prescribed.

Pursuant to Mr. K.M. Pai's consent to act as Director of the Company and receipt of above said notice from a member, the appointment of Mr. K.M. Pai as Additional Director was approved by the Board of Directors (in its meeting held on 21.05.2018) w.e.f. 01st June, 2018 till the conclusion of 41st AGM. Copy of the letter of appointment of Mr. K.M. Pai as Director (Category Non Executive & Non Independent) setting out the terms and conditions are available for inspection of the Members in physical and in electronic form at the Registered Office of the Company between 11.00 a.m. to 01.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays), up to the date of Annual General Meeting (AGM) and copies thereof shall also be made available for inspection in physical or electronic

form at the Corporate Office of the Company situated at IRIS House, 16, Business Centre, Nangal Raya, New Delhi-110046 as well as during the AGM at the venue thereof.

The Board based on the experience/expertise declared by Mr. K.M. Pai, is of the opinion that Mr. Pai is a rightful person to act as Director of the Company. The Board deliberated and decided that owing to the rich and varied experiences, his experience and knowledge about the tile industry would be of immense benefit to the Company and it is desirable to avail services of Mr. K.M. Pai as Director on the Board of the Company.

Accordingly, the Board recommends the resolution at Item No. 6 for the appointment of Mr. K.M. Pai as Director, for the approval by the members of the Company. Mr. K.M. Pai also hold directorship in VST Tillers Tractors Limited. Mr. K.M. Pai hold 18,000 equity shares of the Company as per declaration given by him as on 31st March, 2018. Mr. K.M. Pai has no relationship

with any Managerial Personnel, Director, Key Managerial Personnel of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution except Mr. K.M. Pai. The Board recommends the passing of the resolution at Item No. 6 as Ordinary Resolution.

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 21st May, 2018

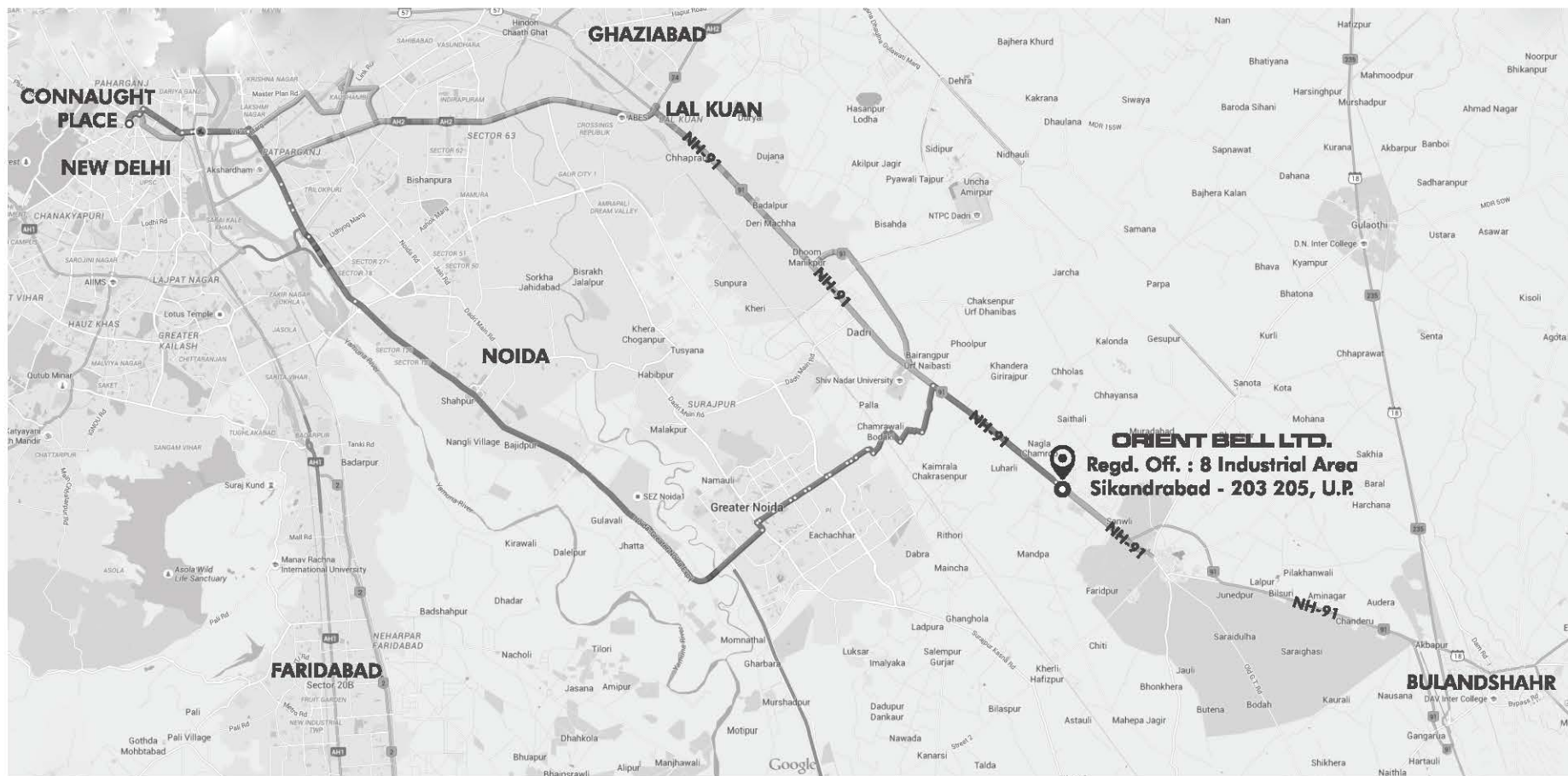
Yogesh Mendiratta
Company Secretary & Head- Legal

