HINDUSTAN COMPOSITES LTD.
Peninsula Business Park, Tower "A", 8th Floor,
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
Tel.: (91) (22) 6688 0100 • Fax: (91) (22) 6688 0105
E-mail: hcl@hindcompo.com
Website : www.hindcompo.com
CIN No. L29120MH1964PLC012955

15th September, 2017

To,
The Manager - DCS
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code – 509635

National Stock Exchange of India Limited
Exchange Plaza, BandraKurla Complex,
Bandra (E), Mumbai - 400 051
Scrip Symbol: HINDCOMPOS

Dear Sir,

Ref.: Scrip Code – 509635

Sub: Submission of Annual Report 2016-17 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report for the financial year 2016-17, as approved and adopted by the Members in the Annual General Meeting held on Tuesday, 12th September, 2017 at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For **Hindustan Composites Limited**

HINDUSTAN COMPOSITES LTD.

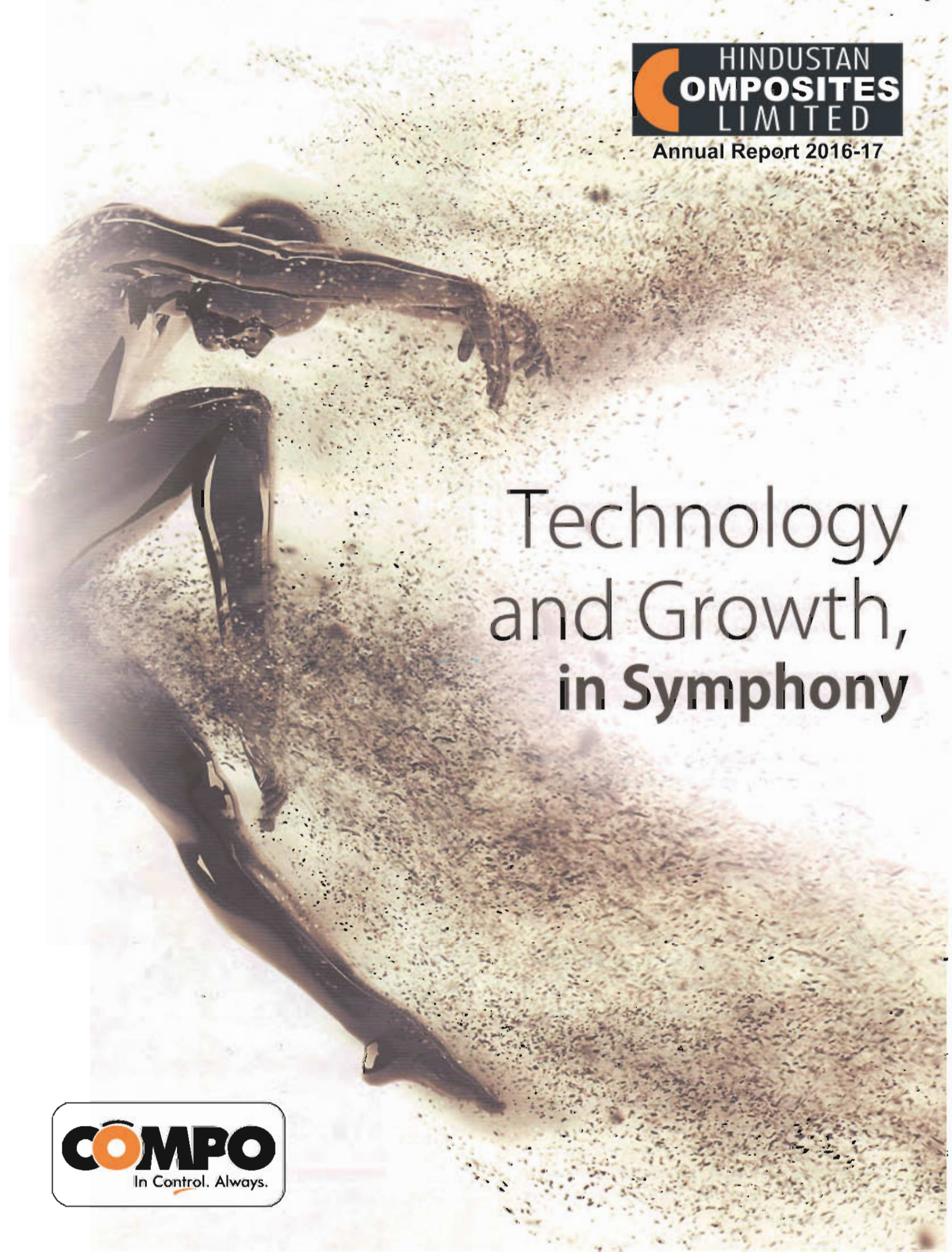
Amit Goenka
VP - Finance & Company Secretary

Membership No.A18414

Encl.: As above

HINDUSTAN COMPOSITES LIMITED

Annual Report 2016-17



Technology and Growth, **in Symphony**

COMPO In Control. Always.



Paithan Plant Ariel View



Technology center at Paithan



CV manufacturing at Paithan

BOARD OF DIRECTORS

Raghu Mody	Executive Chairman
P. K. Choudhary	Managing Director
A. B. Vaidya	Independent Director
Chakrapani Misra	Additional Independent Director (w.e.f. 23rd May, 2017)
Deepak Sethi	Independent Director
K. M. Robinson	Independent Director
Lt. Gen. (Retd.) K. S. Brar	Independent Director
Sakshi Mody	Non - Executive Director
Amit Goenka	V. P. Finance and Company Secretary
Sunil Jindal	Chief Financial Officer

STATUTORY AUDITORS
LODHA & CO.

SOLICATORS
KHAITAN & CO.

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53rd Annual General Meeting

Date : 12th September, 2017
Time : 11.30 a.m.
Venue: Hall of Harmony, Nehru,
Centre, Dr. Annie Besant Road
Worli, Mumbai – 400 018

BANKERS
Bank of Baroda
ICICI Bank

REGISTERED OFFICE
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013
Phone : (022) 6688 0100
Fax : (022) 6688 0105
E-mail : investor @hindcompo.com

REGISTRAR & SHARE TRANSFER AGENTS
Link Intime India Private Limited
C-101, 247 Park,
LBS Marg, Vikhroli (West), Mumbai – 400 083
Phone : (022) 49186270
Fax : (022) 49186060
Email : rnt.helpdesk@linkintime.co.in

WORKS
Paithan : D-2/1, MIDC Industrial area, Paithan, Dist.
Aurangabad - 431107

Bhandara : C-10/1, Bhandara Industrial Area, Gadegaon
Dist. Bhandara - 441 904

Hindustan Composites Limited

CIN: L29120MH1964PLC012955
Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400013
Tel.:(022) 6688 0100, FAX: (022) 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

NOTICE

Notice is hereby given that the Fifty Third Annual General Meeting of the Members of Hindustan Composites Limited will be held at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 at 11:30 a.m. on Tuesday, 12th September, 2017 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Directors' and Auditors' thereon; (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the reports of Auditors' thereon and in this regard, if thought fit, pass the following resolutions as **ORDINARY RESOLUTIONS:**

   (a) **"RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

   (b) **"RESOLVED THAT** the Consolidated Audited Financial Statements for the financial year ended 31st March, 2017 together with the Auditors' Report thereon be and are hereby received, considered and adopted."

2. To declare dividend on Equity Shares for the financial year ended on 31st March, 2017 and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the recommendation of the Board of Directors of the Company, dividend @ Re. 0.50 per share on its enhanced equity share capital after considering bonus issue i.e. on 1,47,69,000 Equity shares of Rs. 5 each fully paid up for the financial year 2016-17, be and is hereby declared out of the profits of the financial year 2016-17 and that the same be paid, to those shareholders whose names appear on the Company's Register of Members as on 12th September, 2017 and that the dividend warrants be posted or direct credit through NECS be given within 30 days hereof only to those shareholders who are entitled to receive payment."

3. To appoint a Director in place of Mr. Raghu Mody (DIN: 00053329), who retired by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Raghu Mody (DIN: 00053329), Director of the Company, who retired by rotation and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

4. To appoint Statutory Auditors and fix their remuneration and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 139(2), 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, M/s. Bagaria & Co. LLP, Chartered Accountants, Mumbai (having Firm Registration Number: 113447W), in place of the retiring auditors viz. M/s. Lodha & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive years from the conclusion of this 53rd Annual General Meeting until the conclusion of the 58th Annual General Meeting of the Company to be held for the year ending 31st March, 2022, subject to the retification of the members of the Company every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the revision in remuneration payable to Mr. Raghu Mody, (DIN: 00053329) Executive Chairman and Whole Time Director of

the Company w.e.f. 1st April, 2017 for the remaining period of his tenure as detailed in the Explanatory Statement attached to this Notice be and is hereby approved, with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Raghu Mody as Executive Chairman and Whole Time Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution."

6. To consider and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Article 206 of Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the re-appointment of Mr. Raghu Mody (DIN: 00053329) as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f 1st October, 2017 till 30th September, 2020 be and is approved upon the terms and conditions as detailed in Explanatory Statement annexed to this notice, with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Raghu Mody as Executive Chairman and Whole Time Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution."

7. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the revision in remuneration payable to Mr. P. K. Choudhary, (DIN: 00535670) Managing Director of the Company w.e.f. 1st April, 2017 for the remaining period of his tenure as detailed in the Explanatory Statement attached to this Notice be and is hereby approved, with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. P. K. Choudhary as Managing Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution."

8. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Chakrapani Misra (DIN: 07184034), who was appointed as an Additional Independent Director of the Company for a period of 5 years with effect from 23rd May, 2017 pursuant to the provisions of Section 149 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director,

be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149, 150 and 152 read with schedule IV of the Companies Act, 2013 to hold upto 22nd May, 2022, who shall not be liable to retire by rotation."

9. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 188(1)(f) and all other applicable provisions, if any, of the Companies Act, 2013 and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company, the remuneration payable to Mr. Varunn Mody, President Treasury and Strategy of the Company, a relative of Mrs. Sakshi Mody, Non-Executive Director of the Company, be and is hereby revised with effect from 1st July, 2017 to a consolidated remuneration of Rs. 600,000/- (Rupees Six Lakh only) per month with the liberty to the Board of Directors to revise terms of remuneration payable to him from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution."

By Order of the Board of Directors

Amit Goenka
VP - Finance & Company Secretary

Place: Mumbai
Date: 23rd May, 2017

Regd. Office:
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai 400013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further a person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
3. Members are requested to bring their Attendance slip along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting).
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. Brief resume of Directors proposed to be appointed/ re-appointed at the ensuing Annual General Meeting in terms of Regulations 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Notice.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 6th September, 2017 to Tuesday, 12th September, 2017 (both days inclusive) for determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing Annual General Meeting.
9. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Listing fees for the financial year 2017-18 has been paid to both the stock exchanges.
10. Members who hold shares in dematerialized form are requested to bring their client ID and DP-ID for easier identification of attendance at the meeting.
11. Members holding shares in identical order of names in more than one folio are requested to write to the Company / Registrar and Share Transfer Agent (RTA) enclosing their

Share Certificates to enable the Company to consolidate their holdings in one folio for better services.

12. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / RTA quoting their Folio Number. Members holding shares in the Demat form may update such details with their respective Depository Participants.

13. The Company has transferred the unpaid or unclaimed dividend declared up to financial years 2008-09, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividend in respect of the financial year ended on 31st March, 2010 is due for transfer to the IEPF in month of October, 2017. The shareholders whose dividend remained unclaimed for the financial year 2009-10 and for subsequent financial years are requested to claim it immediately from the Company. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 8th September, 2016 (date of the previous Annual General Meeting) under "Investor Relations" section on the website of the Company. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in and on the website of IEPF viz. www.iepf.gov.in.

    Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

    In accordance with the aforesaid provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / (RTA).

15. Queries on accounts and operations of the Company, if any, may please be sent to the Company, seven days in advance of the meeting so that the answers can be made available at the Meeting.

16. Members are requested to forward all Share Transfers and other communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.

17. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

18. The dividend on Equity shares as recommended by the Board of Directors for the year ended 31st March, 2017, if approved by the members at the Annual General Meeting, will be paid to those members whose names stand registered in the Register of Members as on Tuesday, 12th September, 2017 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

19. To comply with the provisions of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company is required to update its database by incorporating some additional details of its members.

    You are thus requested to submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning the same by post.

    The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

20. The Register of Directors' and Key Managerial Personnel's Shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.

21. The Notice of the 53rd Annual General Meeting and instructions for e-voting, Attendance Slip and Proxy Form are being sent by electronic mode to all members whose email address are registered with the Company/Depository Participant(s) unless member has requested for hard copy of

the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier.

22. Information and other instructions relating to the e-voting:

(a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed in the 53rd Annual General Meeting (AGM) by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').

(b) The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as agency to provide e-voting facility.

(c) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot paper.

(d) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

(e) The remote e-voting shall commence on Saturday, 9th September, 2017 (9.00 a.m.) and ends on Monday, 11th September, 2017 (5.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 5th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(f) The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 5th September, 2017.

(g) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Tuesday, 5th September, 2017 only shall be entitled to avail the facility of remote e-voting and voting at meeting through ballot paper.

(h) The Board of Directors of the Company has appointed CS Manish Baldeva, Proprietor of M/s. M Baldeva Associates, Company Secretaries, Thane (Membership No. FCS 6180) as Scrutinizer to scrutinize the voting through remote e-voting process and ballot papers in a fair and transparent manner.

(i) Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Tuesday, 5th September, 2017 may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or rnt.helpdesk@linkintime.co.in. However, if the member is already registered with CDSL for remote e-voting then he can use his exiting user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com.

(j) The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot paper and through remote e-voting, will not later than 48 hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.hindcompo.com and on the website of the CDSL www.evotingindia.com. The results shall simultaneously be communicated to the stock exchanges.

(k) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Tuesday, 12th September, 2017.

The procedure/ instructions for remote e-voting are as under:

(a) The shareholders should log on to the e-voting website www.evotingindia.com.

(b) Now click on Shareholders.

(c) Fill up the following details in the appropriate boxes:

(i) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

(iii) Members holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(iv) In case Member is a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Date of Birth (DOB)	• Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	• Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • **Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).**

(d) After entering these details appropriately, click on "SUBMIT" tab.

Members holding shares in Physical form will then reach directly to the EVSN selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(e) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.

(f) Click on the EVSN for the HINDUSTAN COMPOSITES LIMITED on which you choose to vote.

(g) On the voting page, Members will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that the member assent to the Resolution and option NO implies that the member dissent to the Resolution.

(h) Click on the 'RESOLUTION FILE LINK' if the member wishes to view the entire notice Annual General Meeting.

