

Notes to Financial Statements for the year ended 31st March, 2017

1. General Information

Kesoram Industries Limited (the Company) is a public Company domiciled and incorporated under the provisions of the The Indian Companies Act, 1913. The Company is flagship company of B. K. Birla group of companies. The Company is a multi product and multi location company. Cement and automobile tyre business are its core businesses. Its shares are listed on three stock exchanges in India (Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange) and its Global Depository Receipts (GDR) are listed on Luxembourg Stock Exchange. The Company markets its automobile tyres under the brand name "Birla Tyres" and cement is marketed under "Birla Shakti" brand.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply.

Consequentially, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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

2.2 Tangible Fixed assets and Depreciation

- (a) Fixed Assets, except land, are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation /settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.
- (b) Land of Cement (at Basantnagar) unit as at 31st March, 1983 is stated at valuation made by the professional valuers in 1982-83 at the then current value.
- (c) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- (d) Capital work in progress is stated at cost [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.8 below], incurred during construction/ installation/ pre-operative period relating to items or projects in progress.
- (e) Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

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- (f) Depreciation is provided on pro-rata basis using straight line method over the estimated useful lives of assets and are same as the lives prescribed under Schedule II to the Companies Act, 2013. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.
- (g) Leasehold land is amortised over the lease period.

2.3 Intangible fixed assets and Amortisation

Intangible fixed assets are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis over a period of three years from the date of capitalisation. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

2.4 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.5 Impairment

Cash generating units/ assets are assessed for possible impairment at Balance Sheet date based on external and internal sources of information. Impairment losses, if any, are recognised as an expenses in Statement of Profit and Loss.

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/ slow moving/defective stocks, wherever necessary.

2.8 Foreign Currency Translation /Transaction

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses (other than relating to reporting of Long term foreign currency monetary items)

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arising out of fluctuations in the exchange rates are recognised in Statement of Profit and Loss in the period in which they arise. Exchange differences arising on reporting of long term foreign currency monetary items (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long term monetary asset/liability). Differences between the forward exchange rates and the exchange rates at the date of transactions are accounted for as income/expense over the life of the contracts.

2.9 Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/losses on settlement and mark to market gain/loss (net) relating to outstanding contracts as at the Balance Sheet date is recognised in the Statement of Profit and Loss.

Refer Note 2.8 above for forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in foreign Exchange Rates'.

2.10 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.

Sales of goods

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts/allowance, sales return and sales taxes/value added tax.

2.11 Other Income

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

Dividend: Dividend income is recognised when the right to receive dividend is established.

2.12 Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Contributions towards superannuation fund, at rates specified in related approved scheme covering eligible employees, are recognised as expenses on accrual basis and funded.

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on monthly basis.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rates payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.

In view of the Company's obligation to meet the shortfall, this is a defined benefit plan. The Company's liability is actuarially

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determined (in accordance with the Guidance Note 29 issued by The Institute of Actuaries of India) at the end of the year and any gain/loss is recognised in the Statement of Profit and Loss. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity: The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is provided and funded on the basis of year end Actuarial valuation (using the Projected Unit Credit method). Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences which are expected to be availed or encashed within 12 months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have a unconditional right to defer its settlement for 12 months after the reporting date.

Employees' State Insurance

Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge in Statement of Profit and Loss in the year in which they arise.

2.13 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred taxes is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

As at the Balance Sheet date, unless there is an evidence to the contrary, deferred tax assets pertaining to business loss are only recognised to the extent that there are deferred tax liabilities offsetting them.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is a convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in Fixed Assets.

Notes to Financial Statements for the year ended 31st March, 2017

2.15 Government Grants

Grants of Capital nature and related to specific Fixed Assets are deducted from gross value of assets. Other grants of capital nature are credited to Capital Reserve. Grant related to revenue are recognised in the Statement of Profit and Loss on a systematic basis to match them with related costs.

2.16 Lease

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

2.17 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/(loss) for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Provision and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.20 Provision for Sales related obligations

The estimated liability for sales related obligations is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. The timing of outflow will vary as and when the obligation will arise – being typically upto three years.

Notes to Financial Statements for the year ended 31st March, 2017

2.21 Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

Inter-segment transfers

The Company accounts for intersegment sales and transfers at cost.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocable to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.22 Use of estimates

The preparation and presentation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods.

Notes to Financial Statements for the year ended 31st March, 2017

3. SHARE CAPITAL

₹/ crore

	31st March, 2017	31st March, 2016
AUTHORISED		
55,00,00,000 Equity Shares of ₹10 each	550.00	550.00
1,50,00,00,000 Preference Shares of ₹100 each	150.00	150.00
	700.00	700.00
ISSUED, SUBSCRIBED AND PAID-UP		
11,72,68,650 (31st March, 2016 : 11,72,68,650) Equity Shares of ₹10 each fully paid up	117.27	117.27
7,50,000 (31st March, 2016 : 7,50,000) Optionally Convertible Redeemable Preference Shares of ₹100 each fully paid up	7.50	7.50
	124.77	124.77

(a) Reconciliation of the number of shares outstanding as at 31st March, 2017 and 31st March, 2016 is set out below:

Equity Shares

Particulars	31st March, 2017	31st March, 2016
Number of shares outstanding at the beginning of the year	11,72,68,650	10,97,68,650
Add: Shares issued during the year	-	75,00,000
Number of shares outstanding at the end of the year	11,72,68,650	11,72,68,650

Optionally Convertible Redeemable Preference Shares (OCRPS)

Particulars	31st March, 2017	31st March, 2016
Number of shares outstanding at the beginning of the year	7,50,000	-
Add: Shares issued during the year	-	7,50,000
Number of shares outstanding at the end of the year	7,50,000	7,50,000

(b) Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has equity shares having a par value of ₹10 per share. All equity shareholders are entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

Optionally Convertible Redeemable Preference Shares (OCRPS):

The Company had issued during the year 2015-16 Optionally Convertible Redeemable Preference Shares ("OCRPS") shares having a par value of ₹100 per share.

OCRPS carry a cumulative dividend of 0.001% per annum per OCRPS. Each OCRPS carry a right of conversion into 10 equity shares of the Company within a time frame not exceeding 18 months of allotment. In case, OCRPS are not converted into equity shares, the Company will redeem the OCRPS together with the cumulative dividend and applicable yield within a period not exceeding 18 months or such extended time as may be legally permissible based upon such term and conditions and at such price as may be mutually agreed.

Notes to Financial Statements for the year ended 31st March, 2017

3. SHARE CAPITAL (contd.)

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Equity Shares

Sl. No.	Name of the shareholders	31st March, 2017		31st March, 2016	
		No. of shares	% age	No. of shares	% age
1	Pilani Investments and Industries Corporation Limited	2,73,38,750	23.31	2,73,38,750	23.31
2	Manav Investment & Trading Co. Ltd	1,61,38,250	13.76	1,61,38,250	13.76
		4,34,77,000	37.07	4,34,77,000	37.07

Optionally Convertible Redeemable Preference Shares (OCRPS)

Sl. No.	Name of the shareholders	31st March, 2017		31st March, 2016	
		No. of shares	% age	No. of shares	% age
1	IndusInd Bank Ltd.	7,50,000	100.00	7,50,000	100.00
		7,50,000	100.00	7,50,000	100.00

4. RESERVES AND SURPLUS

₹/ crore

	31st March, 2017	31st March, 2016
Capital Reserve		
(a) Development Grant/ Subsidy	0.40	0.40
(b) Amalgamation Reserve	2.91	2.91
	3.31	3.31
Capital Redemption Reserve	3.59	3.59
Securities Premium		
Balance at the beginning of the year	507.22	342.22
Add: Received during the year on issue of Equity Shares	-	82.50
Add: Received during the year on issue of OCRPS	-	82.50
	507.22	507.22
Forfeiture of shares	0.00*	0.00*
Revaluation Reserve		
Balance at the beginning of the year	0.13	2.38
Less: Withdrawal of residual amount added on revaluation consequent to sale/ disposal of revalued assets	-	2.25
	0.13	0.13
General Reserve	224.00	224.00
Other Reserves:		
(a) Doubtful Debts & Contingencies	0.20	0.20
(b) Share Buy Back Reserve	7.01	7.01
	7.21	7.21
Foreign Currency monetary item translation difference account		
Balance at the beginning of the year	(15.91)	(16.78)
Less: Reversal/ (Created) during the year	15.91	0.87
	-	(15.91)

Notes to Financial Statements for the year ended 31st March, 2017

4. RESERVES AND SURPLUS (contd.)

₹/ crore

	31st March, 2017	31st March, 2016
Surplus/(Deficit)		
Balance at the beginning of the year	(451.23)	(588.35)
Add:- Profit/(Loss) for the period	(124.13)	137.12
Amount available for appropriation	(575.36)	(451.23)
Less: Appropriations:		
Proposed Dividend on OCRPS	-	0.00*
Tax on Proposed Dividend (OCRPS)	-	0.00*
	-	0.00*
	(575.36)	(451.23)
	170.10	278.32