INFORMATION REQUIRED TO BE FURNISHED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Director seeking appointment / re-appointment in the forthcoming Annual General Meeting is as follows:

Name of Director	Mr. Mahendra K. Daga	Mr. Madhur Daga	Mr. K.M. Pai
DIN	00062503	00062149	01171860
Date of Birth	27.10.1938	06.09.1972	25.08.1952
Date of Appointment	09.12.1993	01.01.1998	02.04.2012
No. of Shares held (as on 31.03.2018)	28,98,716	12,73,264	18,000
Expertise in Specific Functional area	Industrialist with vast business experience.	An eminent Industrialist, spends most of his time in leading product innovation team with an overall Management and supervision of affairs of the Company.	Finance, Costing, Managing General Commercial Operations of a Company.
Qualification	B.A.	BBA (University of Southern California, US), PG with a degree in International Corporate Finance (University of New South Wales, Sydney, Australia).	MBA Finance from IIM, Bengaluru, ACMA, ACS
No. of board meetings attended during FY 2017-18.	5	6	6
List of Companies in which outside Directorship held as on 31.03.2018	1. Freesia Investment & Trading Co. Ltd. 2. Good Team Investment & Trading Co. Pvt. Ltd.	1. Good Team Investment & Trading Co. Pvt. Ltd. 2. Mithleash Infrastructure Pvt. Ltd. 3. Orchid Farmscapes Pvt. Ltd.	VST Tillers Tractors Ltd.
Chairman / Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	Member – Audit Committee and Nomination & Remuneration Committee: Freesia Investment & Trading Co. Ltd.	-	Member – Audit Committee: VST Tillers Tractors Ltd.

Route Map to the venue of the AGM



ORIENT BELL LIMITED

Registered Office: 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Corporate Office: Iris House, 16 Business Centre, Nangal Raya, New Delhi-110 046
CIN: L14101UP1977PLC021546 Tel.: 011-47119100 Fax: 011-28521273
Email: customercare@orientbell.com Website: www.orientbell.com

ATTENDANCE SLIP

(To be presented at the entrance)

41ST ANNUAL GENERAL MEETING ON MONDAY, SEPTEMBER 24, 2018 AT 11.30 A.M.
at 8, Industrial Area, Sikandrabad – 203 205, Distt. Bulandshahr (U.P.)

Folio No. / Client ID DP ID No. of shares.....

Name of the Member..... Signature.....

Name of the Proxyholder..... Signature.....

1. Only Member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.
3. No gifts will be distributed at the meeting.

ORIENT BELL LIMITED

Registered Office: 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Corporate Office: Iris House, 16 Business Centre, Nangal Raya, New Delhi-110 046
CIN: L14101UP1977PLC021546 Tel.: 011-47119100 Fax: 011-28521273
Email: customercare@orientbell.com Website: www.orientbell.com

FORM NO. : MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):

Registered address:

E-mail Id:

Folio No. / Client ID DP ID :

I / We, being the member(s) of Shares of Orient Bell Limited, hereby appoint:

1. Name.....E-mail Id:.....
Address:
.....Signature:.....

or failing him

2. Name.....E-mail Id:.....
Address:
.....Signature:.....

or failing him

3. Name.....E-mail Id:.....
Address:
.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the Company to be held on Monday, September 24, 2018 at 11.30 a.m. at its Registered Office at 8, Industrial Area, Sikandrabad – 203 205, Distt. Bulandshahr (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Annual (Standalone & Consolidated) Financial Statement for the financial year ended 31st March, 2018 and the reports of Board of Directors and Statutory Auditors thereon.
2. Appointment of a director in place of Mr. Mahendra K. Daga (DIN: 00062503), retiring by rotation and being eligible offers himself for re-appointment.
3. Declaration of dividend.
4. Change in designation of Mr. Mahendra K. Daga (DIN: 00062503) from Chairman & Managing Director to Chairman & Whole Time Director w.e.f. 01st October, 2018.
5. Re-appointment and remuneration of Mr. Madhur Daga, Managing Director (DIN: 00062149) from 01st April, 2019 to 31st March, 2022, liable to retire by rotation.
6. Appointment of Mr. K.M. Pai (DIN: 01171860) as a Director (in the category of Non Executive and Non Independent), liable to retire by rotation.

Signed on this day of 2018

Signature of Member..... Signature of Proxy holder(s).....

Affix
Revenue
Stamp

- NOTES: 1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Those members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy form.

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CORPORATE OFFICE:

Iris House, 18 Business Centre,
Nangal Roys, New Delhi - 110046, India
Tel: +91-11-47118100, Fax: +91-11-2852 1273

REGISTERED OFFICE:

8 Industrial Area, Silkendrabed - 203 206 (UP), India
Tel: +91-5735-222-203 / 424, +91-5181004575 / 78
Fax: +91-5735 222 642

CUSTOMER CARE:

customercare@orientbell.com
Toll Free: 1800 206 1015

CIN: L14101UP1977PLC021546

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www.orientbell.com