(i) After selecting the resolution, the member has decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If the member wishes to confirm their vote, click on "OK", else to change the vote, click on "CANCEL" and accordingly modify the vote.

(j) Once the member 'CONFIRM" their vote on the resolution, they will not be allowed to modify their vote.

(k) Members' can also take out print of the voting done by them by clicking on "Click here to print" option on the Voting page.

(l) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(m) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(n) Note for Institutional Shareholders and Custodian:

• Institutional shareholders (i.e. other than

Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

General:

(a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.

(b) If a Member is already registered with CDSL for e-voting then they can use existing login details for casting your vote.

(c) The e-voting period commences on Saturday, 9th September, 2017 (9.00 a.m.) and ends on Monday, 11th September, 2017 (5.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 5th September, 2017 may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

(d) The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 5th September, 2017.

(e) CS Manish Baldeva (FCS 6180), Proprietor, M/s. M Baldeva Associates, Company Secretaries, Thane, has been appointed as Scrutinizer to scrutinize the Postal Ballot process including e-voting process in a fair and transparent manner.

(f) The Scrutinizer shall within a period of not exceeding 48 hours from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(g) The Results of the e-voting along with the scrutinizer's report shall be placed on the Company's website www.hindcompo.com and on the website of CDSL immediately after the result is declared by the Chairman.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 5 & 6:

Mr. Raghu Mody, Executive Chairman and Whole Time Director of the Company is promoter of the Company and is associated with the Company since 1987. He is a leading industrialist with several decades of extensive and varied experience in setting up businesses in different kinds of industrial products.

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1st April 2017 for remaining period of his tenure as detailed in below table.

Further the current tenure of Mr. Raghu Mody as Executive Chairman and Whole Time Director is expiring on 30th September, 2017. Considering his experience, knowledge and contribution made in the growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee, the Board of Directors of the Company has re-appointed him as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f. 1st October, 2017 to 30th September, 2020 on the terms and conditions as follows:

Sr. No.	Particulars	Details of Proposed remuneration
1.	Salary	Rs. 6,00,000/- per month and special allowance of Rs. 4,13,000/- per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Commission	Subject to limit prescribed under the Companies Act, 2013.
3.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas, telephone and maintenance in the premises etc.

4.	Conveyance/ Motor Car	Provision of motor car with driver.
5.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding Rs. 1,04,000/- per annum.
6.	Servant Allowance	Provision for Servant Allowance Rs. 20,000/- p.m.
7.	Gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of two clubs.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

The above remuneration is to be paid as minimum remuneration in absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

Mr. Raghu Mody being age of more than 70 years, Special Resolution for this re-appointment is required and an Ordinary resolution for revision of his remuneration for the remaining period of his tenure.

Accordingly, the Directors recommend the resolutions set out at item nos.5 & 6 of the Notice for approval of the Members.

Except Mr. Raghu Mody, Executive Chairman none of the other Directors and / or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolutions.

Item No. 7

Mr. P. K. Choudhary, Managing Director of the Company has been associated with the Company since last 26 years. He is a Chartered Accountant and Company Secretary and has vast knowledge and experience in the field of Finance, Commercial Activities and General Management.

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1st April 2017 for remaining period of his tenure as follows:

Sr. No.	Particulars	Details of Proposed remuneration
1	Salary	Rs. 3,00,000/- per month and special allowance of Rs.1,76,500/- per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas and maintenance in the premises etc. not exceeding Rs. 19,500/- per month. In case no accommodation is provided, the payment of HRA subject to the ceiling of sixty percent of the salary.
3.	Conveyance/ Motor Car	Provision of motor car with driver or Rs. 66,000/- per month.
4.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding Rs. 1,32,000/- per annum.
5.	Servant Allowance	Provision for Servant Allowance Rs. 16,000/- p.m.
6.	Leave Travel Concession	As per rules of the Company, not exceeding Rs. 2,00,000/- per annum.
7.	Provident and other funds including superannuation and gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of one club.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

The above remuneration is to be paid as minimum remuneration in absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

Your Directors recommend the Ordinary Resolution as set out at item no. 7 of the notice for approval of the Members.

Except Mr. P. K. Choudhary, Managing Director, none of the other Directors and / or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

Item No. 8

Mr. Chakrapani Misra, being eligible, was appointed as an Additional Independent Director for a period of five years with effect from 23rd May, 2017, subject to approval of shareholders at the ensuing Annual General Meeting. Mr. Chakrapani Misra, aged 46 years, is a B.A., LL.B. from Government Law College, Mumbai and LL.M. - Bombay University. He is a Solicitor and

Advocate with over two decades legal experience in the field of dispute resolution including complex corporate commercial litigation before various courts and tribunals across India, International commercial arbitrations under the rules of ICC, LCIA, SIAC and other international dispute resolution bodies, domestic arbitration in India, Securities laws related disputes, Intellectual property rights and related matters, contract drafting and negotiations.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of shareholders. Mr. Chakrapani Misra has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also received a notice along with requisite deposit from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director. Further, he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to act as a director of the Company. The Nomination and Remuneration Committee has also approved his appointment as Independent Director for a term of five years.

In the opinion of the Board, Mr. Chakrapani Misra fulfills the conditions as specified in the Act and the Rules made thereunder for appointment as an Independent Director and he is independent of the management.

The letter of appointment is available for inspection by members at the registered office of the Company between 11 a.m. to 1 p.m. on any working day of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Chakrapani Misra as an Independent Director. Accordingly, the Board recommends an Ordinary Resolution in relation to appointment of Mr. Chakrapani Misra as an Independent Director for the approval by the members of the Company.

Brief resume of the Director proposed to be appointed as stipulated under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the annexure to the Notice. Mr. Chakrapni Misra is not holding any shares in the Company.

Except Mr. Chakrapani Misra, being appointee, none of the other Directors and / or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the said resolution.

Item No. 9.

Taking into consideration the past experience and knowledge of Mr. Varunn Mody in the field of Treasury and Strategy activities and upon receipt of recommendation by the Nomination and Remuneration Committee and approval of the Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1st July, 2017 as follows:

Sr. No.	Particulars	Details of Proposed remuneration
1.	Salary	Rs. 3,50,000/- per month
2.	Special Allowance	Rs. 1,72,000/- per month.
3.	Leave Travelling Allowance	As per rules of the Company, not exceeding Rs. 8,000/- per month
4.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding Rs. 48,000/- per annum
5.	Gas/ Electricity	Rs. 12,000/- per month
6.	Servant Allowance	Rs. 12,000/- per month
7.	Provident Fund	As per rules of the Company's scheme

Mr. Varunn Mody is husband of Mrs. Sakshi Mody, Non-Executive Director of the Company, hence being a related party, the approval of members of the Company for his revision in remuneration is required by passing an Ordinary Resolution in terms of the Section 188(1)(f) of the Companies Act, 2013 and the Rules made thereunder and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors accordingly recommends the Ordinary Resolution as set out at item no. 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company and their relatives except Mrs. Sakshi Mody and her relatives are concerned or interested in the said resolution.

INFORMATION OF DIRECTORS BEING PROPOSED FOR APPOINTMENT/RE-APPOINTMENT AS PER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

1. **Mr. Raghu Mody,** aged 78 years, is a senior Cambridge. He has over 54 years of experience as a leading industrialist with several decades of extensive and varied experience in

setting up businesses in different kinds of industrial products and is associated with the Company since 1987. He is an Executive Chairman and Whole Time Director and promoter of the Company and is a member of Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

He is also a Director in Rasoi Ltd, J. L. Morison (India) Ltd., Prabhukripa Overseas Ltd. and Rasoi Express Pvt. Ltd. He is also a member of Nomination and Remuneration Committee in J. L. Morison (India) Ltd. and a member of Audit Committee of Rasoi Ltd.. He is not related inter-se to any other directors on the Board within the meaning of Section 2(77) of the Companies Act, 2013. He does not hold any shares in the Company.

2. **Mr. Chakrapani Brajesh Misra,** aged 47 years, is a Solicitor and Advocate with over two decades of legal experience in the field of dispute resolution including complex corporate commercial litigation before various courts and tribunals across India, International commercial arbitrations under the rules of ICC, LCIA, SIAC and other international dispute resolution bodies, domestic arbitration in India, Securities laws related disputes, Intellectual property rights and related matters and negotiations. He joined the Company as an Additional Independent Director on 23rd May, 2017 and is also appointed as a Chairman of Audit Committee of the Company.

He is a Director and a member of Audit Committee and Stakeholders Relationship Committee in J. L. Morison (India) Ltd. He is not related inter-se to any of the directors on the Board within the meaning of Section 2(77) of the Companies Act, 2013. He does not hold any shares in the Company.

By Order of the Board of Directors

Amit Goenka
VP - Finance & Company Secretary

Place: Mumbai
Date: 23rd May, 2017

Regd. Office:
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai 400013

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To the Members,
Hindustan Composites Limited,

Your Directors are pleased to present the Fifty Third Annual Report together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2017 is summarized below:

(Rs. in Crores)

	Standalone		Consolidated	
	2016-17	**2015-16**	**2016-17**	**2015-16**
Revenue from Operations	**181.62**	**168.20**	**181.62**	**168.20**
Other Income	1.11	0.49	1.11	0.49
Profit before Interest, Depreciation and Taxes	39.91	30.69	38.24	28.64
Interest	0.20	0.22	0.20	0.22
Depreciation (Net)	7.71	6.53	7.71	6.53
Profit Before Tax	**32.00**	**23.94**	**30.33**	**21.89**
Provision for Tax	**7.11**	**3.22**	**7.11**	**3.22**
Profit After Tax	**24.89**	**20.72**	**23.22**	**18.67**
Other Comprehensive Income / Loss (Net of Tax)	**33.96**	**10.73**	**33.96**	**10.73**
Total Comprehensive Income	**58.85**	**31.45**	**57.18**	**29.40**

2. ADOPTION OF IND AS

The Company has adopted the Indian Accounting Standard ("Ind AS") w.e.f. 1st April 2016 with a transition date of 1st April, 2015. The above Financial Statements have been prepared in accordance with the recognition and measurement principles stated therein and as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

3. SHARE CAPITAL OF THE COMPANY

As at 31st March, 2017, the paid up equity share capital of your Company stood Rs. 4,92,30,000 (Rupees Four Crore Ninety Two Lakhs Thirty Thousand only) divided into 49,23,000 Equity shares of the face value of Rs. 10 (Rupee Ten) each.

The Company has obtained its shareholders' approval for the following matters through postal ballot process, the results of which were declared on the 13th May, 2017:

1) Sub-division of existing 1 equity share having face value of Rs. 10 each fully paid-up into 2 equity shares having face value of Rs. 5 each;

2) Increase in Authorized Share Capital of the Company from Rs. 6 crore to Rs. 8 crore divided into 1.6 crore equity shares of Rs. 5 each and subsequent alteration of Capital Clause of Memorandum of Association to give effect to the sub-division of shares and increase in the authorized share capital;

3) Issue of 49,23,000 bonus equity shares in proportion of 1:2 (i.e. 1 new bonus equity share of Rs. 5 each for every 2 equity shares of Rs. 5 each held) (Post split face value per equity share);

After giving effect to the above, the issued, subscribed and paid up share capital of the company would be at Rs. 7,38,45,000 divide into 1,47,69,000 equity share of Rs. 5 each.

4. DIVIDEND

Your Directors have recommended a dividend of Rs. 0.50 per share, being 10% on the Company's enhanced equity share capital after considering bonus issue, i.e. on 1,47,69,000 Equity Shares of Rs. 5 each fully paid up of the Company for the year ended 31st March, 2017. The Corporate Dividend Tax of Rs. 0.15 crore will be payable on the total dividend amount of Rs. 0.74 crore. The Dividend, if approved, will be paid to those members whose names appear on the Register of Members / List of Beneficiaries as on 12th September, 2017.

5. RESERVES

During the year under review Rs. 15 Crores were transferred to the General Reserve.

6. OVERVIEW OF ECONOMY AND PERFORMANCE OPERATIONS

The Company reported total revenue of Rs. 181.62 Crores, representing a growth of 8% over the previous year. The manufacturing turnover increased by 11% from Rs. 124.81 Crores to Rs. 139.38 Crores. This was achieved despite challenging market conditions both in the domestic and export segments.

Investment Income during the year was marginally lower at Rs. 41.19 Crores, as against Rs. 42.23 Crores in the previous year. This was mainly due to lower dividend income during the year.

The gross profit of the Company was substantially higher at Rs. 39.91 Crores from Rs. 30.69 Crores. After considering interest of Rs. 0.20 Crores and depreciation of Rs. 7.71 Crores, Profit Before Tax was Rs. 32 Crores and net profit after provision for tax of Rs. 7.11 Crores, was Rs. 24.89 Crores.

Other Comprehensive Income (OCI) (net of Tax) was Rs. 33.96 Crores, as against Rs. 10.73 Crores in the previous year. The total Comprehensive Income after tax during the year was Rs. 58.85 Crores, as against Rs. 31.45 Crores in the previous year.

The Indian economy performed well during 2016-17 with a GDP growth of about 6.8%, despite a temporary slow-down due to the demonetisation of high value currency notes by the Indian Government in November 2016.

The Indian Automobile Industry produced a total of 25,316,044 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in FY 2016-17, as against 24,016,599 in the previous year, registering a growth of 5.41% over the last year. The sale of Passenger vehicles grew by 9.23%, while the growth of Commercial vehicle was 4.16%.

With the Government's decisive policy towards economic reforms and a thrust on infrastructure development, the Indian economy is poised for a decent growth in the coming years.

Based on the above positive scenario, the Company remains optimistic for a good demand outlook for its products even though there may be some immediate slow-down in the truck segment due to a switch-over from the BS-III to BS-IV emission norms and the implementation of proposed GST.

Our Company is geared-up to meet the expected increase in demand through continued investment in capacity expansion, introduction of new products and improvement in quality.

In the Investment segment, challenges will remain with declining interest rates and a volatile stock market. However, the Company will continue to deploy its funds judiciously, keeping capital protection in mind.

The Company participated at the Automechanika Fair at Frankfurt, Germany in September, 2016. This is the largest Exhibition for Aftermarket Auto Components in the world. The Company also participated in i-Auto Connect 2016, an International reverse Buyers / Sellers Meet organised by ACMA and the Ministry of Commerce, in Gurgaon on 6th September, 2016. The response of both the exhibitions was positive.

There was some improvement in the working of the Company's joint venture 'Compo-Advics (India) Pvt. Ltd.'. However, in view of highly competitive market conditions, the company was not able to reach the desired utilisation of plant capacity.

There were no changes in the nature of business of the Company during the year under review. Similarly, there have been no material changes and commitments affecting the financial position of the Company between the end of the Company's financial year to which the financial statements relate and upto the date of this report.