* Amount is below the rounding off norm adopted by the Company

5. LONG TERM BORROWINGS

₹/ crore

	Non current portion		Current maturities	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Secured:				
Debentures				
2000 (March 31, 2016: 2000) Redeemable Non-Convertible Debentures [Refer Note (a) below]	-	200.00	-	-
Term Loans:				
From Bank				
Indian rupee loan	2,100.00	2,138.06	-	356.12
Foreign currency loan	-	179.12	-	52.50
From others				
Indian rupee loan	100.00	683.17	-	150.04
Finance lease obligation	-	-	-	0.67
Unsecured:				
Deposits from selling agents and others	237.92	243.74	-	-
	2,437.92	3,444.09	-	559.33
The above amount includes:				
Secured borrowings	2,200.00	3,200.35	-	559.33
Unsecured borrowings	237.92	243.74	-	-
Amount disclosed under the head "other current liabilities" (refer Note 9)	-	-	-	(559.33)
	2,437.92	3,444.09	-	-

Notes to Financial Statements for the year ended 31st March, 2017

5. LONG TERM BORROWINGS (contd.)

(a) Debentures

₹/ crore

	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
10.50% Non Convertible Debentures	-	200.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the Company.	Repayment at the end of 5 years from the allotment date of 28th August, 2014. Interest payable quarterly @ 10.50% p.a.
	-	200.00		

(b) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

₹/ crore

Bank	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
Axis Bank Ltd.	-	400.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the Company.	Repayment in quarterly instalments after a 27 month moratorium period from the date of first disbursement in the following manner:(a) First 10 instalments of ₹33 crore each; (b) Next 2 instalments of ₹35 crore each. Interest payable monthly @ Base rate plus 1% p.a.
Axis Bank Ltd.	1,300.00	1,250.00	First pari passu charge on all movable and immovable fixed assets (both present and future, including fixed assets of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding land at Solapur).Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next eight instalments of 2.50% each (d) next eight instalments of 3.125% each (e) next eight instalments of 3.75% each. Interest payable monthly @ Base rate plus 0.75% p.a.
Bank of Baroda	-	75.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable by four equal annual instalment commencing from 24 months after first disbursement. Interest is payable monthly @ Base rate + 1.75% + term premium of 0.15%
ICICI Bank Ltd.	-	150.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayable in 20 equal quarterly instalments commencing from the 27th month from the date of disbursement. Interest is payable monthly @ Base rate plus 2.7% p.a. with annual reset.
	1,300.00	1,875.00	Carried over	

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5. LONG TERM BORROWINGS (contd.)

₹/ crore

Bank	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
ICICI Bank Ltd.	1,300.00 200.00	1,875.00 -	Brought forward First pari passu charge on all movable and immovable fixed assets (both present and future, excluding land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 28 equal quarterly instalments commencing from the 39th month from the date of disbursement. Interest is payable monthly @ Base rate plus 1.40% per annum with annual reset.
Punjab National Bank	-	40.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in twenty quarterly instalments starting from June 2012 distributed as first sixteen instalments of ₹16.25 crore each and balance four instalments of ₹10 crore each Interest is payable monthly @ Base rate plus 1.5% p.a. plus term premium.
State Bank of India	-	124.97	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in 12 quarterly instalments commencing from the quarter ending February, 2014 distributed as 11 instalments of ₹41.67 crore each and the last instalment of ₹41.63 crore in November, 2016. Interest is payable monthly @ Base rate plus 2% p.a.
The South Indian Bank Ltd.	-	92.50	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayment commencing after a moratorium of 12 months in 6 quarterly instalments of ₹1.5 crore each, next 4 quarterly instalments of ₹3 crore each, next 17 quarterly instalments of ₹4.39 crore each and last instalment of ₹4.37 crore thereafter. Interest is payable @ Base rate plus 2.50% p.a. with annual reset.
The South Indian Bank Ltd.	-	41.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayment commencing after a moratorium of 12 month in 6 quarterly instalments of ₹0.75 crore each, next 4 quarterly instalments of ₹1.5 crore each, next 17 quarterly instalments of ₹2.20 crore each and last instalment of ₹2.10 crore thereafter. Interest is payable @ Base rate plus 3% p.a. with annual reset.
The South Indian Bank Ltd.	-	85.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayment to be made in 28 quarterly instalments after the initial holiday period of 12 months. (First 6 quarters ₹1.5 crore each, next 4 quarters ₹3 crore each, next 17 quarters ₹4.39 crore each, last quarter ₹4.37 crore). Interest payable monthly @ Base rate + 2%.
	1,500.00	2,258.47	Carried over	

Notes to Financial Statements for the year ended 31st March, 2017

5. LONG TERM BORROWINGS (contd.)

₹/ crore

Bank	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
The South Indian Bank Ltd.	1,500.00 400.00	2,258.47 -	Brought forward First pari passu charge on all movable and immovable fixed assets (both present and future, including fixed assets of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next eight instalments of 2.50% each (d) next eight instalments of 3.125% each (e) next eight instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.60% p.a.
The Karur Vysya Bank Ltd.	-	85.71	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units (excluding Corporate Office) of the Company.	To be repaid in 28 Quarterly instalment after a moratorium period of one year. Interest is payable monthly @ Base rate + 1.5%.
The South Indian Bank Ltd.	-	150.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of the various units.	Repayment in 20 equal quarterly instalments of ₹7.50 crore each after moratorium of 24 months from date of first disbursement. Interest payable monthly @ Base rate plus 2.50% p.a.
The Karur Vysya Bank Ltd.	100.00	-	First pari passu charge on all movable and immovable fixed assets (both present and future, including fixed assets of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next eight instalments of 2.50% each (d) next eight instalments of 3.125% each (e) next eight instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.05% p.a.
The Lakshmi Vilas Bank Ltd.	100.00	-	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets of various units (excluding land at Solapur including Rayon assets) of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next eight instalments of 2.50% each (d) next eight instalments of 3.125% each (e) next eight instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.15% p.a.
	2,100.00	2,494.18		

Notes to Financial Statements for the year ended 31st March, 2017

5. LONG TERM BORROWINGS (contd.)

(c) Repayment terms and nature of securities given for Foreign currency loans from banks are as follows:

₹/ crore

Bank	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
IndusInd Bank Ltd	-	231.62	First Charge on Certain Immovable fixed assets (non-agricultural land) located at Solapur, Maharashtra, (yet to be created) and first pari passu charge on immovable fixed assets of the Company.	16 equal quarterly instalments after a moratorium period of 24 months. Interest payable @ Base rate + 75 Basis Points.
	-	231.62		

(d) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:

₹/ crore

Financial Institution	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
HDFC Ltd	-	300.00	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units of the Company.	Principal repayment shall have a moratorium of 8 calendar quarters from the date of first disbursement and thereafter repayment in 12 equal calendar quarters starting from the first calendar quarter after the end of the moratorium period. Interest payable at the end of calendar quarters @ HDFC CPLR - 5.25 %.
IFCI Ltd	-	117.85	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units of the Company.	The loan shall be repaid in 28 structured quarterly instalments commencing from the fifteenth month from the date of first disbursement. Interest is payable monthly @ SBI Base rate + 280 basis points.
IFCI Ltd	-	142.11	First pari passu charge on all moveable and immoveable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the Company.	Repayment in 19 equal quarterly instalments from 18th month from the date of first disbursement. Interest payable monthly @ Benchmark rate plus 1.80% p.a.
L&T Infrastructure Finance Company Ltd	-	177.75	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayable in 28 quarterly instalments with 6 quarters of ₹3.75 crore, 4 quarters of ₹7.5 crore and 18 quarters of ₹10.97 crore each. Interest is payable monthly @ L&T Infra plrs minus/plus spread
	-	737.71	Carried over	

Notes to Financial Statements for the year ended 31st March, 2017

5. LONG TERM BORROWINGS (contd.)

₹/ crore

Financial Institution	31-Mar-17	31-Mar-16	Nature of Security	Repayment Terms
West Bengal Infrastructure Development Finance Corporation Ltd.	-	737.71	Brought forward	
	-	95.50	First pari passu charge on all movable and immovable fixed assets (both present and future) and second charge on all current assets (both present and future) of the various units of the Company and second charge on Current Assets ranking Pari Passu with the existing and future charge of other term lenders.	Repayment over a period of 8 years (including 4 quarters of moratorium from the date of first disbursement) structured over 32 quarters. Interest payable monthly @ Base rate of State Bank of India plus 2.80% p.a.
West Bengal Infrastructure Development Finance Corporation Ltd.	100.00	-	First pari passu charge on all movable and immovable fixed assets (both present and future, including fixed assets of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next eight instalments of 2.50% each (d) next eight instalments of 3.125% each (e) next eight instalments of 3.75% each. Interest payable monthly @ Axis Bank Base rate plus 0.75% p.a.
	100.00	833.21		

6. DEFERRED TAX LIABILITIES (NET)

₹/ crore

	31st March, 2017	31st March, 2016
Deferred Tax Liabilities		
Difference between written down value of block of assets as per Income Tax Laws and book written down value of the fixed assets	280.17	272.85
A	280.17	272.85
Deferred Tax Assets		
Business losses	158.18	224.59
Items allowable for tax purpose on payment	36.72	8.89
Provision for contingencies	27.00	7.62
Others	58.27	31.75
B	280.17	272.85
C (A-B)	-	-

(a) During the year the Company has recognised deferred tax assets on business losses to the extent of net deferred tax liability.