7. PRODUCTION RANGE

Your Company is engaged in the manufacture and marketing of fiber based Friction Materials, consisting of Brake Liners, Roll Linings, Clutch Facings, Disc Brake Pads used in Heavy and Light Trucks, Passenger Cars, 2 / 3 wheelers, off-road-vehicles and construction and mining equipment. Composition Brake Blocks for the Railways are also an important part of the Company's product portfolio.

8. MANAGEMENT DISCUSSION AND ANALYSIS

8.1 OPPORTUNITIES, THREATS AND BUSINESS OUTLOOK

The Global economy continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies. Major global events during the year included the United Kingdom's decision to leave the

European Union and the outcome of presidential elections in United States of America. Both the events are expected to have a long-term impact on the global economy.

India emerged as a 'bright spot' in an otherwise subdued world economy, when it overtook China in 2015-16 as the fastest-growing major economy in the world. Though, India's fundamentals continue to remain strong, the recent demonetisation initiative undertaken by the Indian Government is expected to lower India's GDP growth from 7.6% in FY 16 to 6.8% in FY 17.

Looking ahead the Indian economy presents positive picture both in the short-term and long-term. The introduction of GST in this financial year will have a positive impact on the economy and also for the business environment in general. The Government has demonstrated its willingness to take forward the reform process, both with significant investments for improvement in infrastructure and also to bring-in financial discipline with a determined drive to eliminate the parallel economy. This will help to improve the business outlook in the current year. As a consequence, a positive effect by way of low inflation rates are already beginning to be visible.

With the above positives for the Indian economy, we foresee a significant growth potential for the Automobile Industry, which is good for Company's manufacturing and investment business.

This should improve the order-book of both OEM and After market customers particularly in Commercial vehicle and Farm Tractor segment, where the Company is a dominant player. The Company is geared-up to meet this additional demand by upgrading its technology and improvement in its manufacturing segment. The Company has also planned to install additional capacity to meet the increased business.

The Company is optimistic in its outlook for its current financial year barring challenges because of increase in commodity prices which increased sharply during 2016-17.

The scenario of falling interest rate may pose some challenge in generating a higher investment income. However, the Company will continue to adopt a prudent and pragmatic approach to increase its revenue by way of judicious investments in all asset class.

8.2 RISKS AND AREAS OF CONCERN

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

8.3 HRD / INDUSTRIAL RELATIONS

The thrust of the Company's human resource development is to create a responsive and market-driven organization with emphasis on performance. Continuous appraisal of personnel competence in line with job requirements, are carried out to provide for necessary training to personnel thereby facilitating higher levels of output and productivity. The industrial relations at Paithan and Bhandara remain satisfactory.

9. SUBIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has a Joint Venture Company namely "Compo Advics (India) Private Limited". The company had no subsidiary or associate company during the year under review.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Joint Venture Company in Form AOC 1 is attached to the financial statements of the Company.

10. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT 9 is appended to this Report as **"Annexure A".**

11. DIRECTORS AND KMP

a) Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the Company, Mr. Raghu Mody (DIN: 00053329), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

b) Appointment

Mr. Raghu Mody (DIN: 00053329) have been re-appointed as Executive Chairman and Whole Time Director, of the Company for a period of three years

commencing from 1st October, 2017 to 30th September, 2020 in the Board Meeting held on 23rd May, 2017.

Mr. Chakrapani Misra have been appointed as an Additional Director (Non-Executive Independent Director) of the Company for a period of 5 consecutive years w.e.f. 23rd May, 2017 in the Board meeting held on 23rd May, 2017.

Re-appointment of Mr. Raghu Mody and appointment of Mr. Chakrapani Misra are subject to the approval of Shareholders of the Company.

c) Cessation

There was no cessation from the Board of the Company during the period under review.

d) Declaration from Independent Directors

The Company has received declaration from all the Independent Directors of the Company confirming that they have met the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Annual Performance and Board Evaluation

The Board has devised a policy pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for performance evaluation of the Chairman, Board and individual Directors (including independent Directors) and Committees which includes criteria for performance evaluation of Non-executive Directors and Executive Directors.

The Board has devised questionnaire to evaluate the performances of Board, Board Committees and individual Directors and Chairperson. The Chairman of respective Board Committees shared the report on evaluation with the respective committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees. The reports on performance evaluation of the individual Directors were reviewed by the Chairman of the Board.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

i. Attendance at Board Meetings and Committee Meetings;
ii. Quality of contribution to Board deliberations;
iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
iv. Providing perspectives and feedback going beyond information provided by the management.

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: http://www.hindcompo.com/ investorrelations / documents / familiarisation-programes-forindependent -directors. pdf

f) Key managerial Personnels (KMP)

The Key Managerial Personnel of the Company are as follows:

1.	Mr. Raghu Mody	Executive Chairman
2.	Mr. P. K. Choudhary	Managing director
3.	Mr. Amit Goenka	V.P. Finance & Company Secretary
4.	Mr. Sunil Jindal	Chief Financial Officer

12. MANAGERIAL REMUNERATION AND OTHER DETAILS:

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as **"Annexure –B".**

The Statement containing particulars of employees as required under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 is provided in a separate annexure forming part of this report. Further in terms of Section 136 of the Act, the Report and accounts are being sent to the members excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during the working hours and any member interested in obtaining a copy of the same may write to the Company Secretary and the same will be furnished on request.

13. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

14. AUDIT COMMITTEE AND ITS COMPOSITION

As on 31st March, 2017, the Audit Committee comprised of Mr. Deepak Sethi, Mr. A. B. Vaidya, Mr. Raghu Mody and Lt. Gen. (Retd.) K. S. Brar.

Mr. Deepak Sethi is Chairman of Audit Committee of the Company. Mr. Amit Goenka, V. P. - Finance and Company Secretary of the Company, acts as Secretary of the Audit Committee.
The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control, financial reporting process and vigil mechanism.

15. MEETINGS OF THE BOARD

The Board met five times during the year, the details of which are given in the Corporate Governance Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134 (5) of the Companies Act, 2013 state that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

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

17. DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT 2013

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and are entered into based on considerations of various business exigencies, such as synergy in operations, their specializations etc. and to further the Company's interests.

During the financial year 2016-17, the Company had entered into contracts / arrangements / transactions with related party, the details of which as referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 under Companies (Accounts) Rules, 2014 is appended as **'Annexure C'.**

The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web link of the same is as under: http://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of loans, guarantee or investment under Section 186 of the Companies Act, 2013 are given under Notes to Accounts on financial statements.

20. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a policy on Corporate Social Responsibility (CSR). As part of its initiatives under CSR, the Company has undertaken project in the area of eradicating hunger. This project is in accordance with Schedule VII of the Companies Act, 2013.

The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed herewith as **"Annexure D".**

21. WHISTLE BLOWER/ VIGIL MECHANISM POLICY

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil Mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company. We affirm that during the financial year 2016-17, no employee or director was denied access to the Audit Committee.

22. STATUTORY AUDITORS

M/s. Lodha & Company, Chartered Accountants (Firm Registration No. 301051E), Mumbai, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has proposed to appoint M/s. Bagaria & Co LLP, Chartered Accountants, Mumbai (Firm Registration No. 113447W), as the Statutory Auditors of the Company for a period of five consecutive years i.e from the conclusion of the ensuing 53rd Annual General Meeting upto the conclusion of 58th Annual General Meeting of the Company. The Company has received a letter from them to the effect that they are willing to get appointed as Statutory Auditors and if appointed, their appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013 and they are not disqualified from being appointed as Auditors.

Your Directors recommend the appointment of M/s. Bagaria & Co LLP, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing 53rd Annual General Meeting upto the conclusion of 58th Annual General Meeting of the Company, subject to ratification by the members of the Company every year.

23. SECRETARIAL AUDIT REPORT

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. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the year 2016-17. The Secretarial Audit Report is annexed herewith as **'Annexure E'** and forming part of this report.

24. INTERNAL AUDIT

The Company has appointed M/s. Malpani & Associates, Chartered Accountants, Mumbai, as its Internal Auditor. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies at all locations of the Company and reports the same on quarterly basis to the Audit Committee.

25. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

There is no qualification / observation/adverse remark in Statutory Auditor' Report.

With respect to observation made by the Secretarial Auditors in their report, we would like to state that:

i) the Annual Audited Consolidated Financial Results for the year ended 31st March, 2016 were approved and submitted to Stock exchanges on 22nd July, 2016 which is beyond the stipulated time limit of 30th May, 2016 - The Institute of Chartered Accountants of India (ICAI) vide its FAQs published on 24th June, 2016 clarified that a company, which does not have subsidiary but has Joint venture or associate, is also required to prepare the Consolidated Financial Statements as required under the provision of Section 129(3) of the Companies Act, 2013 for the financial year ended 31st March 2016. Accordingly the Company prepared and submitted the Consolidated Financial Statements on the basis of audited financial statements of the Company and its Joint Venture viz. Compo Advics (India) Pvt. Ltd. on 22nd July 2016; and

ii) the delay in filing of some forms with Registrar of Companies were due to oversight.

26. CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the following have been made a part of the Annual Report and are attached to this report:

- Corporate Governance Report
- Auditors' Certificate regarding compliance of conditions of Corporate Governance

27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on company's operations in future.

28. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically used efficiently and adequately protected.

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

Details regarding Conservation of energy, technology absorption, foreign exchange earnings and outgo is given in **"Annexure F"** annexed herewith.

30. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted an internal complaint committee under Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year there was no complaint filed before the said Committee.

31. DISCLOSURES PURSUANT TO REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

A. Details related to GEBS

a) Date of Shareholders' approval:

Approved by the shareholders of the Company in the 51st Annual General Meeting held on 18th September, 2015.

b) Kind of benefits to be granted under the Scheme:

Providing assistance to meet medical expenses, providing assistance/reimbursement to meet cost of tuition and other fees and expenses in connection with providing higher education/and professional courses, providing assistance to meet marriage expenses, to sponsor holidays trips and get-togethers and such other benefits as more particularly described in object clause of the Trust Deed.

c) Beneficiaries of the Scheme:

Such persons who are in permanent employment of the company for at least 5 years and are designated as Officers and Managers and their spouse, parents and children, who for the time being is nominated to be a beneficiary, as may be determined by the Nomination and Remuneration Committee from time to time, but shall not include directors or promoters of the company.

d) Total assets of the Scheme:

Rs. 109,513,340 as per the audited balance sheet of the Trust as on 31st March, 2017.

e) Quantum of holding in own shares / listed holding company shares (both absolute and in percentage):

223,963 (4.55%) Equity Shares of Rs. 10 each of the Company.

f) Whether scheme is in compliance of regulation 26(2)/27(3) of the regulations, as applicable: No.

g) Variation in terms of Scheme: Not Applicable

B. Details related to Trust

i. General information on all schemes

Sr. No.	Particulars	Details
1	Name of the Trust	Carnation Welfare Trust
2	Details of the Trustee(s)	**Mr. Snehal N. Muzoomdar** Practicing Chartered Accountant Address: 52, Walchand Terraces, Tardeo Air Conditioned Market, Mumbai - 400034 **IDBI Trusteeship Services Limited** Private Trust Address: Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai-400001.
3	Amount of loan disbursed by the Company/ any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to the company/ any company in the group) as at the end of the year	Rs. 93,000,000
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

ii. Brief details of transaction in shares by the Trust

Sr. No.	Particulars	Details
A	Number of shares held at the beginning of the year	234,899
B	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	Nil
C	Number of shares transferred to the employees / sold along with the purpose thereof;	10,936 (share sold for repayment of loan)
D	Number of shares held at the end of the year	223,963

iii. In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	234,899 (4.77%)
Acquired during the year	Nil
Sold during the year	10,936(0.22%)
Transferred to the employees during the year	Nil
Held at the end of the year	223,963 (4.55%)

32. DISCLOSURE PURSUANT TO SECTION 67 OF THE COMPANIES ACT, 2013 READ WITH RULE 16(4) of THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014:

Your Company has created a 'General Employee Benefits Scheme (GEBS)' under an irrevocable Trust named as "Carnation Welfare Trust" on 20th June, 2011 for the benefit of its existing and future permanent employees, except directors and promoters. The Scheme is established for the general welfare of the beneficiaries i.e. permanent employees of the Company. Under the Scheme, the Trust has purchased 2,34,899 Equity Shares of the Company from secondary market for a total consideration of Rs.11,29,56,669. As no shares are allotted or transferred to any employee or option to purchase of these shares is given to any employee under this Scheme, no voting rights are directly exercised by employees of the Company on these shares. The trustees of the Trust are entitled to exercise vote on these shares, however as required under Regulation 3(5) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, they have not exercised any voting right on these shares on resolutions transacted at the 52nd Annual General Meeting held on 8th September 2016.

33. CAUTIONARY STATEMENT

The statements in the Directors' Report and Management Discussion and Analysis cannot be construed as holding out any forecasts, projections, expectations, invitations, offers, etc. within the meaning of applicable securities, laws and regulations. This Report basically seeks to furnish information, as laid down within the different headings to

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

34. APPRECIATIONS

The Directors would also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended during the year under report by our bankers, customers, suppliers and Government agencies. The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

By order of the Board of Directors

Place: Mumbai
Date: 23rd May, 2017

Raghu Mody
Chairman

Annexure A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1 REGISTRATION AND OTHER DETAILS:

i) CIN	L29120MH1964PLC012955
ii) Registration Date	1st July, 1964
iii) Name of the Company	Hindustan Composites Limited
iv) Category / Sub-Category of the Company	Company Limited by Shares / Non - Government Company
v) Address of the Registered of contact details	Peninsula Business Park,"A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 Tel.: (022) 66880100, Fax: (022) 66880105 E-mail: hcl@hindcompo.com, Website: www.linkintime.co.in
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel:. +91 22 4918 6270 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in, Website:www.linkintime.co.in

2 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Friction materials - Brake lining, Brake Block, Clutch facing and Button	29301	77.33
2	Investment and Treasury operations	643	22.67

3 PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable Section
1	Compo Advics (India) Private Limited 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	U36100MH2013PTC250528	Joint Venture	49.00	Section 2(6)

4 Share holding pattern (Equity Share Capital Breakup as % of Total Equity)

(i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoter									
(1) Indian									
(a) Individual /HUF	100	0	100	0.00	0	0	0	0.00	0.00

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	3691010	0	3691010	74.97	3691010	0	3691010	74.97	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Others ……	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	**3691110**	**0**	**3691110**	**74.98**	**3691010**	**0**	**3691010**	**74.97**	**-0.01**
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others ……	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of promoters (A)	**3691110**	**0**	**3691110**	**74.98**	**3691010**	**0**	**3691010**	**74.97**	**-0.01**
B. Public									
(1) Institutions									
(a) Mutual Funds	50	0	50	0.00	50	0	50	0.00	0.00
(b) Banks / FI	128	620	748	0.02	1211	620	1831	0.04	0.02
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others ……	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	**178**	**620**	**798**	**0.02**	**1261**	**620**	**1881**	**0.04**	**0.02**
(2) Non Institutions									
(a) Bodies Corp.									
(i) Indian	453887	6443	460330	9.35	345545	6443	351988	7.15	-2.20
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals*	0	0	0	0.00	0	0	0	0.00	0.00
(I) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	226475	348178	574653	11.67	334095	341644	675739	13.73	2.05
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	0	0	0.00	0	0	0	0	0.00
(c) Others (Specify)									
(i) Non Resident Indian -Rep	1387	2444	3831	0.08	3978	2434	6412	0.13	0.05
(ii) Non Indian Resident - Non -Rep	80880	0	80880	1.64	45911	0	45911	0.93	-0.71

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(iii) Clearing Members	13189	0	13189	0.27	44187	0	44187	0.90	0.63
(iv) Trusts	93585	0	93585	1.90	93585	0	93585	1.90	0.00
(v) Hindu Undivided Family	4624	0	4624	0.09	12287	0	12287	0.25	0.16
Sub-total (B)(2)	**874027**	**357065**	**1231092**	**25.01**	**879588**	**350521**	**1230109**	**24.99**	**-0.02**
Total Public Shareholding(B)	**874205**	**357685**	**1231890**	**25.02**	**880849**	**351141**	**1231990**	**25.03**	**0.01**
C. Shares held by custodian for GDRs and ADRs	0	0	0	**0.00**	0	0	0	**0.00**	**0.00**
Grand Total (A+B+C)	**4565315**	**357685**	**4923000**	**100.00**	**4571859**	**351141**	**4923000**	**100.00**	**0.00**

ii. Shareholding of Promoters

Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total	
Rasoi Ltd.	2050574	41.65	0	2050574	41.65	0	0.00
Leaders Healthcare Ltd.	825194	16.76	0	825194	16.76	0	0.00
J L Morison (India) Ltd.	369234	7.50	0	369234	7.50	0	0.00
Surdas Trading & Mfg. Co. Ltd.	84000	1.71	0	84000	1.71	0	0.00
Goodpoint Advisory Services And Investment Ltd.	66000	1.34	0	66000	1.34	0	0.00
Lotus Udyog Ltd.	63240	1.28	0	63240	1.28	0	0.00
Pallawi Resources Ltd.	60000	1.22	0	60000	1.22	0	0.00
Pallawi Trading & Mfg. Co. Ltd.	58000	1.18	0	58000	1.18	0	0.00
Looklink Finance Ltd.	32000	0.65	0	32000	0.65	0	0.00
Silver Trading & Services Ltd.	28000	0.57	0	28000	0.57	0	0.00
Axon Trading & Mfg. Co. Ltd.	36000	0.73	0	36000	0.73	0	0.00
Noble Trading Co. Ltd.	18768	0.38	0	18768	0.38	0	0.00
Mrs. Shashi Mody	100	0.00	0	0	0.00	0	0.00
Total	**3691110**	**74.98**	**0**	**3691010**	**74.97**	**0**	**-0.01**

iii. Change in promoters' shareholding (please specify, if there is no change)

Shareholders' name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1) Mrs. Shashi Mody				
a) At the Beginning of the Year	100	0.00		
b) Changes during the Year				
16/12/2016 - Sale	-100	0.00	0	0.00
c) At the end of the Year			0	0.00

(Apart from the changes in the promoters shareholding mentioned above there were no other changes in the remaining Promoters Shareholding)

iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1) IDBI TRUSTEESHIP SERVICES LIMITED				
a) At the Beginning of the Year	**234899**	**4.77**		
b) Changes during the Year				
16/09/2016 - Sale	-1434	-0.03	233465	4.74
23/09/2016 - Sale	-8002	-0.16	225463	4.58
28/10/2016 - Sale	-1500	-0.03	223963	4.55
c) At the end of the Year			**223963**	**4.55**
2) TRIBENI CHARITABLE				
a) At the Beginning of the Year	**93567**	**1.90**		
b) Changes during the Year	NO CHANGES DURING THE YEAR			
c) At the end of the Year			**93567**	**1.90**
3) TOPGRAIN CORPORATE SERVICES PVT. LTD.				
a) At the Beginning of the Year	**119505**	**2.43**		
b) Changes during the Year				
24/03/2017 - Sale	-80000	-1.63	39505	0.80
31/03/2017 - Buy	22596	0.46	62101	1.26
c) At the end of the Year			**62101**	**1.26**
4) PRADEEP KUMAR KHERUKA				
a) At the Beginning of the Year	**78652**	**1.60**		
b) Changes during the Year				
31/03/2017 - Sale	-35000	-0.71	43652	0.89
c) At the end of the Year			**43652**	**0.89**
5) ANGEL BROKING PRIVATE LIMITED				
a) At the Beginning of the Year	**12400**	**0.25**		
b) Changes during the Year				
08/04/2016 - Buy	4178	0.08	16578	0.34
15/04/2016 - Buy	886	0.02	17464	0.35
22/04/2016 - Buy	2886	0.06	20350	0.41
29/04/2016 - Buy	794	0.02	21144	0.43
06/05/2016 - Sale	-94	0.00	21050	0.43
13/05/2016 - Sale	-5135	-0.10	15915	0.32
20/05/2016 - Buy	240	0.00	16155	0.33
27/05/2016 - Buy	453	0.01	16608	0.34
03/06/2016 - Sale	-374	-0.01	16234	0.33
10/06/2016 - Sale	-698	-0.01	15536	0.32
17/06/2016 - Buy	481	0.01	16017	0.33
24/06/2016 - Sale	-106	0.00	15911	0.32
30/06/2016 - Sale	-2008	-0.04	13903	0.28
01/07/2016 - Sale	-21	0.00	13882	0.28
08/07/2016 - Buy	37	0.00	13919	0.28
15/07/2016 - Buy	109	0.00	14028	0.28
22/07/2016 - Buy	224	0.00	14252	0.29
29/07/2016 - Sale	-309	-0.01	13943	0.28
05/08/2016 - Sale	-360	-0.01	13583	0.28
12/08/2016 - Buy	21	0.00	13604	0.28
19/08/2016 - Sale	-48	0.00	13556	0.28

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
26/08/2016 - Buy	28	0.00	13584	0.28
02/09/2016 - Sale	-2315	-0.05	11269	0.23
09/09/2016 - Buy	6	0.00	11275	0.23
16/09/2016 - Sale	-461	-0.01	10814	0.22
23/09/2016 - Sale	-746	-0.02	10068	0.20
30/09/2016 - Sale	-31	0.00	10037	0.20
07/10/2016 - Sale	-717	-0.01	9320	0.19
14/10/2016 - Buy	571	0.01	9891	0.20
21/10/2016 - Sale	-426	-0.01	9465	0.19
28/10/2016 - Sale	-462	-0.01	9003	0.18
04/11/2016 - Buy	50	0.00	9053	0.18
11/11/2016 - Buy	587	0.01	9640	0.20
18/11/2016 - Sale	-97	0.00	9543	0.19
25/11/2016 - Buy	268	0.01	9811	0.20
02/12/2016 - Buy	299	0.01	10110	0.21
09/12/2016 - Buy	1078	0.02	11188	0.23
16/12/2016 - Sale	-449	-0.01	10739	0.22
23/12/2016 - Sale	-226	0.00	10513	0.21
30/12/2016 - Sale	-187	0.00	10326	0.21
06/01/2017 - Sale	-145	0.00	10181	0.21
13/01/2017 - Sale	-86	0.00	10095	0.21
20/01/2017 - Buy	1115	0.02	11210	0.23
27/01/2017 - Buy	850	0.02	12060	0.24
03/02/2017 - Sale	-609	-0.01	11451	0.23
10/02/2017 - Sale	-559	-0.01	10892	0.22
17/02/2017 - Sale	-588	-0.01	10304	0.21
24/02/2017 - Sale	-287	-0.01	10017	0.20
03/03/2017 - Sale	-304	-0.01	9713	0.20
10/03/2017 - Sale	-831	-0.02	8882	0.18
17/03/2017 - Buy	2381	0.05	11263	0.23
24/03/2017 - Buy	3084	0.06	14347	0.29
31/03/2017 - Buy	3058	0.06	17405	0.35
c) At the end of the Year			**17405**	**0.35**
6) BONANZA TRADING COMPANY PRIVATE LIMITED				
a) At the Beginning of the Year	**48944**	**0.99**		
b) Changes during the Year				
01/04/2016 - Sale	-3001	-0.06	45943	0.93
08/04/2016 - Sale	-10691	-0.22	35252	0.72
15/04/2016 - Sale	-11475	-0.23	23777	0.48
29/05/2016 - Sale	-416	-0.01	23361	0.47
13/05/2016 - Sale	-10000	-0.20	13361	0.27
28/05/2016 - Sale	-3000	-0.06	10361	0.21
c) At the end of the Year			**10361**	**0.21**
7) BHARAT BHUSHAN EQ.TR.LTD				
a) At the Beginning of the Year	**0**	**0.00**		
b) Changes during the Year				
14/10/2016 - Buy	30	0.00	30	0.00
21/10/2016 - Sale	-30	0.00	0	0.00
20/01/2017 - Buy	422	0.01	422	0.01
27/01/2017 - Buy	2544	0.05	2966	0.06
03/02/2017 - Sale	-2966	-0.06	0	0.00
10/02/2017 - Buy	327	0.01	327	0.01

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
17/02/2017 - Sale	-327	-0.01	0	0.00
03/03/2017 - Buy	1323	0.03	1323	0.03
10/03/2017 - Sale	-1323	-0.03	0	0.00
17/03/2017 - Buy	2500	0.05	2500	0.05
24/03/2017 - Buy	90386	1.84	92886	1.89
31/03/2017 - Sale	-83398	-1.69	9488	0.19
c) At the end of the Year			**9488**	**0.19**
8) MANOJ KHANDERIA				
a) At the Beginning of the Year	**5507**	**0.11**		
b) Changes during the Year				
29/04/2016 - Buy	768	0.02	6275	0.13
13/05/2016 - Buy	1165	0.02	7440	0.15
20/05/2016 - Buy	199	0.00	7639	0.16
03/06/2016 - Sale	-1	0.00	7638	0.16
08/07/2016 - Buy	401	0.01	8039	0.16
29/07/2016 - Buy	56	0.00	8095	0.16
05/08/2016 - Buy	3	0.00	8098	0.16
12/08/2016 - Buy	1	0.00	8099	0.16
09/09/2016 - Sale	-60	0.00	8039	0.16
16/09/2016 - Sale	-476	-0.01	7563	0.15
14/10/2016 - Buy	25	0.00	7588	0.15
24/02/2017 - Sale	-4	0.00	7584	0.15
c) At the end of the Year			**7584**	**0.15**
9) PAYAL COMMERCIAL CO LTD				
a) At the Beginning of the Year	**5914**	**0.12**		
b) Changes during the Year	NO CHANGES DURING THE YEAR			
c) At the end of the Year			**5914**	**0.12**
10) KARVY STOCK BROKING LTD				
a) At the Beginning of the Year	**321**	**0.01**		
b) Changes during the Year				
08/04/2016 - Buy	26	0.00	347	0.01
15/04/2016 - Buy	53	0.00	400	0.01
22/04/2016 - Sale	-14	0.00	386	0.01
29/04/2016 - Sale	-37	0.00	349	0.01
13/05/2016 - Buy	48	0.00	397	0.01
20/05/2016 - Buy	33	0.00	430	0.01
27/05/2016 - Buy	10	0.00	440	0.01
10/06/2016 - Sale	-59	0.00	381	0.01
24/06/2016 - Buy	5	0.00	386	0.01
30/06/2016 - Buy	5	0.00	391	0.01
15/07/2016 - Buy	13	0.00	404	0.01
22/07/2016 - Buy	30	0.00	434	0.01
29/07/2016 - Buy	12	0.00	446	0.01
05/08/2016 - Sale	-48	0.00	398	0.01
12/08/2016 - Buy	12	0.00	410	0.01
26/08/2016 - Buy	3	0.00	413	0.01
16/09/2016 - Sale	-92	0.00	321	0.01
23/09/2016 - Buy	290	0.01	611	0.01
30/09/2016 - Sale	-96	0.00	515	0.01
07/10/2016 - Sale	-12	0.00	503	0.01
14/10/2016 - Buy	220	0.00	723	0.01

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
21/10/2016 - Sale	-47	0.00	676	0.01
28/10/2016 - Sale	-175	0.00	501	0.01
04/11/2016 - Sale	-116	0.00	385	0.01
11/11/2016 - Buy	152	0.00	537	0.01
18/11/2016 - Sale	-29	0.00	508	0.01
25/11/2016 - Buy	2	0.00	510	0.01
02/12/2016 - Sale	-16	0.00	494	0.01
09/12/2016 - Buy	52	0.00	546	0.01
16/12/2016 - Sale	-25	0.00	521	0.01
23/12/2016 - Sale	-2	0.00	519	0.01
06/01/2017 - Buy	91	0.00	610	0.01
13/01/2017 - Sale	-100	0.00	510	0.01
20/01/2017 - Sale	-17	0.00	493	0.01
27/01/2017 - Buy	17	0.00	510	0.01
03/02/2017 - Buy	15	0.00	525	0.01
10/02/2017 - Buy	19	0.00	544	0.01
17/02/2017 - Sale	-17	0.00	527	0.01
24/02/2017 - Buy	26	0.00	553	0.01
03/03/2017 - Buy	46	0.00	599	0.01
10/03/2017 - Buy	20	0.00	619	0.01
17/03/2017 - Sale	-37	0.00	582	0.01
31/03/2017 - Buy	4431	0.09	5013	0.10
c) At the end of the Year			**5013**	**0.10**
11) INTIME EQUITIES LIMITED				
a) At the Beginning of the Year	**0**	**0.00**		
b) Changes during the Year				
03/06/2016 - Buy	20	0.00	20	0.00
29/07/2016 - Sale	-20	0.00	0	0.00
12/08/2016 - Buy	92	0.00	92	0.00
19/08/2016 - Sale	-92	0.00	0	0.00
26/08/2016 - Buy	104	0.00	104	0.00
02/09/2016 - Sale	-25	0.00	79	0.00
09/09/2016 - Sale	-61	0.00	18	0.00
16/09/2016 - Sale	-18	0.00	0	0.00
30/09/2016 - Buy	300	0.01	300	0.01
07/10/2016 - Buy	287	0.01	587	0.01
14/10/2016 - Sale	-200	0.00	387	0.01
21/10/2016 - Sale	-187	0.00	200	0.00
11/11/2016 - Buy	5	0.00	205	0.00
25/11/2016 - Sale	-5	0.00	200	0.00
02/12/2016 - Buy	1050	0.02	1250	0.03
09/12/2016 - Sale	-437	-0.01	813	0.02
16/12/2016 - Sale	-202	0.00	611	0.01
23/12/2016 - Buy	100	0.00	711	0.01
06/01/2017 - Buy	139	0.00	850	0.02
13/01/2017 - Buy	400	0.01	1250	0.03
20/01/2017 - Buy	400	0.01	1650	0.03
27/01/2017 - Sale	-400	-0.01	1250	0.03
03/02/2017 - Buy	1090	0.02	2340	0.05
10/02/2017 - Buy	419	0.01	2759	0.06
17/02/2017 - Buy	887	0.02	3646	0.07
24/02/2017 - Sale	-112	0.00	3534	0.07
03/03/2017 - Sale	-522	-0.01	3012	0.06