(b) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

Notes to Financial Statements for the year ended 31st March, 2017

7. SHORT TERM BORROWINGS

₹/ crore

	31st March, 2017	31st March, 2016
Secured:		
Working Capital Loan		
From Bank		
Overdraft / Cash Credit	126.84 [#]	123.47 [#]
Working capital demand loan	469.00 [#]	579.00 [#]
Commercial paper	50.00 [#]	-
Packing credit loan	25.94 [#]	142.46 [#]
Unsecured:		
Term Loan		
From Bank		
Indian rupee loan	100.00	343.10
Foreign currency loan	191.35	49.28
Packing credit loan	25.94	-
Deposits		
Deposit from others	21.63	22.20
	1,010.70	1,259.51
The above amount includes:		
Secured borrowings	671.78	844.93
Unsecured borrowings	338.92	414.58
	1,010.70	1,259.51

[#]Secured by way of hypothecation, first charge on current assets of the Company and second charge on movable and immovable fixed assets, of the Company and Cygnet Industries Limited, subsidiary of Kesoram Industries Ltd. The charge on fixed assets of Cygnet Industries Limited is under process of release.

Maximum amount of Commercial Paper outstanding at any point of time during the year ₹50 crore (Previous Year: ₹Nil).

Interest payable on short term borrowings is in the range of 6.75% to 11%.

The cash credit and working capital demand loans are repayable on demand.

8. TRADE PAYABLES

₹/ crore

	31st March, 2017	31st March, 2016
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	0.73	0.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	107.77	89.75
(ii) Others	460.04	492.60
	568.54	583.10

Notes to Financial Statements for the year ended 31st March, 2017

9. OTHER CURRENT LIABILITIES

₹/ crore

	31st March, 2017	31st March, 2016
Current maturities of long-term debt (Refer note 5)	-	558.66
Current maturities of long-term Finance lease (Refer note 5)	-	0.67
Interest accrued but not due on borrowings	0.82	4.40
Interest accrued and due on borrowings	17.06	21.08
Interest accrued and due on deposits and others	-	2.23
Unpaid dividends	0.61	0.90
Unpaid matured deposits and interest accrued thereon	0.05	0.05
Other payables		
Advance from customers	27.45	32.52
Statutory dues	108.75	108.90
Liability for purchases of capital assets	24.25	14.08
Retention & Earnest deposits	17.99	10.91
Employee's benefits payable	7.14	7.21
Forward Contracts payable (net)	2.18	-
Other Payables	57.24	105.12
	263.54	866.73

- (a) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at Balance Sheet Date other than unclaimed dividend of ₹1,60,625 (31st March, 2016: ₹1,87,007) pertaining to cases under litigation regarding beneficial ownership of shares.

10. SHORT TERM PROVISIONS

₹/ crore

	31st March, 2017	31st March, 2016
Provision for employee benefits		
Provision for gratuity [Refer Note 22 (a)]	1.97	6.77
[Net of Advance ₹0.13 crore (31st March, 2016 : ₹6.57 crore)]		
Provision for leave encashment (unfunded)	21.98	21.42
Other Provisions		
Provision for Income Tax [Net of Advance Tax ₹329.01 crore (31st March, 2016 : ₹327.15 crore)]	7.73	7.29
Provision for disputed statutory dues	11.68	11.68
Provision for Contingencies	30.00	30.00
Provision for Warranties	17.87	4.10
Provision for proposed dividend (OCRPS)	-	0.00*
Provision for dividend tax (OCRPS)	-	0.00*
Provision for Fringe benefit tax	0.08	0.08
	91.31	81.34

* Amount is below the rounding off norm adopted by the Company

Notes to Financial Statements for the year ended 31st March, 2017

11. FIXED ASSETS

₹/ crore

Particulars	GROSS BLOCK					DEPRECIATION AND AMORTIZATION					NET BLOCK			
	As at 31st Mar, 2016	Additions during the year	Deletions during the year	Transfer of Undertakings	Discontinuing Operation	Adjustments for discontinuing operation	As at 31st Mar, 2017	For the year	Depreciation for the discontinuing Operations	On Deletions during the year	Transfer of Undertakings	Adjustments for discontinuing operation	As at 31st Mar, 2017	As at 31st Mar, 2016
I. Tangible Assets:														
Land :														
- Freehold	58.90	-	-	-	-	-	58.90	-	-	-	-	-	58.90	58.90
- Leasehold	0.80	-	-	-	-	-	0.80	-	-	-	-	-	0.21	0.21
Buildings	162.72	11.56	-	-	-	-	174.28	7.93	-	-	-	-	108.60	104.97
Plant and Equipments	2,727.89	115.43	5.54	-	-	-	2,837.78	91.69	2.33	-	-	-	1,206.68	1,186.15
Furniture and Fixtures	20.70	0.58	0.01	-	-	-	21.27	1.35	0.01	-	-	-	8.78	9.55
Office Equipment	21.71	2.79	0.48	-	-	-	24.02	2.05	0.43	-	-	-	5.39	4.70
Vehicles	20.95	7.16	1.38	-	-	-	26.73	2.84	0.74	-	-	-	16.74	13.06
Others:														
- Livestock	0.10	-	0.00*	-	-	-	0.10	-	-	-	-	-	0.10	0.10
- Railway Siding	26.18	-	-	-	-	-	26.18	1.47	-	-	-	-	12.93	14.40
Assets taken on Finance Lease														
- Vehicle	0.35	-	-	-	-	-	0.35	-	-	-	-	-	0.33	0.33
(A)	3,040.30	137.52	7.41	-	-	-	3,170.41	107.33	3.51	-	-	1,751.75	1,418.66	1,392.37
II. Intangible Assets:														
- Computer Software	28.30	3.61	0.02	-	-	-	31.89	1.64	0.01	-	-	-	11.45	9.49
- Technical Knowhow	10.69	-	-	-	-	-	10.69	-	-	-	-	-	-	-
(B)	38.99	3.61	0.02	-	-	-	42.58	1.64	0.01	-	-	31.13	11.45	9.49
Total (A+B)	3,079.29	141.13	7.43	-	-	-	3,212.99	108.97	3.52	-	-	1,782.88	1,430.11	1,401.86
Previous Year	3,236.26	45.55	22.17	35.70	142.40	(2.25)	3,079.29	122.31	15.68	24.60	96.67	1,677.43	1,401.86	-

₹/ crore

	31st March, 2017	31st March, 2016
(a) Net exchange loss(gain) being adjustment relating to foreign currency fluctuation		
(i) Net loss/(gain) being adjustment relating to foreign currency fluctuation-FA Capitalised	-	2.77
(b) Including :		
(i) Jointly owned:-		
- Furniture and Fixtures and Office Equipments	-	1.12
- Plant and Equipment	-	0.03
(ii) Cost of assets lying with third parties	2.09	-
(iii) Gross Book value of revalued fixed assets		
Freehold Land	1.11	1.11
Buildings	3.19	3.19
Plant and Equipments	17.73	17.73

(c) The title deed of 24.63 acres of land amounting to ₹14.65 crore is yet to be executed in favour of the Company.