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10/03/2017 - Buy	888	0.02	3900	0.08
17/03/2017 - Sale	-400	-0.01	3500	0.07
24/03/2017 - Buy	1269	0.03	4769	0.10
31/03/2017 - Sale	-558	-0.01	4211	0.09
c) At the end of the Year			**4211**	**0.09**
12) S MANJUNATH				
a) At the Beginning of the Year	**3965**	**0.08**		
b) Changes during the Year	NO CHANGES DURING THE YEAR			
c) At the end of the Year			**3965**	**0.08**
13) MURLIDHAR SUVALAL SHAH				
a) At the Beginning of the Year	**0**	**0.00**		
b) Changes during the Year				
10/06/2016 - Buy	923	0.02	923	0.02
17/06/2016 - Sale	-923	-0.02	0	0.00
02/09/2016 - Buy	2362	0.05	2362	0.05
11/11/2016 - Sale	-1000	-0.02	1362	0.03
18/11/2016 - Sale	-600	-0.01	762	0.02
20/01/2017 - Sale	-762	-0.02	0	0.00
17/02/2017 - Buy	4113	0.08	4113	0.08
17/03/2017 - Sale	-53	0.00	4060	0.08
31/03/2017 - Sale	-400	-0.01	3660	0.07
c) At the end of the Year			**3660**	**0.07**
14) INDIA ADVANTAGE SECURITIES PVT. LTD				
a) At the Beginning of the Year	**0**	**0.00**		
b) Changes during the Year				
13/05/2016 - Buy	92	0.00	92	0.00
20/05/2016 - Sale	-15	0.00	77	0.00
24/06/2016 - Buy	120	0.00	197	0.00
30/06/2016 - Buy	96	0.00	293	0.01
08/07/2016 - Buy	100	0.00	393	0.01
15/07/2016 - Sale	-112	0.00	281	0.01
29/07/2016 - Sale	-216	0.00	65	0.00
26/08/2016 - Buy	36	0.00	101	0.00
02/09/2016 - Buy	156	0.00	257	0.01
09/09/2016 - Buy	336	0.01	593	0.01
16/09/2016 - Sale	-199	0.00	394	0.01
23/09/2016 - Sale	-66	0.00	328	0.01
30/09/2016 - Sale	-110	0.00	218	0.00
07/10/2016 - Sale	-6	0.00	212	0.00
14/10/2016 - Buy	50	0.00	262	0.01
21/10/2016 - Buy	40	0.00	302	0.01
28/10/2016 - Sale	-53	0.00	249	0.01
04/11/2016 - Buy	4	0.00	253	0.01
11/11/2016 - Sale	-10	0.00	243	0.00
18/11/2016 - Sale	-10	0.00	233	0.00
25/11/2016 - Buy	200	0.00	433	0.01
02/12/2016 - Sale	-100	0.00	333	0.01
16/12/2016 - Sale	-333	-0.01	0	0.00
23/12/2016 - Buy	169	0.00	169	0.00
30/12/2016 - Buy	434	0.01	603	0.01

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
06/01/2017 - Buy	9	0.00	612	0.01
13/01/2017 - Buy	662	0.01	1274	0.03
20/01/2017 - Buy	149	0.00	1423	0.03
27/01/2017 - Buy	517	0.01	1940	0.04
03/02/2017 - Buy	1523	0.03	3463	0.07
10/02/2017 - Buy	1085	0.02	4548	0.09
17/02/2017 - Sale	-2545	-0.05	2003	0.04
10/03/2017 - Buy	655	0.01	2658	0.05
17/03/2017 - Buy	20	0.00	2678	0.05
24/03/2017 - Sale	-35	0.00	2643	0.05
31/03/2017 - Buy	999	0.02	3642	0.07
c) At the end of the Year			**3642**	**0.07**
15) SHARAD KANAYALAL SHAH				
a) At the Beginning of the Year	**0**	**0.00**		
b) Changes during the Year				
28/10/2016 - Buy	300	0.01	300	0.01
04/11/2016 - Buy	2100	0.04	2400	0.05
11/11/2016 - Buy	100	0.00	2500	0.05
31/03/2017 - Buy	1100	0.02	3600	0.07
c) At the end of the Year			**3600**	**0.07**
16) MEHER K PALIA				
a) At the Beginning of the Year	**2090**	**0.04**		
b) Changes during the Year	NO CHANGES DURING THE YEAR			
c) At the end of the Year			**2090**	**0.04**
17) HEMENDRA CHUNILAL PAREKH				
a) At the Beginning of the Year	**2000**	**0.04**		
b) Changes during the Year	NO CHANGES DURING THE YEAR			
c) At the end of the Year			**2000**	**0.04**
18) GUJARAT FUSION GLASS LLP				
a) At the Beginning of the Year	**33470**	**0.68**		
b) Changes during the Year				
20/01/2017 - Sale	-15000	-0.30	18470	0.38
10/03/2017 - Sale	-10000	-0.20	8470	0.17
24/03/2017 - Sale	-8470	-0.17	0	0.00
c) At the end of the Year			**0**	**0.00**

v. Shareholding of Directors and KMPs

For each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mr. Amit Goenka				
At the beginning of the year	1	0.00		
Changes during the Year	No changes during the year			
At the end of the year			1	0.00

5 INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,626,756	38,632,604	0	50,259,360
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	5,249	0	0	5,249
Total (i+ii+iii)	**11,632,005**	**38,632,604**	**0**	**50,264,609**
Changes in indebtedness during the financial year				
Addition	4319481	0	0	4,319,481
Reduction	0	-7,838,901	0	-7,838,901
Net Change	**4,319,481**	**-7,838,901**	**0**	**-3,519,420**
Indebtedness at the end of the financial year				
i) Principal Amount	15,951,486	30,793,703	0	46,745,189
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	14,431	0	0	14,431
Total (i+ii+iii)	**15,965,917**	**30,793,703**	**0**	**46,759,620**

6 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to MD / WTD / Manager **(Amount in Rs.)**

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		
		1	2	Total Amount
1	**Gross Salary:**	**Raghu Mody**	**P. K. Choudhary**	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10,000,000	6,208,004	16,208,004
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	28,796	891,151	919,947
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	0
2	Stock Option	-	-	0
3	Sweat Equity	-	-	0
4	Commission	4,500,000	-	4,500,000
	- as % of profits	-	-	0
	- others, specify	-	-	0
	(As per terms of appointment)	-	-	0
5	Others, specify	-	-	0
	Total (A)	**14,528,796**	**7,099,155**	**21,627,951**
	Ceiling as per the Act	**Rs. 34,162,514 (10% of net profits of the Company)**		

A. Remuneration to other directors **(Amount in Rs.)**

Sl. No.	Particulars of Remuneration	Name of director				
		1	2	3	4	Total Amount
1	**Independent Directors**	**Mr. A. B. Vaidya**	**Mr. Deepak Sethi**	**Mr. K. M. Robinson**	**Lt. Gen. (Retd.) K. S. Brar**	
	Fees for attending board / committee meetings	85,000	50,000	5,000	90,000	230,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**85,000**	**50,000**	**5,000**	**90,000**	**230,000**
2	Other Non-Executive Directors	**Mrs. Sakshi Mody**				
	Fees for attending board / committee meetings	35,000	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**35,000**	**-**	**-**	**-**	**35,000**
	Total B (1+2)	**120,000**	**50,000**	**5,000**	**90,000**	**265,000**
	Ceiling as per the Act	**Rs. 3,416,251 (1% of net profits of the Company)**				
	Total Managerial Remuneration (A+B)	**Rs. 21,892,951 (including Sitting Fees)**				
	Overall Ceiling as per the Act	**Rs. 37,578,765 (11% of net profits of the Company)**				

C. Remuneration to KMPs other than MD / Manager / WTD **(Amount in Rs.)**

Sl. No.	Particulars of Remuneration	KMP		
		CS	CFO	
1	**Gross Salary:**	**Mr. Amit Goenka**	**Mr. Sunil Jindal**	**Total Amount**
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,839,200	1,850,280	4,689,480
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	**Stock Option**	-		-
3	**Sweat Equity**	-		-
4	**Commission**	-	-	-
	- as % of profits	-	-	-
	- others, specify	-	-	-
5	**Others, specify**	-	-	-

7 PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / Compounding fees imposed	Authority [RD /NCLT/ Court]	Appeal made, if any (give details)
A. Company					
Penalty			**NIL**		
Punishment					
Compounding					
B. Directors					
Penalty			**NIL**		
Punishment					
Compounding					
C. Other Officers in default					
Penalty			**NIL**		
Punishment					
Compounding					

Annexure B

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

Sr. No.	Name of the Director	Designation	Ratio of the remuneration to the median remuneration of the employees of the Company for the financial year 2016-17
1	Raghu Mody	Executive Chairman	48:1
2	P. K. Choudhary	Managing Director	23:1

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, are as under:

Sr. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the Financial Year 2016-17
1	Raghu Mody	Executive Chairman	7.41%
2	P.K. Choudhary	Managing Director	16.67%
3	Amit Goenka	V.P. Finance & Company Secretary	22.22%
4	Sunil Kumar Jindal	Chief Financial Officer	23.33%

3. The percentage increase in the median remuneration of employees in the financial year: **10.56%**
4. There were **530** permanent employees on the rolls of Company as on 31st March, 2017;
5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was **18.82%** whereas the increase in the managerial remuneration for the same financial year was **-36.88%** This was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per the remuneration policy of the Company.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

By order of the Board of Directors

Raghu Mody
Chairman

Place: Mumbai
Date: 23rd May, 2017

Annexure C

FORM AOC - 2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2016-17.
2. **Details of material contracts or arrangements or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	Varunn Mody (husband of Mrs. Sakshi Mody - Non- Exeucutive Director of the Company)
(b)	Nature of contracts / arrangements / transactions	Appointment Mr. Varunn Mody as President - Treasury and Strategy of the Company.
(c)	Duration of the contracts / arrangements / transactions	Has been appointed under a contract of employment pursuant to which he may function according to directions given by the company from time to time. Contract will continue as long he remains an employee as per the contract of employment
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Monthly remuneration of Rs. 5 Lakhs per month
(e)	Date(s) of approval of the Board	8th September, 2016
(f)	Amount paid in advance, if any	NIL
(g)	Date of seeking shareholders' approval	23rd November, 2016

By order of the Board of Directors

Raghu Mody
Chairman

Place: Mumbai
Date: 23rd May, 2017

Annexure D

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2016-17

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

   The Company aims at spending a defined portion of its net profit for the betterment of society through:

   - Providing financial and other assistance to students who belong to socially economical weaker sections
   - Supporting efforts for community health in slums and areas inhabited by weaker sections
   - Supporting the programs and efforts for environment protection and enhancement
   - Promoting, encouraging and supporting the social and cultural heritage and traditions of our society
   - Taking proactive measures for the well-being of society, as per needs

   The Company has made a contribution to Akshaya Patra Foundation which is actively involved in addressing issues related to malnutrition, hunger and deprivation of education by incentivizing food to bring children to school. Their aim is to nourish children ensuring they access education through their programme named Mid-Day Meal Programme run by The Akshaya Patra Foundation. This CSR activity would ensure nourishment to each child they reach and keep them in school. The Company could help them in developing sustainable models and augment their scalability. The CSR policy of the company can be viewed at: http://www.hindcompo.com/investor-relations/documents/csr-Policy.pdf

2. The Composition of the CSR Committee:

Sr.No.	Name of Members	Status
1.	Lt. Gen. (Retd.) K. S. Brar	Chairman
2.	Mr. P K Choudhary	Member
3.	Mr. Raghu Mody (w.e.f. 5th May, 2016)	Member

3. Average net profit of the company for last three financial years– **Rs. 32.29Crores**
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)– **Rs.0.65Crores**
5. Details of CSR spent during the financial year.
   (a) Total amount to be spent for the financial year : **Rs.0.65 crores**
   (b) Amount unspent , if any : **Nil**
   (c) Manner in which the amount spent during the financial year is detailed below: The Company has made contribution to Akshaya Patra Foundation, which is engaged in carrying out Social activities and projects relating to hunger eradication.

Amount in Rs. Crores.

Sr. No.	CSR project or activity Identified	Sector in which the project is covered (Refer Note 1)	Projects or programs (1) Local area or other (2) State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Mid-Day Meal Programme run by The Akshaya Patra Foundation	Eradicating hunger, poverty and malnutrition	PAN India	1.00	1.00	1.00	Through Implementing Agency–Akshaya Patra Foundation (Unlimited food or education)

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount: **Not Applicable**
7. The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

For Hindustan Composites Limited

Place: Mumbai
Date: 23rd May, 2017

P. K. Choudhary
Managing Director

Lt. Gen. (Retd.) K. S. Brar
Chairman of the CSR committee

Annexure E
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To,
The Members,
Hindustan Composites Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Composites Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation of the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') generally 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 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made 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 (Not applicable to the Company during the Audit Period);

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

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

  (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

  (iv) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

  (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

  (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period); and

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

(vi) As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its sector / industry.

I have also examined compliance with the applicable clause/regulations of the following:

  (i) Secretarial Standards (SS – 1 and SS – 2) issued by The Institute of Company Secretaries of India; and

  (ii) Listing Agreements entered into with the stock exchanges, where shares of the Company are listed.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, subject to the following observations:

(i) the annual audited consolidated financial results for the year ended 31.03.2016 were approved and submitted to Stock exchanges on 22nd July, 2016 which is beyond the stipulated time limit of 30th May, 2016; and

(ii) delay in filling of some e-forms with the Registrar of Companies.

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

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

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.

I further report that during the audit period there was no major corporate event having a major bearing on the company's affairs.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor
M. No. FCS 6180
C.P. No. 11062

Place : Thane
Date: 23rd May, 2017

This report is to be read with my letter of even date which is annexed as Annexure-I and forms an integral part of this report.