* Amount is below the rounding off norm adopted by the Company

Notes to Financial Statements for the year ended 31st March, 2017

12. INVESTMENTS

₹/ crore, except as otherwise stated

	Number	Face Value of each Share (₹)	31st March, 2017	31st March, 2016
CURRENT INVESTMENT				
(valued at lower of cost or fair value)				
Trade Investments (Unquoted)				
Investment in Equity Instruments of Subsidiary				
Cavendish Industries Limited (Fully paid up)	70,00,46,000	10	-	700.05
			-	700.05
NON CURRENT INVESTMENT				
(valued at cost less provision for other than temporary diminution)				
A. Long Term – Trade (Unquoted)				
Investment in Equity Instruments of Subsidiary				
Cygnat Industries Limited (Fully paid up)	3,00,50,000	10	30.05	-
Investment in Equity Instruments of Joint Venture Company (Fully paid up)				
Gondkhari Coal Mining Limited	22,730	10	0.02	
Less : Provision for other than temporary diminution			0.02	-
				0.02
B. Long Term - Other than Trade				
Investment in Equity Instruments (Fully paid up)				
- Unquoted				
Birla Buildings Ltd.	30,000	10	0.03	0.03
Coromandel Stampings & Stones Ltd.	10,000	10	0.00*	0.00*
Kesoram Insurance Broking Services Ltd.	1,43,000	10	0.03	0.03
Calcutta Stock Exchange Association Ltd.	10,455	1	2.09	2.09
Less : Provision for other than temporary diminution			2.09	-
				2.09
Essel Mining & Industries Ltd.	-	-	-	0.24
Meghdoot Co-operative Housing Society Ltd.	10	100	0.00*	0.00*
Padmavati Investment Ltd.	7,231	10	0.55	0.55
Vasavadatta Services Ltd.	18,800	10	0.02	0.02
JPM Merchandise Agencies Ltd	-	-	-	0.04
- Quoted				
HGI Industries Ltd.	4,96,100	10	0.00*	0.00*
Jay Shree Tea & Industries Ltd.	3,88,116	5	0.01	0.01
Kesoram Textile Mills Ltd.	49,96,986	2	4.63	4.63
Manjushree Plantations Ltd.	-	-	-	1.20
Less : Provision for other than temporary diminution			-	-
				1.20
Vidula Chemicals & Manufacturing Industries Ltd.	44,750	10	0.06	0.06
Less : Provision for other than temporary diminution			0.06	-
				0.06
			35.32	5.57
*Amount is below the rounding off norm adopted by the Company				

Notes to Financial Statements for the year ended 31st March, 2017

12. INVESTMENTS (contd.)

₹/ crore, except as otherwise stated

	Number	Face Value of each Share (₹)	31st March, 2017	31st March, 2016
(a) Aggregate amount of quoted investments			4.70	5.90
(b) Aggregate amount of unquoted Investments			32.79	703.07
(c) Aggregate provision for diminution in value of investments			2.17	3.35
(d) Aggregate market value of quoted investments (excluding investments in HGI Industries Ltd., Kesoram Textile Mills Ltd., and Vidula Chemicals & Manufacturing Industries Ltd. in absence of any current quotation)			4.26	3.17

13. LONG/SHORT TERM LOANS AND ADVANCES

₹/ crore

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Unsecured, considered good unless stated otherwise				
Capital advances	350.44	227.32	-	-
Security Deposits	30.76	22.95	-	-
(A)	381.20	250.27	-	-
Loans and advances to related parties				
Considered doubtful [Refer Note No. 44]	6.79	6.77	-	-
Less: Provisions for doubtful advances	(6.79)	(6.77)	-	-
(B)	-	-	-	-
Loan to Subsidiary Company (including interest of ₹28.25 crore) [Refer note 48] (C)	-	-	557.80	-
Balance with Subsidiary Company			-	1,286.94
Receivable from a body corporate			10.63	541.14
Other loans and advances				
Advances recoverable in cash or kind				
Considered Good	0.62	14.06	205.66	107.52
Considered doubtful	-	-	21.62	24.57
Less Provision for doubtful advances	-	-	(21.62)	(24.57)
Prepaid Expenses	-	-	6.87	5.83
Loan to employees	-	0.01	3.14	3.03
Loan to other body corporate	-	-	4.00	4.00
Balance with statutory/government authorities	43.54	30.38	77.50	68.11
(D)	44.16	44.45	297.17	188.49
Total (A+B+C+D)	425.36	294.72	865.60	2,016.57

Notes to Financial Statements for the year ended 31st March, 2017

14. OTHER NON-CURRENT/ CURRENT ASSETS

₹/ crore

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Non current bank balance (Refer Note 17)	0.01	-	-	-
Insurance claim	-	-	3.75	3.19
Interest accrued on deposits	-	-	0.13	0.22
Unamortised Premium on loan restructuring	68.55	87.07	6.85	7.91
Unamortised premium on forward contract	-	-	1.06	-
Others	-	-	22.52	20.42
Total	68.56	87.07	34.31	31.74

15. INVENTORIES

₹/ crore

	31st March, 2017	31st March, 2016
Raw Materials [Includes material in transit ₹16.17 crore (31st March, 2016: ₹1.83 crore)]	74.32	68.30
Work-in-Progress	59.44	54.54
Finished Goods [Includes goods in transit ₹3.44 crore (31st March, 2016: ₹4.24 crore)]	186.38	309.38
Stock-in-trade (in respect of goods acquired for trading)	0.12	-
Stores and Spare Parts [Includes material in transit ₹9.08 crore (31st March, 2016: ₹6.19 crore)]	98.46	123.39
	418.72	555.61

16. TRADE RECEIVABLES

₹/ crore

	31st March, 2017	31st March, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Secured - Considered good	24.30	17.45
Unsecured - Considered good	25.98	12.10
Unsecured - Considered doubtful	168.38	174.96
	218.66	204.51
Less: Provision for doubtful debts	168.38	174.96
	(A) 50.28	29.55
Other debts		
Secured - Considered good	147.42	160.77
Unsecured - Considered good	302.97	354.96
Unsecured - Considered doubtful	-	-
	450.39	515.73
Less: Provision for doubtful debts	-	-
	(B) 450.39	515.73
Total (A+B)	500.67	545.28

Notes to Financial Statements for the year ended 31st March, 2017

17. CASH AND BANK BALANCES

₹/ crore

	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Cash and Cash equivalents				
Cash on hand	-	-	0.05	0.04
Cheques on hand	-	-	21.95	37.20
Balances with bank:				
On Current accounts	-	-	113.65	311.70
On Cash Credit Accounts			16.65	2.89
Others				
In post office saving bank account	-	-	0.00*	0.00*
Other Bank Balances				
Deposit with original maturity for more than 12 months	0.01	-	-	-
Deposit with original maturity for more than 3 months but less than 12 months	-	-	23.79	90.77
Balances with bank:				
On unpaid dividend accounts	-	-	0.61	0.90
	0.01	-	176.70	443.50
Amount disclosed under other non current assets (Refer Note 14)	(0.01)	-	-	-
	-	-	176.70	443.50

(a) Other bank balances on deposits accounts includes:-

- Deposits pledged with the sales tax authorities	0.01	0.00*
- Held as lien by bank against bank guarantees	0.75	0.75

(b) Other bank balances as of 31st March, 2017 and 31st March, 2016 include restricted bank balances of ₹0.61 crore and ₹0.90 crore respectively. The restrictions are primarily on account of bank balances held in unclaimed dividends accounts.

(c) Deposits more than 3 months includes ₹22.69 crore (Previous year: Nil) placed as fixed deposits in an escrow account.

* Amount is below the rounding off norm adopted by the Company

Notes to Financial Statements for the year ended 31st March, 2017

18. REVENUE FROM OPERATIONS

₹/ crore

	2016-2017	2015-2016
Sale of products	4,205.70	4,542.45
Other operating revenues	3.32	11.78
	4,209.02	4,554.23
Less: Excise duty	460.92	453.94
	3,748.10	4,100.29
Figures for discontinuing operation	-	286.81

19. OTHER INCOME

₹/ crore

	2016-2017	2015-2016
(a) Interest Income		
- On bank and other deposits	15.79	1.60
- On loan to subsidiary company	41.48	-
- On income tax refund	1.39	2.12
(b) Dividend Income		
- from long term investments	0.08	3.92
(c) Foreign currency translation gain (net)	4.32	-
(d) Claims from insurance company	1.99	1.93
(e) Liabilities/Provision no longer required written back	49.15	27.71
(f) Sale of Power	20.13	69.44
(g) Miscellaneous income	9.53	10.56
	143.86	117.28
Figures for discontinuing operation	-	1.96

20. COST OF MATERIALS CONSUMED

₹/ crore

	2016-2017	2015-2016
Raw Materials Consumed		
Opening Stock	68.30	106.07
Purchases	901.93	1,207.55
	970.23	1,313.62
Less : Closing Stock	74.32	68.30
Less : Sale to Subsidiary	16.15	-
Less: Transferred on sale of HHC and Spun Pipes	-	0.58
	879.76	1,244.74
Raising cost of limestone [Refer Note (a) below]	124.49	124.38
	1,004.25	1,369.12
Figures for discontinuing operation	-	102.25

Notes to Financial Statements for the year ended 31st March, 2017

20. COST OF MATERIALS CONSUMED (contd.)

	₹/ crore	
	2016-2017	2015-2016
(a) Limestone raising cost include:		
Salaries, Wages, Bonus etc.	10.30	9.93
Contribution to Provident and other Funds	0.73	0.40
Contribution to Gratuity Fund (Refer Note 22a)	0.11	0.41
Workmen and Staff welfare	0.53	0.25
Dead Rent, Royalty etc.	67.26	73.09
Power and Fuel	4.21	0.22
Stores and spares parts consumed	22.39	19.95
Machinery repairs	3.92	4.15
Other repairs	0.23	0.15
Rates and taxes	0.60	0.36
Contractors-Transport	2.41	3.09
Miscellaneous	11.80	12.38
	124.49	124.38

		Quantity		₹/ crore	
		2016-2017	2015-2016	2016-2017	2015-2016
(b) Purchase of stock-in-trade comprise:					
Tyre	Nos	4,10,445	1,18,299	154.32	5.92
Tubes	Nos	4,87,606	26,66,567	26.88	45.30
Flaps	Nos	7,59,166	8,93,808	16.77	22.16
Others	-	1,23,951	-	11.68	-
				209.65	73.38

21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	₹/ crore	
	2016-2017	2015-2016
Opening Stock		
- Work - in - progress	54.54	61.81
- Finished Goods	309.38	376.54
- Stock - in - trade	-	-
	363.92	438.35
Less: Closing Stock		
- Work - in - progress	59.44	54.54
- Finished Goods	186.38	309.38
- Stock - in - trade	0.12	-
	245.94	363.92
Less: Transferred to Capital Jobs	0.86	0.57
Less: Transferred on sale of HHC and Spun Pipes	-	0.10
	117.12	73.76
Figures for discontinuing operation	-	25.20

Notes to Financial Statements for the year ended 31st March, 2017

22. EMPLOYEE BENEFITS EXPENSE

₹/ crore

	2016-2017	2015-2016
Salaries, Wages, Bonus etc.	278.98	253.66
Contribution to Provident Fund [Refer note (b) below]	17.65	17.27
Contribution to Superannuation Fund	0.20	0.48
Contribution to Labour Welfare Fund	0.15	0.23
Contribution to Gratuity Fund [Refer note (a) below]	1.99	9.31
Contribution under Employees State Insurance Scheme	1.18	1.18
Workmen and Staff Welfare	13.11	10.45
	313.26	292.58
Figures for discontinuing operation	-	96.55

(a) Gratuity

The Company operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. (Also refer Note 2.12)

The Company has contributed ₹2.10 crore (2015-16 : ₹13.34 crore) towards gratuity during the year ended 31st March, 2017 in the Statement of Profit and Loss. The detail of fund and plan assets position is as follows.

The detail of fund and plan assets position are as follows.

₹/ crore

	2016-2017	2015-2016
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation		
(a) Present Value of Obligation at the beginning of the year	93.88	84.16
(b) Current Service Cost	4.37	5.67
(c) Interest Cost	4.73	6.45
(d) Actuarial Loss / (Gain)	1.50	4.72
(e) Settlement Cost	(25.57)	-
(f) (Benefits Paid)	(10.39)	(7.12)
(g) Present Value of Obligation at the end of the year	68.52	93.88
II. Reconciliation of opening and closing balances of the fair value of Plan Assets		
(a) Fair Value of Plan Assets at the beginning of the year	80.54	83.73
(b) Assets pertains to subsidiary and other entities transferred	(25.57)	(7.44)
(c) Expected Return on Plan Assets	7.04	6.10
(d) Actuarial Gain/(Loss)	1.46	(2.60)
(e) Contributions by employer	13.34	7.87
(f) (Benefits Paid)	(10.39)	(7.12)
(g) Fair Value of Plan Assets as at the end of the year	66.42	80.54

Notes to Financial Statements for the year ended 31st March, 2017

22. EMPLOYEE BENEFITS EXPENSE (contd.)

	₹/ crore	
	2016-2017	2015-2016
III. Reconciliation of the present value of Defined Benefit Obligation in 'I' above and the fair value of Plan Assets in 'II' above		
(a) Present Value of Obligation as at the end of the year	68.52	93.88
(b) Fair Value of Plan Assets as at the end of the year	66.42	80.54
(c) Liability recognised in the Balance Sheet	2.10	13.34
(d) Experience (Gain) /Loss adjustment on plan liabilities	1.50	4.72
(e) Experience Gain/(Loss) adjustment on plan assets	1.46	(2.60)
IV. Expense charged to the Statement of Profit and Loss		
(a) Current Service Cost	4.37	5.67
(b) Interest Cost	4.73	6.45
(c) (Expected Return on Plan Assets)	(7.04)	(6.10)
(d) Actuarial (Gain)/Loss	0.04	7.32
(e) Total expense charged to the Statement of Profit and Loss	2.10	13.34

V. Percentage of each Category of Plan Assets to total Fair Value of Plan Assets

	₹/ crore	
	As at 31st March, 2017	As at 31st March, 2016
(a) NAV / Interest based schemes with Insurance Companies	100.00%	100.00%
(b) Government (Central and State) Securities	0.00%	0.00%
Total	100.00%	100.00%

VI. Amount recognised in previous four years

	₹/ crore			
	2015-2016	2014-2015	2013-2014	2012-2013
(a) Present Value of Obligation as at the end of the year	93.88	84.16	81.76	80.70
(b) Fair Value of Plan Assets as at the end of the year	80.54	83.73	74.71	66.24
(c) Liability recognised in the Balance Sheet	13.34	0.43	7.05	14.46
(d) Experience (Gain) /Loss adjustment on plan liabilities	4.72	8.10	1.24	8.88
(e) Experience Gain/(Loss) adjustment on plan assets	(2.60)	6.31	0.67	0.74

	₹/ crore	
	2016-2017	2015-2016
VII. Actual Return on Plan Assets	8.50	3.50

Notes to Financial Statements for the year ended 31st March, 2017

22. EMPLOYEE BENEFITS EXPENSE (contd.)

VIII. Principal Actuarial Assumptions

	₹/ crore	
	31st March, 2017	31st March, 2016
(a) Discount Rate (per annum)	7.50%	8.00%
(b) Expected Rate of Return on Plan Assets (per annum)	7.50%	8.00%
(c) Salary Escalation	5.00%	5.00%
(d) Inflation Rate	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. The expected rate of return on plan assets is based on the portfolio of assets held, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are reasonably diversified.

(b) Provident Fund

Provident fund for certain eligible employees is managed by the Company through the "B. K. Birla Group of Companies Provident Fund Institution" and "Birla Industries Provident Fund", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employers established provident funds, which require interest shortfalls to be compensated are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and there is no shortfall as at 31st March, 2017.

The Company has contributed ₹17.71 crore (2015-2016 : ₹17.27 crore) towards provident fund during the year ended 31st March, 2017.

	₹/ crore	
	As at 31st March, 2017	As at 31st March, 2016
(i) The detail of fund and plan assets position are as follows.		
Present Value of Obligation as at the end of the year	235.04	223.83
Fair Value of Plan Assets as at the end of the year	265.32	238.44
(ii) Principal Actuarial Assumptions		
Discount Rate (per annum)	8.65%	8.75%
Expected Rate of Return on Plan Assets (per annum)	9.50%	9.02%

Notes to Financial Statements for the year ended 31st March, 2017

23. OTHER EXPENSES

	₹/ crore	
	2016-2017	2015-2016
Consumption of stores and spare parts	55.88	61.64
Power and fuel [Refer Note (a) below]	613.23	681.07
Rent	41.11	27.55
Repairs and Maintenance [Refer Note (b) below]	-	
Building	6.58	5.90
Plant and Machinery	43.54	41.23
Others	4.76	3.92
Insurance	7.50	6.83
Rates and Taxes	17.53	16.97
Job working charges	11.74	342.67
Brokerage, Discounts and Claims	149.51	204.90
Packing, Carriage and Shipping [Refer Note (c) below]	872.75	707.40
Sales Promotion	56.50	66.68
Commission to selling agents	31.58	36.81
Directors' Fees	0.52	0.63
Debts/ Advances/ Deposits written off	2.05	0.31
Receivable from subsidiary written off	-	25.15
Legal & Professional expenses	49.62	81.59
Provision for doubtful debts	7.35	91.75
Provision for doubtful advance	-	9.64
Provision for diminution in value of investments	-	2.09
Payments to the auditor [Refer Note (d) below]	3.50	3.10
Guarantee commission	0.26	0.22
Loss on Fixed Assets Sold/Discarded	2.04	5.30
Loss on sale of investments	0.17	-
Excise duty [Refer Note (e) below]	(0.79)	(0.47)
Net loss on foreign currency transaction and translation (other than considered as finance cost)	-	17.17
Miscellaneous expenses [Refer Note 26]	135.95	133.98
	2,112.88	2,574.03
Figures for discontinuing operations	-	96.79
(a) Power and Fuel includes consumption of stores and spares	501.65	572.20
(b) Repair and Maintenance includes:		
(i) Consumption of stores and spares parts	5.01	5.51
(ii) Salaries and Wages	21.45	18.69
(c) Packing, carriage and shipping includes:		
(i) Consumption of stores and spares parts	52.91	55.01
(ii) Salaries and Wages	9.65	8.09