'Annexure I'

To,
The Members,
Hindustan Composites Limited

My report of even date is to 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, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book 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, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor
M. No. FCS 6180
C.P. No. 11062

Place : Thane
Date: 23rd May, 2017

Annexure F

1 Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo

A	**Conservation of energy**	
(i)	the steps taken or impact on conservation of energy	1. Installation of new energy efficient machines 2. Automatic ON / OFF circuit made for dust collector motors, so that these motors are switched-off during lunch / tea breaks. 3. Light fittings replaced with new LED light fittings. 4. Roof sheets replaced with transparent sheets fixed, so as to have natural day light in workshop 5. Hot mould insulated to arrest heat loss
(ii)	the steps taken by the company for utilising alternative sources of energy	Installation of Solar Panel under consideration
(iii)	the capital investment on energy conservation equipments	Rs. 0.60 Crores
B	**Technology absorption**	
(i)	the efforts made towards technology absorption	1. Development of high performance formulation for drum brake lining and disc pad for commercial vehicle application. 2. Development of wet brake disc for tractor application 3. Development of high performance clutch facing
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Generation of additional business
(iii)	in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	Not Applicable
(iv)	the expenditure incurred on Research and Development	Revenue - Rs. 1.32 Crores (Previous year Rs. 1.59 Crores) Capital - Rs. 2.24 Crores (Previous year Rs. 1.50 Crores)
C	**Foreign exchange earnings and outgo**	
(i)	The foreign exchange earned (actual inflows)	Rs. 9.91 Crores (Previous year Rs.9.90 Crores)
(ii)	The foreign exchange outgo (actual outflows)	Rs. 12.15 Crores (Previous year Rs.8.49 Crores)

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. A brief statement on Company's philosophy on code of governance:

The Company believes in transparency, professionalism and accountability, which are basic principles of corporate governance and would constantly endeavor to improve on these aspects.

2. Corporate Ethics:

The Company adheres to the highest standards of business ethics, transparency in all its dealings and timely compliance with statutory and legal requirements.

2.1 Code of Conduct of Board Members and Senior Management:

The Board of Directors of the Company has adopted Code of Conduct for its Members and Senior Management and it is reviewed and modified periodically as per changes in applicable laws. The Code highlights Corporate Governance as the cornerstone for sustained management performance and for serving all the stakeholders and for instilling pride of association. The code has been posted on the website of the Company i.e. www.hindcompo.com.

2.2 Code of Conduct for Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its management, directors, employees and other connected persons. The Code lays down guidelines and procedures to be followed and disclosures to be made by directors, top level executives and employees whilst dealing in shares. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

2.3 Vigil Mechanism:

The Company has established a vigil mechanism for employees, officers and directors, which encourage them to report any suspected violation promptly and intend to investigate any report of violations made in good faith.

2.4 SHE (Safety, Health and Environment) System:

The Company has adopted Safety, Health and Environment (SHE) System with a commitment to provide a safe and healthy working environment.

3. Secretary's Responsibility Statement:

The Company Secretary confirms that the Company has:

- Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and the rules made thereunder.
- Filed all the forms and returns and furnished necessary particulars in time with the Registrar of Companies (ROC), Maharashtra, Mumbai, Ministry of Corporate Affairs (MCA) and/or Authorities as required under the Act except delay in filing of some e-forms.
- Issued all notices as required to be given for convening the meeting of the Board of Directors, General Meetings of the shareholders and for conducting Postal Ballot process within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors, Annual General Meeting and Postal Ballot Process as per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors, Shareholders and Postal Ballot process.
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors.
- Obtained necessary approvals of the Directors, Shareholders, Central Government and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the requirements of the Act.
- Not exceeded the borrowing powers of the Company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the Registrar of Companies (ROC), Maharashtra, Mumbai.
- Effected share transfers and dispatched the certificates within the time prescribed under the Act and the rules made thereunder.
- Complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also complied with the requirements prescribed by Securities and Exchange Board of India (SEBI) and other statutory authorities and also the requirements under the Act and related statutes in force.

4. Board of Directors:

- **Composition:**

As on 31st March, 2017, the Board of Directors consisted of seven Directors. The composition of the Board, attendance at Board Meetings held during the year and at the previous Annual General Meeting, number of directorships in other companies and Chairmanship / Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Director-ship(s)	Committee Positions (including Company)	
			Board Meeting	Last AGM		Member ships	Chairman
Mr. Raghu Mody	Executive Chairman, Promoter	5	4	Yes	3	3	-
Mr. P. K. Choudhary	Managing Director	5	5	Yes	1	-	-
Mr. A. B. Vaidya	Independent Director	5	5	Yes	-	1	1
Mr. Deepak Sethi	Independent Director	5	5	Yes	-	-	1
Mr. K. M. Robinson	Independent Director	5	1	Yes	-	-	-
Lt. Gen. (Retd.) K. S. Brar	Independent Director	5	5	Yes	-	2	-
Mrs. Sakshi Mody	Non-Executive Director	5	4	Yes	2	-	-

1. The directorship held by Directors as mentioned above does not include Directorships of Private Companies/Section 8 Companies/Foreign Companies as on 31st March, 2017.
2. Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies has been considered.

- **Number and date of Board Meetings held:**

Five Board Meetings were held during the year 2016-2017. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
5th May, 2016	7	6
22nd July, 2016	7	6
8th September, 2016	7	7
28th November, 2016	7	4
13th February, 2017	7	6

- **Disclosure of relationship between directors inter se:**

None of the Directors of the Company is related inter-se to any other directors on the Board within the meaning of Section 2(77) of the Companies Act, 2013.

- **Number of shares and convertible instruments held by Non-Executive Directors:**

As on 31st March, 2017, no Non-Executive Director held any share/convertible instruments in the Company.

- **Weblink where details of familiarization programmes imparted to independent Directors is disclosed:**

The details of the programmes for familiarization of Independent Directors with the Company their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put up on the website of the Company at the link: http://www.hindcompo.com/investor-relations/investors information.htm.

5. Audit Committee:

- **Brief description of terms of reference:**

The Broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Internal Auditors and to review the weakness in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Internal and Statutory Auditors. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

- **Composition:**

As on 31st March 2017, the Audit Committee comprised of Mr. Deepak Sethi, Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody as its members. Mr. Deepak Sethi is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

- **Meetings and attendance during the year:**

During the year 2016-2017 the Audit Committee met five times on 5th May, 2016, 22nd July, 2016, 8th September, 2016, 28th November, 2016 and 13thFebruary, 2017. The attendance at the Committee meetings was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Mr. Deepak Sethi	Chairman	5
2.	Mr. A. B. Vaidya	Member	5
3.	Lt. Gen. (Retd.) K.S. Brar	Member	5
4.	Mr. Raghu Mody	Member	4

6. Nomination and Remuneration Committee:

- **Brief description of terms of reference:**

The terms of reference of this committee are wide enough covering the matters specified for remuneration to the directors under Regulation 19 and Schedule II Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Composition:**

As on 31st March 2017, the Nomination and Remuneration Committee comprised of Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mrs. Sakshi Mody as its members. Mr. A. B. Vaidya is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

- **Meetings and attendance during the year:**

During the year 2016-2017 the Nomination and Remuneration Committee met three times on 5th May, 2016, 8th September, 2016 and 13th February, 2017. The attendance at the Committee meeting was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Mr. A. B. Vaidya	Chairman	3
2.	Lt. Gen. (Retd.) K. S. Brar	Member	3
3.	Mrs. Sakshi Mody	Member	3

- **Performance evaluation criteria for Independent Directors:**

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performances of each Independent Directors. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

1. Attendance at Board and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of the Company and its performances;
4. Providing perspectives and feedback going beyond information provided by the management.

7. Remuneration to Directors:

a) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2016-2017.

b) Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive and Independent Directors is being paid at the rate of Rs.5,000/- for each meeting of the Board and Committees attended by them.

c) Details of remuneration / fees paid / payable to the Directors are as under:

(Amt. in Rs.)

Name	Salary	Perquisites or Allowances	Contribution to PF and others	Commission	Sitting fees	Total
Mr. Raghu Mody	10,000,000	28,796	-	45,00,000	-	1,45,28,796
Mr. P. K. Choudhary	58,12,004	8,91,151	3,96,000	-	-	70,99,155
Mr. A. B. Vaidya	-	-	-	-	85,000	85,000
Mr. Deepak Sethi	-	-	-	-	50,000	50,000
Mr. Keith M. Robinson	-	-	-	-	5,000	5,000
Lt. Gen. (Retd.) K.S. Brar	-	-	-	-	90,000	90,000
Mrs. Sakshi Mody	-	-	-	-	35,000	35,000

(i) The above details of remuneration or fees paid are all elements of remuneration package of individual directors summarized under major groups.

(ii) Apart from the above mentioned of remuneration or fees paid, there are no other fixed component and performance linked incentives based on the performance criteria;

(iii) There are no separate service contracts with any of the directors. The tenure of office of the Managing Director and Whole Time / Executive Directors is for three years from their respective dates of appointment, and can be terminated by either party by giving one month's notice in writing. There is no separate provision for payment of severance fees.

(iv) No stock options are offered to any of the Directors of the Company.

8. Stakeholders Relationship Committee:

As on 31st March 2017, the Stakeholders' Relationship Committee comprised of Mr. A. B. Vaidya, Mr. Raghu Mody, and Lt. Gen. (Retd.) K. S. Brar.

Mr. A. B. Vaidya, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Mr. Amit Goenka – V. P. Finance & Company Secretary is the Compliance Officer of the Company.

Status of investors' complaints/services requests:

Opening balance at the beginning of the year	Nil
Received during the year	23
Disposed during the year	23
Closing balance at the end of the year	Nil

9. Corporate Social Responsibility (CSR) Committee:

As on 31st March 2017, the Corporate Social Responsibility Committee comprises of Lt. Gen. (Retd.) K. S. Brar, Mr. P. K. Choudhary and Mr. Raghu Mody. Lt. Gen. (Retd.) K. S. Brar is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

During the year 2016 -17 the CSR Committee met once on 13th February, 2017. The attendance at the Committee meeting was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Lt. Gen. (Retd.) K. S. Brar	Chairman	1
2.	Mr. P. K. Choudhary	Member	1
3.	Mr. Raghu Mody*	Member	1

*Mr. Raghu Mody was appointed as member of the Committee w.e.f. 5th May, 2016

10. General Body Meetings:

- **Location and time, where last three Annual General Meetings held:**

Financial year	Time	Date	Location
2013-14	4.00 p.m.	1st September, 2014	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2014-15	11.30 a.m.	18th September, 2015	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2015-16	11.30 a.m.	8th September, 2016	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

- **Special resolutions at last three AGMs:**

AGM	Particulars of Special Resolutions
1st September, 2014	Nil
18th September, 2015	1. Revision in remuneration payable to Mr. Raghu Mody, Executive Chairman w.e.f. 1st October, 2014 for the remaining period of his tenure. 2. Revision in remuneration payable to Mr. Varunn Mody, Executive Director, Treasury and Strategy w.e.f. 1st April, 2015 for the remaining period of his tenure. 3. Approving changes in Employee Welfare Scheme under Carnation Trust as per SEBI (Share Based Employee Benefits) Regulations, 2014.
8th September, 2016	Nil

Postal Ballot:

During the year under review, the Company conducted postal ballot process one time. The details of the postal ballot process are as follows:

The Company dispatched Postal Ballot Notice dated 8th September, 2016 to its shareholders to seek their consent for the following matter:

Ordinary Resolution u/s 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment of Mr. Varunn Mody, a related party, as President – Treasury and Strategy of the Company w.e.f. 9th September, 2016.

The postal ballot process was undertaken in accordance with the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

CS Manish Baldeva, Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot was announced on 23rd November, 2016. The details of resolution passed through postal ballot and the voting pattern for the same are as follows:

Resolution No. 1: Appointment of Mr. Varunn Mody as President – Treasury and Strategy of the Company

Resolution Required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			Yes					
Category	**Mode of Voting**	**No. of Shares held**	**No. of valid votes polled**	**% of Votes Polled on outstanding shares**	**No. of votes – in favour**	**No. of votes-against**	**% of votes in favour on votes polled**	**% of Votes against on votes polled**
Promoter and Promoter Group	E-Voting	3691110	0	0	0	0	0	0
	Poll		-	-	-	-	-	-
	Postal Ballot		0	0	0	0	0	0
	Total	**3691110**	**0**	**0**	**0**	**0**	**0**	**0**
Public- Institutions	E-Voting	798	0	0	0	0	0	0
	Poll		-	-	-	-	-	-
	Postal Ballot		0	0	0	0	0	0
	Total	**798**	0	0	0	0	0	0
Public- Non Institutions	E-Voting	1231092	198256	16.10	198256	0	100.00	0
	Poll		-	-	-	-	-	-
	Postal Ballot		35003	2.84	34996	7	99.98	0.02
	Total	**1231092**	**233259**	**18.94**	**233252**	**7**	**99.99**	**0.01**
Total		**4923000**	**233259**	**4.74**	**233252**	**7**	**99.99**	**0.01**

Number of invalid votes: 1197.

Result: The Ordinary Resolution is passed with requisite majority.

No business is proposed to be transacted through Postal Ballot.

11. Means of communication:

- The Company has published its Quarterly Results as per the details mentioned below:

News Papers	Date of Board Meeting	Date of Publication
Financial Express (English-All India Edition) Mumbai Laksyadeep (Marathi)	5th May, 2016	6th May, 2016
Financial Express (English-All India Edition) Mumbai Laksyadeep (Marathi)	22nd July, 2016 *	23rd July, 2016
Financial Express (English-All India Edition) Mumbai Laksyadeep (Marathi)	8th September, 2016	9th September, 2016
Financial Express (English-All India Edition) Mumbai Laksyadeep (Marathi)	28th November, 2016	29th November, 2016
Financial Express (English-All India Edition) Mumbai Laksyadeep (Marathi)	13th February, 2017	14th February, 2017

* Publication of Consolidated Annual Financial Results for the Financial year ended 31st March , 2016.

Website: The Company's website viz. www.hindcompo.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

News releases, presentations, among others: All Corporate Announcements made to the Stock Exchanges during the year 2016-17 are available on the website of the Company.

During the year 2016-17, the Company has not made any presentations to institutional investors or analysts.

12. General Shareholders' information:

a) Annual General Meeting: Tuesday, 12th September, 2017 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

b) Financial Year: April 1 to March 31

c) Dividend Payment Date: Credit / Dispatch between 25th September, 2017 to 30th September, 2017

d) Listing on Stock Exchanges:

Equity Shares

a) BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai- 400 001

b) National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

e) Listing Fees:

The Company has paid the listing fees for the year 2016- 17 to all the stock exchanges where the shares are listed.

f) Stock Code:

BSE: 509635
NSE: HINDCOMPOS
ISIN: INE310C01029

g) Stock Market Price Data and performance in comparison to BSE Sensex/NSE NIFTY 50:

The monthly high / low quotations of shares traded on the BSE Limited during each month in last financial year and performance in comparison to BSE Sensex are as follows:

Month	Share price of the Company on BSE (₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April, 2016	951.00	750.00	26100.54	24523.20
May, 2016	1178.00	900.00	26837.20	25057.93
June, 2016	1150.00	1000.00	27105.41	25911.33
July, 2016	1420.00	1100.00	28240.20	27034.14
August, 2016	1349.95	1204.00	28532.25	27627.97
September, 2016	2119.00	1299.00	29077.28	27716.78
October, 2016	2090.00	1675.00	28477.65	27488.30
November, 2016	2055.00	1584.00	28029.80	25717.93
December, 2016	1669.90	1479.50	26803.76	25753.74
January, 2017	1640.00	1550.00	27980.39	26447.06
February, 2017	1620.00	1501.00	29065.31	27590.10
March, 2017	1908.00	1461.05	29824.62	28716.21

*Source: www.bseindia.com

The monthly high / low quotations of shares traded on the National Stock Exchange of India Limited during each month in last financial year and performance in comparison to NSE Sensex are as follows:

Month	Share price of the Company on NSE (₹)*		NSE NIFTY 50 (Index)*	
	High	Low	High	Low
April, 2016	940.00	746.00	7992.00	7516.85
May, 2016	1,180.00	880.00	8213.60	7678.35
June, 2016	1,149.90	999.00	8308.15	7927.05
July, 2016	1,519.30	1,093.95	8674.70	8287.55
August, 2016	1,393.95	1,200.00	8819.20	8518.15
September, 2016	2,119.00	1,285.20	8968.70	8555.20
October, 2016	2,075.00	1,675.00	8806.95	8506.15
November, 2016	2,047.50	1,519.00	8669.60	7916.40
December, 2016	1,668.00	1,488.10	8274.95	7893.80
January, 2017	1,650.00	1,500.05	8672.70	8133.80
February, 2017	1,625.00	1,456.05	8982.15	8537.50
March, 2017	1,913.60	1,555.00	9218.40	8860.10

*Source: www.nseindia.com

h) Trading of Securities: The securities of the Company were not suspended from trading during the year 2016-17.

i) Registrar and Share Transfer Agents: Link Intime India Pvt. Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Phone: (022)– 4918 6000 /270 Fax: (022)- 4918 6060 e-mail: rnt.helpdesk@linkintime.co.in

j) Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents are found to be in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

k) Distribution of Shareholding as on 31st March, 2017:

Shares having nominal value of ₹ From To	No. of holders	%	No. of holders	%
1 – 500	14009	98.82	608372	12.36
501 – 1000	93	0.66	67410	1.37
1001 – 2000	39	0.28	54357	1.10
2001 – 3000	8	0.06	18202	0.37
3001 – 4000	4	0.03	14769	0.30
4001 – 5000	2	0.01	8547	0.17
5001 – 10000	4	0.03	26689	0.54
10001 and above	17	0.11	4124654	83.78
TOTAL	14176	100.00	4923000	100.00

l) Dematerialization of Shares:

As on 31st March, 2017, 92.86% of the total shares of the Company were in dematerialized form.

m) Convertible instruments:

The Company has not issued any Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/warrants or any convertible instrument, which is likely to have impact on the Company's Equity.

n) Commodity Price risk or foreign exchange risk and hedging activities:

The Company is exposed to the risk of price fluctuations of raw material, which are proactively managed by forward booking of materials, inventory management and vendor development practices.

As regards, foreign exchange risk, there is natural hedging of risk as our import and export generally remains at the same level.

o) Plant Locations:

Paithan: D-2/1, MIDC Industrial Area, Paithan, Dist. Aurangabad–431107

Bhandara: C-10/1, Bhandara Industrial Area, Gadegaon, Dist. Bhandara–441904

p) Regd. Office and Address for Correspondence:

Hindustan Composites Limited,
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai 400013
Telephone: 022 66880100; Fax: 022 66880105
E-mail: investor@hindcompo.com

13. Disclosures:

i. Related Party Transactions:

None of the related party transactions was in conflict with the interests of the Company. Details on materially significant related party transactions are given in the appended financial statements under notes to the accounts. The policy on dealing with Related Party Transactions is available on Company's website at http://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf

ii. Compliance by the Company:

The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three years.

iii. Whistle Blower policy /Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the audit committee in the exceptional cases. We affirm that during the financial year 2016-17, no employee was denied access to the Audit Committee.

iv. Adoption of mandatory and non-mandatory requirements of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has complied with all mandatory requirements of Regulation 27 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(a) Audit Qualification - The Company is in the regime of unmodified audit opinion on financial statements.

(b) Separate posts of Chairman and CEO – The Company has separate Chairman and Managing Director or Chief Executive Officer.

(c) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.

v. Material Subsidiaries:

The Company does not have any subsidiary, hence is not required to frame policy on Material Subsidiaries.

14. Compliance of the requirement of Corporate Governance Report:

During the year 2016-17, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015.

15. Disclosure of the Compliance with Corporate Governance

The Company has complied with the Regulations 17-20, 22-23, 25-27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year 2016-17. Regulations 21 and 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

16. Disclosure of accounting treatment:

In the preparation of financial statements, the Company has followed the Indian Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

17. Related Party Disclosures:

The disclosures as required by Indian Accounting Standard (Ind AS - 24) on "Related Party" are given in appended financial statements under notes to accounts.

18. Disclosure with respect to demat suspense account / unclaimed suspense account

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2017. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

19. Compliance Certificate for Code of Conduct:

The declaration by Managing Director affirming compliance of Board and Senior Management Personnel to the Code of Conduct is also annexed herewith and forms part of Annual Report as per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

20. Compliance Certificate by Statutory Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is annexed herewith and forming part of Annual Report.

Declaration – Code of Conduct

As per Regulation 17 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct during the year ended 31st March, 2017.

For Hindustan Composites Limited

Place: Mumbai
Date: 23rd May, 2017

P. K. Choudhary
Managing Director

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To the Members of Hindustan Composites Limited

We have examined the compliance of the conditions of Corporate Governance by Hindustan Composites Limited for the year ended 31st March, 2017 as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 LODHA & COMPANY
Chartered Accountants
ICAI Firm Registration No – 301051E

(R. P. Baradiya)
Partner
Membership No: 4410

Place: Mumbai
Date: 23rd May, 2017

REMUNERATION POLICY OF HINDUSTAN COMPOSITES LIMITED

1. PREFACE

This Remuneration policy of the Hindustan Composites Ltd. is formulated to determine the appointment of and remuneration payable to Directors, Key Managerial Personnel ('KMPs') and the Senior Management Personnel ('SMPs') of the Company.

The Board of Directors of the Company has adopted this Remuneration Policy, on the recommendation of the Remuneration Committee, in its meeting held on 29th May 2014.

2. COMMENCEMENT

This remuneration policy governs Policy relating to directors' appointment and remuneration including 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.

3. DEFINITIONS

For the purpose of this policy all terms shall have same meaning as defined under Companies Act, 2013.

4. PURPOSE

This policy is framed to attain following objectives:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b. Formulation of criteria for evaluation of Independent Directors and the Board;

c. Devising a policy on Board diversity;

d. Identifying 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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

5. PRINCIPLES OF REMUNERATION

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behavior that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The policy is built on the following principles:

i. **Vision And Strategy -** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

ii. **Transparent -** The policy and its execution are clear and practical.

iii. **Aligned within the company's objectives –** The remuneration policy is aligned with the company's short term and long term objectives, compatible with those of management and other employees.

iv. **Long-term orientated –** The incentives focus on long-term value creation.

v. **Compliant –** Company adopts the highest standards of good corporate governance.

vi. **Simple –** The policy and its execution are as simple as possible and easily understandable to all stakeholders.

vii. **Internal equity-** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

viii. **External equity-** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

ix. **Flexibility-** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

x. **Performance-** Driven Remuneration- The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.

xi. **Affordability and Sustainability-** The Company shall ensure that remuneration is affordable on a sustainable basis.

6. NOMINATION AND REMUNERATION COMMITTEE

a. **Composition-** The Remuneration Committee of the Board of Directors is re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.

b. **Responsibility & Duties-** The responsibility and duties of Nomination and Remuneration Committee are as follows:

i. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

iii. Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;

iv. Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;

v. Formulating the policy to ensure that:

1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

2. relationship of remuneration to performance is clear and meets appropriate performance benchmark; and

3. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and i9ncentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

7. SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

Nomination & Remuneration Committee shall evaluate the Board's Performance, ascertain their availability and make suitable recommendations to the Board. The Committee shall identify suitable candidates in the event of any vacancy being created on the Board on account of retirement, resignation or demise of any existing Board member. Based on the recommendations of the Committee, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director will be appointed by the Board.

In the evaluation of Board Members, the Nominations Committee will have regard to normally accepted nomination criteria, including:

(a) honesty and integrity;

(b) the ability to exercise sound business judgment;

(c) appropriate experience and professional qualifications;

(d) absence of conflicts of interest or other legal impediments to serving on the Board;

(e) willingness to devote the required time; and

(f) availability to attend Board and Committee meetings

8. PROCESS FOR EVALUATION

The Nomination & Remuneration Committee of the Board will be responsible for the evaluation of Board's and individual directors' performance.

9. PUBLICATION

The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

INDEPENDENT AUDITORS' REPORT

To The Members of
Hindustan Composites Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **HINDUSTAN COMPOSITES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note No. 31 to standalone Ind AS financial statements.

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

IV. The Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, on the basis of information available with the Company. Based on audit procedures, and relying upon management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. Refer Note- 48

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : 23rd May, 2017

"ANNEXURE A"

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGUALTORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF HINDUSTAN COMPOSITES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2017

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All the fixed assets have been physically verified by the management in a phased manner over a period of three years which is reasonable considering the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. The inventory has been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, Para 3 (iii) of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions referred in section 185 of the Act. The Company has complied with the provisions of 186 of the Act with respect to the loans and investments made.

5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company. Therefore, Para 3 (v) of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the order of the Central Government under sub section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.

7. 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, cess and any other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

b) According to the records of the Company, there are 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:

Assessment Year	Nature of Dues	Amount in Rs.	Forum where the dispute is pending
2010-11	Sales Tax	6,98,863	Sales Tax Tribunal, Mumbai

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or borrowing to a financial institution and banks.

9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past and has taken term loans which were applied for the purpose for which the loans were obtained.

10. 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 course of our audit.

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

12. In our opinion, the Company is not Nidhi Company. Therefore, Para 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements (Refer Note No. 46) as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him in terms of Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : 23rd May, 2017

"ANNEXURE B"

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

We have audited the internal financial controls over financial reporting of Hindustan Composites Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 judgment, 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : 23rd May, 2017

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs.in lacs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	1	12,382.44	12,009.32	11,511.20
(b) Capital work-in-progress	1.1	41.73	-	-
(c) Other Intangible assets	2	5.65	5.36	7.47
(d) Financial assets				
(i) Investments	3	53,366.22	42,743.42	42,948.21
(ii) Loans	4	-	1,056.46	966.31
(iii) Other financial assets	5	63.18	57.93	54.16
(e) Other non-current assets	6	3,225.00	3,346.84	927.35
Total non-current assets		**69,084.22**	**59,219.33**	**56,414.70**
Current assets				
(a) Inventories	7	903.10	669.10	604.81
(b) Financial assets				
(i) Investments	8	744.85	4,583.98	4,153.11
(ii) Trade receivables	9	2,663.97	2,660.71	2,320.67
(iii) Cash and cash equivalents	10	374.74	294.39	192.33
(iv) Other bank balances	11	58.06	59.23	54.36
(v) Loans	12	2,899.58	1,208.97	1,926.23
(vi) Other current financial assets	13	1,188.93	1,310.50	1,085.84
(c) Other current assets	14	210.69	214.51	261.78
Total current assets		**9,043.92**	**11,001.39**	**10,599.13**
Total assets		**78,128.14**	**70,220.72**	**67,013.83**
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	492.30	492.30	492.30
(b) Other equity		68,835.61	63,010.19	59,924.28
Total equity		**69,327.91**	**63,502.49**	**60,416.58**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
Borrowings	16	252.42	332.36	394.97
(b) Provisions	17	86.10	76.20	69.77
(c) Deferred tax liabilities (net)	43	5,312.53	3,432.18	3,884.43
(d) Non Current Liabilities	18	132.76	94.27	92.19
Total non-current liabilities		**5,783.81**	**3,935.01**	**4,441.36**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	104.58	108.56	100.13
(ii) Trade payables	20	1,879.71	1,325.72	1,280.38
(iii) Other financial liabilities	21	882.78	1,193.07	660.50
(b) Other current liabilities	22	48.63	130.47	96.93
(c) Provisions	23	100.72	25.40	17.95
Total current liabilities		**3,016.42**	**2,783.22**	**2,155.89**
Total equity and liabilities		**78,128.14**	**70,220.72**	**67,013.83**
Significant accounting policies	A			
See accompanying notes to the financial statements	**B (1 - 49)**			

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Raghu Mody Chairman
P.K. Choudhary Managing Director

Place: Mumbai
Date: 23rd May 2017

Amit Goenka V.P. Finance & Company Secretary
Sunil Jindal Chief Financial Officer

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs.in lacs)

	Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I	Revenue from operations	24	18,162.38	16,819.45
II	Other income	25	110.54	49.29
III	**Total revenue (I + II)**		**18,272.92**	**16,868.74**
IV	**Expenses**			
	Cost of materials consumed	26	5,952.08	5,008.37
	Excise duty		1,544.68	1,501.83
	Changes in inventories of finished goods and work-in-progress	27	(93.20)	(13.81)
	Employee benefits expense	28	2,418.73	2,222.84
	Finance costs	29	19.75	22.28
	Depreciation and amortization expense	1.1	771.04	653.33
	Other expenses	30	4,459.87	5,079.55
	Total expenses		**15,072.95**	**14,474.39**
V	**Profit before tax (III - IV)**		**3,199.97**	**2,394.35**
VI	**Tax expenses**	**43**		
	Current tax		462.21	230.69
	Deferred tax		249.23	91.39
	Total Tax Expenses		**711.44**	**322.08**
VII	**Profit for the year**		**2,488.53**	**2,072.27**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss	42	3,880.55	1,118.14
	(ii) Income tax relating to items that will not be reclassified to profit or loss	43	(1,278.85)	(16.66)
	(iii) Items that will be reclassified to profit or loss	42	1,209.51	(45.58)
	(iv) Income tax on items that will be reclassified to profit or loss	43	(415.06)	17.00
IX	**Total comprehensive income for the year**		**5,884.68**	**3,145.17**
	Earnings per equity share of Rs. 10 each (Basic and Diluted)	35	50.59	42.11
	Significant accounting policies	**A**		
	See accompanying notes to the financial statements	**B (1 - 49)**		