Notes to Financial Statements for the year ended 31st March, 2017

23. OTHER EXPENSES (contd.)

₹/ crore

	2016-2017	2015-2016
(d) Payment to auditor		
As Auditors :		
Audit Fees	1.81	1.80
Tax Audit Fees	0.58	0.53
Fees for issuing various certificates (including Limited Reviews)	1.05	0.77
Reimbursement of Expenses	0.06	0.00*
	3.50	3.10
(e) Represents excise duty related to the difference between the closing stock and opening stock of finished goods		
(f) Fixed Assets (Note 11) /Capital Work in Progress include consumption of stores and spares parts during the year	17.04	4.08

* Amount below rounding off norms adopted by the Company

24. FINANCE COST

₹/ crore

	2016-2017	2015-2016
Interest expenses	308.26	573.27
Other borrowing costs	11.84	93.52
Applicable net loss on foreign currency transactions and translation	2.06	10.74
	322.16	677.53
Less: Interest Capitalised included in CWIP	53.18	-
	268.98	677.53
Figures for discontinuing operations	-	0.01

25. EXCEPTIONAL ITEM

₹/ crore

	2016-2017	2015-2016
Profit from sale of undertakings [Refer Note below]	121.35	385.78
Profit from sale of Long Term Investments	-	369.57
	121.35	755.35

Exceptional items during the year represent net income of ₹121.35 crore arising out of the transfer of the ownership of Cavendish Industries Ltd to the JK.Tyre Group in the first fortnight of April 2016 after adjusting ₹44.89 crore estimated/ actual expenses related to such transfer.

Notes to Financial Statements for the year ended 31st March, 2017

26. MISCELLANEOUS EXPENSES INCLUDES

	₹/ crore	
	2016-2017	2015-2016
(i) Consumption of stores and spares parts	4.57	6.32
(ii) Payment to cost auditor	0.05	0.06

27. EARNINGS PER SHARE

	₹/ crore except as otherwise stated	
	2016-2017	2015-2016
(i) Basic		
Number of equity shares at the beginning of the year	11,72,68,650	10,97,68,650
Number of equity shares at the end of the year	11,72,68,650	11,72,68,650
Weighted average number of equity shares outstanding during the year (A)	11,72,68,650	10,97,89,142
Nominal value of each equity Share (₹)	10	10
Profit/(Loss) after Tax (₹ in crore) (B)	(124.13)	137.12
Earnings per share (Basic) (₹) (B/A)	(10.58)	12.49
(ii) Diluted		
Weighted average number of equity shares outstanding during the year	12,47,68,650	10,98,09,634
Earnings per share (Diluted) (₹)	(10.58)	12.49

28. EXPENDITURE IN FOREIGN CURRENCY DURING THE YEAR

	₹/ crore	
	2016-2017	2015-2016
Technical Service Fees	29.06	25.17
Commission, Brokerage and Discount	-	0.06
Interest	2.31	26.08
Miscellaneous (Travelling, Listing fees etc.)	16.49	19.79
	47.86	71.10

29. EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR

	₹/ crore	
	2016-2017	2015-2016
Exports (excluding export to Nepal and Bhutan) of goods [F.O. B.]	180.77	165.31
	180.77	165.31

Notes to Financial Statements for the year ended 31st March, 2017

30. C.I.F VALUE OF IMPORTS

₹/ crore

	2016-2017	2015-2016
Raw Materials	211.59	253.98
Components and Spare Parts (including stores)	75.33	143.84
Capital Goods	36.70	6.60
Finished Goods	138.58	-
	462.20	404.42

31. CONTINGENT LIABILITIES

₹/ crore

	As at 31st March, 2017	As at 31st March, 2016
(a) Guarantees given -		
(i) to excise authorities	0.12	0.12
(ii) by Banks on behalf of subsidiary (excluding relating to joint venture referred to in note 35 below)	5.13	47.91
(iii) by Banks on behalf of other companies	0.26	-
(b) Claims against the Company not acknowledged as debts :		
(i) Rates, Taxes, Duties etc. demanded by various Authorities	538.59	584.34
(ii) Amount demanded by Provident Fund Authorities which is sub judice	0.87	0.87
(c) Income Tax matters	18.57	17.83
(d) ₹11.25 crore payable at the Balance Sheet date as guaranteed yield to the holders of 0.001% cumulative OCRPS of ₹100 each on the date of redemption , being 18 months from the date of allotment of such preference shares. Upon the exercise of the option to convert such OCRPS into equity shares of the Company , the guaranteed yield is expected to be taken care of by the incremental market value over the agreed value of conversion. However in the eventuality of the redemption of OCRPS , such yield will be paid as premium on redemption either from profits of the Company available which would be otherwise available for dividend or through securities premium account.		

32. CAPITAL AND OTHER COMMITMENTS

₹/ crore

	As at 31st March, 2017	As at 31st March, 2016
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹24.91 crore (31st March, 2016 : ₹26.81 crore)]	174.94	114.77
(b) Other Commitments		
(i) Export Commitments against purchase of imported Capital Goods under the Export.	24.18	24.70
(ii) Export Commitments against import under Advance Licence Scheme, of the Government of India.	62.63	-
(iii) Borrowing / Financial obligation not provided for	50.00	-
TOTAL	311.75	139.47

Notes to Financial Statements for the year ended 31st March, 2017

33. RESEARCH AND DEVELOPMENT EXPENDITURE

The Company has incurred ₹7.60 crore (2015-16: ₹5.56 crore) on account of Research and Development expenses which has been charged to Statement of Profit and Loss. Capital Expenditure relating to Research & Development amounting to ₹3.72 crore (2015-16: ₹8.96 crore) has been included in Fixed Assets.

	2016-2017		2015-2016	
	Capital	Revenue	Capital	Revenue
Unit - Vasavadatta Cement	0.11	3.88	0.12	3.13
Unit - Kesoram Cement	0.12	1.34	-	1.40
Unit - Birla Tyre	3.49	2.38	8.84	1.03
	3.72	7.60	8.96	5.56

₹/ crore

34. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Derivatives outstanding:

Particulars	Purpose	Currency	As at		As at	
			31st March, 2017	31st March, 2016	31st March, 2016	31st March, 2016
(i) Forward Contracts to buy	Hedge against foreign borrowings	USD	1.61	104.12	-	-
(ii) Currency Swap contracts outstanding		USD	-	-	3.50	-

₹/ crore

(b) Particulars of unhedged foreign currency exposure:

	As at	
	31st March, 2017	31st March, 2016
1. Amount receivable in Foreign currency		
FC amount (In EURO)	0.18	-
INR value	12.62	-
FC amount (In USD)	2.97	3.06
INR value	192.73	202.65
FC amount (In GBP)	0.00*	-
INR value	0.02	-
FC amount (In JPY)	3.43	-
INR value	1.99	-
2. Amount payable in Foreign currency		
FC amount (In EURO)	0.23	0.03
INR value	16.17	2.27
FC amount (In USD)	3.44	3.40
INR value	223.15	225.17
FC amount (In SGD)	0.03	0.02
INR value	1.16	0.93
FC amount (In JPY)	4.60	-
INR value	2.67	-

₹/ crore

* Amount is below the rounding off norm adopted by the Company

Notes to Financial Statements for the year ended 31st March, 2017

35. JOINT VENTURES

The Company has the following investment in a jointly controlled entity

Name of the Joint Venture	Country of Incorporation	Proportion of ownership interest as on 31st March, 2017	Proportion of ownership interest as on 31st March, 2016
Gondkhari Coal Mining Limited [refer note 47]	India	45.46	45.46

The Company's share of each of the assets, equity & liabilities, income and expenses (each without elimination of the effect of transaction between the Company and Joint Venture) in the joint venture, based on the unaudited financial statements are as follows:

		₹/ crore	
		31st March, 2017	31st March, 2016
I	ASSETS		
	Tangible assets	0.00*	0.00*
	Capital work in progress	-	6.41
	Long term loan and advances	-	0.03
	Cash and Bank balances	0.44	0.01
	Short term loans and advances	-	0.00*
	other current asset	6.41	0.22
		6.85	6.67
II	LIABILITIES		
	Long term borrowings	6.12	6.34
	Other long terms liabilities	0.62	0.62
	Trade payables	0.04	0.04
	Other current liabilities	0.44	-
		7.22	7.00
III	INCOME		
	Revenue	-	-
IV	EXPENSES		
	Other Expenses	0.01	0.00*
	Depreciation and amortisation expenses	0.00*	0.00*
V	Share of Contingent Liabilities		
	(Guarantees given by bank)	5.40	5.40

* Amount is below the rounding off norm adopted by the Company

Notes to Financial Statements for the year ended 31st March, 2017

36. LEASES

As a lessee:

Operating Lease

Rent expenditure (under Note 23) includes lease payments of ₹2.03 crore (2015-16 : ₹2.13 crore) relating to non cancellable operating lease. The leasing arrangement is for three to nine years and is in respect of office premises. The significant leasing arrangement inter alia includes option for renewal.

With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

	₹/ crore	
	As at 31st March, 2017	As at 31st March, 2016
(i) not later than one year	1.95	2.00
(ii) later than one year but not later than five years	2.60	2.98
(iii) later than five years	-	1.48

With respect to Finance leases, the future minimum lease payments are as follows:

	₹/ crore	
	As at 31st March, 2017	As at 31st March, 2016
(i) not later than one year	-	0.67
(ii) later than one year but not later than five years	-	-

37. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	₹/ crore	
	31st March, 2017	31st March, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.73	0.75
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

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

Notes to Financial Statements for the year ended 31st March, 2017

38. The business of Cygnet Industries Ltd was operated by the Company for a period of two months from 1st April, 2016 to 31st May, 2016 on behalf of Cygnet Industries Ltd. Accordingly, the related revenue and expenses in respect of these two months have been excluded from the results of the Company. The related revenue and expenses of Cygnet Industries Ltd for the above period are summarised below.

	₹/ crore
	31st March, 2017
Income from Operations	42.54
Other Operating Income	0.35
Total Expenses (Net of Other Income)	46.04
Profit/(Loss) before Taxation	(3.15)
Exceptional item	-
Profit/(Loss) after exceptional items before Taxation	(3.15)
Tax Expenses	-
Profit/(Loss) after Taxation	(3.15)

	₹/ crore	
	As at 31st March, 2017	As at 31st March, 2016
39. Shares of Jay Shree Tea & Industries Ltd. held by the Company at face value being bonus shares remaining unclaimed, have been disposed off during the year without any consideration.	-	0.02

40. The time frame of completion of expansion of 80 MT/day capacity of car radial project at Balasore is being extended to end of 2017-18.

41. The time frame for grinding facility of 2.5 million MT cement per annum to be situated at Sholapur in the state of Maharashtra is being extended beyond 2017-18.

Notes to Financial Statements for the year ended 31st March, 2017

42. DETAILS OF PRE-OPERATIVE EXPENSES INCURRED RELATING TO EXPANSION/ GREENFIELD PROJECTS REFERRED TO IN NOTE 40

₹/ crore

	2016-2017				
	Up to 31st March 2016	During 2016-2017	Total	Capitalised/ transferred	Balance as on 31st March 2017
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) - (d)
Salaries, Wages, Bonus etc.	4.81	8.00	12.81	-	12.81
Contribution to Provident and Other Funds	0.36	0.25	0.61	-	0.61
Workmen and Staff Welfare	(0.00)*	0.00*	0.00*	-	0.00*
Power and Fuel	0.57	-	0.57	-	0.57
Repairs and Maintenance to Plant & Machinery	0.25	0.01	0.26	-	0.26
Rent	2.00	-	2.00	-	2.00
Rates & Taxes	0.01	1.12	1.13	-	1.13
Insurance	2.57	1.14	3.71	-	3.71
AUC - Expenses	-	94.08	94.08	-	94.08
Interest Expense	-	53.18	53.18	-	53.18
Miscellaneous Expenses	10.12	3.53	13.65	-	13.65
Total (A)	20.69	161.31	182.00	-	182.00
Electricity/Rent Receipts	0.42	2.21	2.63	-	2.63
Total (B)	0.42	2.21*	2.63	-	2.63
Net Pre-Operative Expenses (A-B)	20.27#	159.10	179.37	-	179.37#

included in capital work in progress

* Amount is below the rounding off norm adopted by the Company

₹/ crore

	2015-2016				
	Up to 31st March 2015	During 2015-2016	Total	Capitalised/ transferred	Balance as on 31st March 2016
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) - (d)
Salaries, Wages, Bonus etc.	4.12	0.69	4.81	-	4.81
Contribution to Provident and Other Funds	0.31	0.05	0.36	-	0.36
Workmen and Staff Welfare	(0.00)*	(0.00)*	(0.00)*	-	(0.00)*
Power and Fuel	0.57	-	0.57	-	0.57
Repairs and Maintenance to Plant & Machinery	0.24	0.01	0.25	-	0.25
Rent	2.00	-	2.00	-	2.00
Rates & Taxes	0.01	-	0.01	-	0.01
Insurance	1.37	1.20	2.57	-	2.57
Miscellaneous Expenses	2.24	7.88	10.12	-	10.12
Total (A)	10.86	9.83	20.69	-	20.69
Electricity/Rent Receipts	0.42	(0.00)	0.42	-	0.42
Total (B)	0.42	(0.00)*	0.42	-	0.42
Net Pre-Operative Expenses (A-B)	10.44#	9.83	20.27	-	20.27#

included in capital work in progress

* Amount is below the rounding off norm adopted by the Company

Notes to Financial Statements for the year ended 31st March, 2017

43. INFORMATION ABOUT BUSINESS SEGMENT

₹/ crore

	2016-2017		
	Continuing Operation		Total
	Tyres	Cement	
Segment Revenue			
Sales	1,727.18	2,468.30	4,195.48
Less: Inter-segment sales (made at cost)	-	-	-
Total	1,727.18	2,468.30	4,195.48
Other operating revenue	1.55	1.77	3.32
Unallocated Revenue	-	-	10.22
	1,728.73	2,470.07	4,209.02
Segment Results [Profit/(Loss) after considering other income and before interest and tax]	(65.98)	100.37	34.39
Interest			(257.14)
Other borrowing cost			(11.84)
Other unallocated income (net of expenditure)			112.79
Profit/(Loss) Before Tax			(121.80)
Segment Assets	1,684.72	1,786.85	3,471.57
Unallocated Assets			1,195.31
Total			4,666.88
Segment Liabilities	525.05	351.53	876.58
Unallocated Liabilities			3,495.43
Total			4,372.01
Segment Capital Expenditure	230.42	59.94	290.36
Unallocated Capital Expenditure			6.41
Total			296.77
Segment Depreciation and amortisation	25.91	80.44	106.35
Unallocated Segment Depreciation and amortisation			2.62
Total			108.97
Non cash expenditure other than depreciation and amortisation included in segment expense	22.59	2.56	25.15
Unallocated Non cash expenditure other than depreciation and amortisation included in segment expense			6.05
			31.20
Principal Items manufactured	Tyres, Tubes and Flaps	Cement	

Notes to Financial Statements for the year ended 31st March, 2017

43. INFORMATION ABOUT BUSINESS SEGMENT (contd.)

₹/ crore

	2015-2016			Sub-Total	Discontinuing Operation Rayon, T.P. and Chemicals	Total
	Continuing Operation					
	Tyres	Cement	Others			
Segment Revenue						
Sales	2,140.04	2,402.41	-	4,542.45	322.48	4,864.93
Less: Inter-segment sales (made at cost)	-	-	-	-	-	-
Total	2,140.04	2,402.41	-	4,542.45	322.48	4,864.93
Other operating revenue	7.72	4.06	-	11.78	0.32	12.10
	2,147.76	2,406.47	-	4,554.23	322.80	4,877.03
Segment Results [Profit/(Loss) after considering other income and before interest and tax]	(388.77)	251.02	(4.22)	(141.97)	(34.49)	(176.46)
Interest				(573.27)	(0.01)	(573.28)
Other borrowing cost				(104.26)		(104.26)
Other unallocated expenditures (net of income)				991.12		991.12
Profit Before Tax				171.62	(34.50)	137.12
Segment Assets	1,594.92	1,754.08	-	3,349.00	-	3,349.00
Unallocated Assets				3,288.86		3,288.86
Total				6,637.86	-	6,637.86
Segment Liabilities	572.20	352.99	-	925.19	-	925.19
Unallocated Liabilities				5,309.58		5,309.58
Total				6,234.77	-	6,234.77
Segment Capital Expenditure	40.82	24.38	-	65.20	23.46	88.66
Unallocated Capital Expenditure				3.75		3.75
Total				68.95	23.46	92.41
Segment Depreciation and amortisation	30.60	84.51	0.67	115.78	2.47	118.25
Unallocated Segment Depreciation and amortisation				6.53		6.53
Total				122.31	2.47	124.78
Non cash expenditure other than depreciation and amortisation included in segment expense	90.66	2.85	-	93.51	0.00*	93.51
Unallocated Non cash expenditure other than depreciation and amortisation included in segment expense				20.56		20.56
				114.07	0.00*	114.07
Principal Items manufactured	Tyres, Tubes and Flaps	Cement			Viscose Filament Rayon Yarn, Cellophane Paper, Sulphuric Acid, Caustic Soda Lye, Hydrochloric Acid	

The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

* Amount is below the rounding off norm adopted by the Company

Notes to Financial Statements for the year ended 31st March, 2017

44. RELATED PARTY DISCLOSURES

								₹/ crore	
	Related Party	Relationship	Outstanding as at 31st March 2017	Outstanding as at 31st March 2016	Payable/ receivable/ others	Nature of Transaction	2016-2017	2015-2016	
(A)	MSK Travels and Tours Ltd	I	0.01	0.58	Payable	Expenditure-Other Services	14.26	14.74	
(B)	Cavendish Industries Limited*	II	-	1,350.35	Receivable	Job Work Charges	-	342.67	
			-	700.05	Investment in Shares	Purchase of traded goods	-	0.62	
			-	63.41	Payable	Sale of Assets & Raw Material	21.25	-	
							Land Augmentation Income	162.00	-
							Severance charges	12.86	-
							Management service Income	-	4.49
(C)	Cygnet Industries Ltd **	II	529.29	-	Receivable- Loan	Interest Received	41.48	-	
			28.52	-	Receivable- Interest	Sale of Trading goods	10.22	-	
			30.05	-	Investment in shares	Management Service Income	2.85	-	
							Rent received	0.12	-
							Reimbursement of expenses	0.87	-
							Acquisition of shares	30.00	-
							Loan given	529.29	-
(D)	Gondkhari Coal Mining Limited	III	6.15	6.15	Receivable-loan	Advance given	0.02	-	
			0.62	0.62	Receivable- Interest				
			0.02	-	Receivable - Advance				
			0.02	0.02	Investment in shares				
(E)	Manjushree Khaitan (Whole-time Director)	IV	-	-		Expenditure- Remuneration	1.62	1.76	
(F)	K C Jain (Manager/ Whole-time Director) @	IV	-	-		Expenditure- Remuneration	-	3.77	
(G)	Tridib Kumar Das (Whole -time Director/ CFO) #	IV	-	-		Expenditure-Reimbursement	0.01	-	
			-	-		Expenditure-Remuneration	3.94	-	
(H)	Basant Kumar Birla	V	-	-		Expenditure- Remuneration	0.02	0.03	
(I)	Anshuman Vikram Jalan	V	-	-			-	-	
(J)	Jayashree Mohta	V	-	-			-	-	
(K)	Vidula Jalan	V	-	-			-	-	
(L)	Sarmila Das	V	-	-			-	-	
(M)	Gouri Das	V	-	-			-	-	
(N)	Deeptarun Das	V	-	-			-	-	
(O)	Deepak Das	V	-	-			-	-	
(P)	Jay Shree Tea & Industries Limited	VI	0.01	0.01	Investment in Shares	Dividend Received	0.04	0.04	

* Ceased to be related party w.e.f 13.04.2016 and hence outstanding as on 31.03.2017 has not been disclosed.

Notes to Financial Statements for the year ended 31st March, 2017

44. RELATED PARTY DISCLOSURES (contd.)

** Became a subsidiary w.e.f 07.05.2016

@ Ceased to be related party w.e.f 01.04.2016

Appointed as Whole Time Director w.e.f. 01.04.2016

I	Enterprise where control exists due to Key Management Personnel
II	Subsidiary
III	Joint venture
IV	Key Management Personnel
V	Relative of Key Management Personnel
VI	Enterprise over which person referred to in V above is able to exercise significant influence.

Disclosure pursuant to Section 186(4) of The Companies Act 2013, regarding loans given, Investment made and Guarantee given are mentioned in the respective notes of Non Current Investments (refer note 12), and Non Current Loans and Advances (refer note 13) and Guarantees (refer note 31(a) and 35).

Also refer note 32(b)(iii) relating to commitments as on 31.03.2017 in respect of Cygnet Industries Ltd amounting to ₹50 crore (Previous year : NIL) for borrowing / financing obligation.

45. CONSUMPTION OF RAW MATERIALS

₹/ crore

Manufacturing Section	Class of Materials	Unit	2016-2017		2015-2016	
			Quantity	Value	Quantity	Value
Cement -						
At Basantnagar	Limestone	M.T.	8,70,000	42.07	8,45,000	36.71
	Bauxite/ Laterite/					
	Hematite	M.T.	55,407	11.11	57,655	10.39
	Gypsum	M.T.	34,875	7.55	33,561	6.88
	Fly Ash	M.T.	3,22,493	7.27	2,90,349	6.71
At Sedam	Limestone	M.T.	54,04,073	82.81	56,72,696	89.69
	Bauxite/ Laterite/					
	Hematite	M.T.	3,30,703	31.50	3,26,181	24.64
	Gypsum	M.T.	1,32,033	34.51	1,58,613	37.77
	Fly Ash	M.T.	5,41,985	34.55	5,39,670	33.71
	Slag	M.T.	-	-	-	-
Tyre	Natural Rubber	M.T.	23,357	294.16	31,637	401.10
	Synthetic Rubber	M.T.	9,818	114.40	12,996	139.98
	Carbon Black	M.T.	16,294	78.48	22,442	144.83
	Fabric	M.T.	128	3.48	6,948	177.87
	Other Chemicals and Sundries			262.36		258.84
Sub-Total				1,004.25		1,369.12

Notes to Financial Statements for the year ended 31st March, 2017

46. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR :

₹/ crore

	2016-2017				2015-2016			
	Raw Materials		Stores, Spare Parts & Components		Raw Materials		Stores, Spare Parts & Components	
	Value	%	Value	%	Value	%	Value	%
Imported	80.45	8.01	153.89	23.34	186.64	13.63	220.07	30.37
Indigenous	923.80	91.99	505.56	76.66	1,182.48	86.37	504.63	69.63
	1,004.25	100.00	659.45	100.00	1,369.12	100.00	724.70	100.00

47. The Company has consolidated the 2016-17 Financial Statements of Cygnet Industries Limited, its wholly owned subsidiary. The Company has no associate company within the meaning of Section 2(6) of the Companies Act, 2013. Gondkhari Coal Mining Limited ("Gondkhari"), a joint venture has not been consolidated for reasons set out below :

Gondkhari, a Special Purpose Vehicle ("SPV") was set up as a joint venture with two other partners as per directions of the Central Government to develop and operate the Gondkhari Coal Block in Maharashtra allocated to the SPV. The allocation of all coal blocks having been cancelled by the Supreme Court vide judgment dated 25th August, 2014 read with Order dated 24th September, 2014, the substratum of the SPV has consequently ceased to exist. The Company is, therefore, in discussion with its venture partners as to the future course of action.

In view of the above and regard being had to the Accounting Standard 27, the Financial Statements of Gondkhari for the year ended 31st March, 2017 have not been consolidated with that of the Company.

48. The Loan to Subsidiary company was given to Cygnet Industries Ltd, a wholly owned subsidiary company after complying with the provisions of section 186(4) of the Companies Act, 2013. The loan was given in accordance with the terms & conditions between the parties to be used by the recipient in the normal course of business. The loan is repayable on demand. The Rate of Interest on the loan is 10.50% p.a.

49. Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to SEBI Listing Regulations, 2015

(i) Loans and advances in the nature of loans to subsidiary

₹/ crore

	As at 31st March, 2017	As at 31st March, 2016
Loan to subsidiary: Cygnet Industries Limited		
Balance as at the year end	557.82	-
Maximum amount outstanding at any time during the year	557.82	-

Notes to Financial Statements for the year ended 31st March, 2017

50. The details of Specified Bank Notes (SBN) held and transacted during the period 8th November 2016 to 30th December 2016 are provided in the table below:

	SBNs**	Other Denomination Notes	Total
Closing cash in hand as on 8th November 2016	0.07	0.03	0.10
(+) Permitted receipts	0.00*	0.25	0.25
(-) Permitted payments	-	(0.28)	(0.28)
(-) Amount deposited in Banks	(0.07)	-	(0.07)
(+) Amount withdrawn from bank	-	0.03	0.03
Closing cash in hand as on 30th December 2016	-	0.03	0.03

₹/ crore

* Amount is below the rounding off norm adopted by the Company

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

51. Previous Year's figures have been regrouped or rearranged where considered necessary.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No 52340

Place: Kolkata
Date : 28th April, 2017

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Gautam Ganguli
Company Secretary

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice-Chairperson

Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan
Vinay Sah

Directors