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 23rd May 2017

For and on behalf of the Board of Directors

Raghu Mody
Chairman

P.K. Choudhary
Managing Director

Amit Goenka
V.P. Finance & Company Secretary

Sunil Jindal
Chief Financial Officer

STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs.in lacs)

	Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A	**Cash flow from operating activities:**			
	Net profit before tax		**3,199.97**	**2,394.36**
	Adjustment to reconcile profit before tax to net cash flows			
	Depreciation		771.04	653.33
	Net gain on sale / fair valuation of investments through profit and loss		(2,631.19)	(2,129.84)
	(Profit)/Loss on Sale of property, plant and equipment (net)		(57.58)	14.54
	Remeasurements of defined benefit plans		(60.43)	(37.22)
	Interest expenses		19.75	22.28
	Advances written off		70.00	300.00
	Operating profit before working capital changes		**1,311.56**	**1,217.45**
	Adjustment for			
	(Increase)Decrease in Trade and other receivable		279.27	(342.55)
	(Increase)Decrease in Inventories		(234.00)	(64.29)
	(Decrease)Increase in Trade and other payables		260.15	742.58
	Cash generated from operations		1,616.98	1,553.19
	Direct taxes paid (net)		(483.15)	(726.91)
	Net cash generated from operating activities		**1,133.83**	**826.28**
B	**Cash generated from investing activities**			
	Purchase of property, plant and equipment		(1,209.37)	(1,169.93)
	Proceeds from sale of property, plant and equipment		80.77	6.06
	Purchase of investments (net)		(2,179.21)	(4,484.79)
	(Increase)/decrease in inter- corporate deposits		(765.00)	700.00
	Income from Investment (net)		3,133.38	4,359.78
	Net cash flow (used in) from investing activities		**(939.43)**	**(588.88)**
C	**Cash generated from financing activities**			
	Proceeds/(repayment) from long-term borrowings (net)		(31.17)	(61.82)
	Proceeds/(repayment) from short-term borrowings (net)		(3.97)	8.41
	Dividend paid (including corporate dividend tax)		(59.25)	(59.25)
	Interest paid		(19.66)	(22.68)
	Cash generated from financing activities		**(114.05)**	**(135.34)**
D	**Net Increase/ Decrease in cash and cash equivalent (A+B+C)**		**80.35**	**102.06**
	Cash and Cash equivalents			
	At the beginning of the year		**294.39**	**192.33**
	At the end of the year		**374.74**	**294.39**

Notes:-

The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

Significant accounting policies	**A**
See accompanying notes to the financial statements	**B (1 - 49)**

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Raghu Mody — Chairman
P.K. Choudhary — Managing Director

Amit Goenka — V.P. Finance & Company Secretary
Sunil Jindal — Chief Financial Officer

Place: Mumbai
Date: 23rd May 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	Amount
(a)	**Equity Share Capital**	
	Balance as at 1st April, 2015	492.30
	Changes in share capital during the year	-
	Balance as at 31st March, 2016	492.30
	Changes in share capital during the year	-
	Balance as at 31st March, 2017	492.30

(b) **Other Equity**

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Acturial gain/ (loss)	
Balance as at 1st April, 2015	**57.70**	**53,796.28**	**580.24**	**1,042.67**	**4,447.39**	**-**	**59,924.28**
Profit for the year	-	-	2,072.27	-	-	-	2,072.27
Other comprehensive income for the year (Net)	-	-	-	(28.59)	1,125.82	(24.34)	1,072.89
Dividend paid during the year	-	-	(49.23)	-	-	-	(49.23)
Corporate dividend tax paid	-	-	(10.02)	-	-	-	(10.02)
Transfer to General reserve	-	2,000.00	(2,000.00)	-	-	-	-
Balance as at 31st March, 2016	**57.70**	**55,796.28**	**593.26**	**1,014.08**	**5,573.21**	**(24.34)**	**63,010.19**
Profit for the year	-	-	2,488.53	-	-	-	2,488.53
Other comprehensive income for the year (Net)	-	-	-	794.45	2,641.20	(39.51)	3,396.14
Dividend paid during the year	-	-	(49.23)	-	-	-	(49.23)
Corporate dividend tax paid	-	-	(10.02)	-	-	-	(10.02)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
Balance as at 31st March, 2017	**57.70**	**57,296.28**	**1,522.54**	**1,808.53**	**8,214.41**	**(63.85)**	**68,835.61**

Significant accounting policies **A**

See accompanying notes to the financial statements **B (1 - 49)**

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 23rd May 2017

For and on behalf of the Board of Directors

Raghu Mody — Chairman
P.K. Choudhary — Managing Director
Amit Goenka — V.P. Finance & Company Secretary
Sunil Jindal — Chief Financial Officer

CORPORATE OVERVIEW:

Hindustan Composites Limited ("the Company") is a public company domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The registered office of the Company is located at Peninsula Business Park, A Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

The Company is engaged in the business of manufacturing and marketing of fibre based friction material, consisting of Brake Liners, Roll Lining, Brake Block, Clutch Facing etc and investment of its surplus fund.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

a) Basis of Preparation of Financial Statements:

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other related provisions of the Act. The figures for the previous year ended March 31, 2016 and opening balance sheet as on April 01, 2015 have also been reinstated by the management as per the requirements of Ind AS.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 41 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

i) Certain financial assets and liabilities are measured at Fair value (refer note no. 42 financial instruments)

ii) Defined benefit employee plan (refer note no. 40)

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 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 or non-current classification of assets and liabilities.

b) Uses of estimates and judgments:

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

(a) Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

(b) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events

that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(c) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(d) Measurement of defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

c) Property, plant and equipment and Intangible assets

Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

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

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

Intangible assets:

Technical Know How and Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Depreciation/ amortisation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over period of lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful lives of assets are same as those prescribed in Schedule II of the Companies Act, 2013.

The Company amortizes computer software with a useful life using the straight-line method over the period of 3 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

d) As a lessee

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

e) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less, including money market deposits, commercial paper and investments. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

f) Inventories:

Inventories of Raw Materials, Work-in-Progress, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'.

Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective

and obsolete items, wherever necessary, based on the past experience of the Company.

g) Financial Instruments

Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

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

(ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

(iii) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity instruments:

The company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. "

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition

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

in the statement of profit or loss.

Offsetting of financial instruments

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

Derivative financial instruments:

Derivative financial instruments such as future contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

h) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest."

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The 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.

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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

i) Borrowings:

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

j) Borrowing costs:

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

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

k) Provisions and contingent liabilities:

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

l) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duties and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Sale of goods -

Timing of recognition: Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic sales take place when goods are dispatched or delivery in handed over to customer's logistics. In case of export sales take place when goods are shipped on-board, based on bill of lading.

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Dividend income:

Dividend income is recognised when the Company's right to receive the payment has been established.

m) Employee Benefits:

The Company provides following post-employment plans:

(i) Defined benefit plans such as gratuity and pension and

(ii) Defined contribution plans such as Provident fund

a) Defined-benefit plan:

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

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

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

Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset, 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) ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date based on an actuarial valuation.

n) Foreign Currency Transaction:

The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains

and losses are presented in the statement of profit and loss as other income / miscellaneous expenses.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined."

o) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxabl temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities 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 a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

p) Segment Reporting:

The Company has identified its Managing Director as the Chief Operating Decision Maker. Operating segments are reported in a manner consistent with the internal reporting provided to managing director of the Company. The Managing Director evaluates the Company's performance and allocates resources as a whole.

q) Research and Development:

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

r) Earnings Per Share:

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

B. NOTES ON ACCOUNTS :

1 Property, Plant and Equipment

(Rs. in lacs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
Gross Carrying Amount :								
Deemed cost as at 1st April, 2015	**290.41**	**1.56**	**8,579.33**	**1,809.06**	**479.19**	**268.10**	**83.55**	**11,511.20**
Additions	-	-	395.39	676.25	38.05	42.30	17.94	1,169.93
Disposals	-	-	-	8.15	-	12.18	0.26	20.59
Balance as at 31st March, 2016	**290.41**	**1.56**	**8,974.72**	**2,477.16**	**517.24**	**298.22**	**101.23**	**12,660.54**
Additions	-	-	177.31	836.00	46.22	92.72	13.26	1,165.51
Disposals	8.30	-	-	10.00	-	4.90	-	23.20
Balance as at 31st March, 2017	**282.11**	**1.56**	**9,152.03**	**3,303.16**	**563.46**	**386.04**	**114.49**	**13,802.85**
Accumulated Depreciation :								
Balance as at 1st April, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	-	0.02	163.33	340.09	60.48	52.94	34.36	651.22
Disposals	-	-	-	-	-	-	-	-
Balance as at 31st March, 2016	**-**	**0.02**	**163.33**	**340.09**	**60.48**	**52.94**	**34.36**	**651.22**
Depreciation charge for the year	-	0.02	170.19	448.55	62.90	59.10	28.43	769.19
Disposals	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	**-**	**0.04**	**333.52**	**788.64**	**123.38**	**112.04**	**62.79**	**1,420.41**
Net Carrying Amount :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 1st April 2015	**290.41**	**1.56**	**8,579.33**	**1,809.06**	**479.19**	**268.10**	**83.55**	**11,511.20**
As at 31st March 2016	**290.41**	**1.54**	**8,811.39**	**2,137.07**	**456.76**	**245.28**	**66.87**	**12,009.32**
As at 31st March 2017	**282.11**	**1.52**	**8,818.51**	**2,514.52**	**440.08**	**274.00**	**51.70**	**12,382.44**

Notes:

(I) The Company has elected to continue with the net carrying value of all property, plant and equipments as at 1st April, 2015 (Gross block: Rs.16,323,87 lacs ; Accumulated depreciation: Rs.4,812.68 lacs) as per previous GAAP and use that as the deemed cost.

(ii) Leasehold Land for Rs. 0.80 lacs is valid till 31/01/2079 and for Rs. 0.76 lacs is valid till 30/04/2081.

(iii) Buildings includes eight flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.

1.1 Capital work-in-progress

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Plant and Equipment	41.73	-	-

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	Technical Know-How	Computer Software	Total
2	**Other Intangible assets**			
	Gross Carrying Amount :			
	Deemed cost as at 1st April, 2015	**0.32**	**7.15**	**7.47**
	Additions	-	-	-
	Deductions	-	-	-
	Balance as at 31st March, 2016	0.32	7.15	7.47
	Additions	-	2.13	2.13
	Deductions	-	-	-
	Balance as at 31st March, 2017	**0.32**	**9.28**	**9.60**
	Accumulated Depreciation :			
	Balance as at 1st April, 2015	**-**	**-**	**-**
	Additions	0.32	1.79	2.11
	Deductions	-	-	-
	Balance as at 31st March, 2016	**0.32**	**1.79**	**2.11**
	Depreciation charge for the year	-	1.84	1.84
	Deductions	-	-	-
	Balance as at 31st March, 2017	**0.32**	**3.63**	**3.95**
	Net Carrying Amount :			
	Balance as at 1st April, 2015	**0.32**	**7.15**	**7.47**
	Balance as at 31st March, 2016	**-**	**5.36**	**5.36**
	Balance as at 31st March, 2017	**-**	**5.65**	**5.65**

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
3	**Non Current Investments (Refer Notes No.38)**			
	Equities			
	Equity instruments	19,529.31	9,366.67	11,909.06
	Debt			
	Preference shares	3,000.00	3,998.70	2,500.00
	Real Estate and debt funds	4,980.75	4,210.20	1,682.95
	Government securities	4,497.50	4,335.20	3,285.40
	Debentures and bonds	21,358.66	20,832.65	22,993.91
	Mutual funds	-	-	518.00
	Others			
	Bullion	-	-	58.89
	Total	**53,366.22**	**42,743.42**	**42,948.21**
4	**Non current loans**			
	Unsecured, considered good			
	Loans and advances			
	Interest free loan to employee welfare trust	-	1,056.46	966.31
	Total	**-**	**1,056.46**	**966.31**
5	**Non current other financial assets**			
	Electricity deposits	19.37	19.47	19.45
	Rent deposits	7.18	7.36	9.66
	Other deposits	33.42	31.10	25.05
	Margin money deposits with bank	3.21	-	-
	Total	**63.18**	**57.93**	**54.16**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
6	**Other Non Current Assets**			
	Capital advance	3,225.00	3,055.57	705.64
	Advance for income tax (net)	-	41.85	88.95
	Deposits legal matters	-	249.42	132.76
	Total	**3,225.00**	**3,346.84**	**927.35**
7	**Inventories (Refer Note No. A (f) for accounting policy)**			
	(As taken, valued and certified by the management)			
	Raw materials	502.59	391.55	349.59
	Raw materials - Goods-in-transit	5.09	3.18	-
	Work-in-progress	270.00	145.90	152.09
	Finished goods	44.44	75.34	55.34
	Stores and spares	80.98	53.13	47.79
	Total	**903.10**	**669.10**	**604.81**
8	**Current Investments** (Refer Note No. 39)			
	Equities			
	Equity instruments	-	-	450.05
	Debt			
	Preference shares	-	-	1,016.79
	Debentures and bonds	254.65	1,400.88	1,228.55
	Mutual funds	490.20	3,183.10	1,457.72
	Total	**744.85**	**4,583.98**	**4,153.11**
9	**Trade Receivables (Refer Note No. 44 (c))**			
	Unsecured, considered good			
	Joint venture	65.04	42.79	51.23
	Others	2,598.93	2,617.92	2,269.44
	Total	**2,663.97**	**2,660.71**	**2,320.67**
10	**Cash and cash equivalents**			
	Balances with Banks			
	In Current accounts	352.88	289.31	186.14
	Cheques in hand	18.26	2.39	1.18
	Cash in hand	3.60	2.69	5.01
	Total	**374.74**	**294.39**	**192.33**
11	**Other bank balances**			
	Other Balances			
	In Dividend Accounts	31.00	29.03	23.43
	In Margin money	27.06	30.20	30.93
12	**Current Loans**			
	Unsecured, considered good			
	Inter corporate deposits	1,965.00	1,200.00	1,900.00
	Loans and advances to employees	4.58	8.97	26.23
	Interest free loan to employee welfare trust	930.00	-	-
	Total	**2,899.58**	**1,208.97**	**1,926.23**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
13	**Other Current Financial Assets**			
	Interest accrued on investments	676.03	697.41	657.18
	Interest accrued on inter corporate / other deposits	15.75	24.10	0.93
	Receivable on sale of current investments	135.62	521.97	3.88
	Rent deposits (Associates)	350.00	-	-
	Insurance claim receivable	-	-	364.78
	Other receivables	11.53	67.02	59.07
	Total	**1,188.93**	**1,310.50**	**1,085.84**
14	**Other Current Assets**			
	Balances with central excise and service tax	65.48	45.79	44.45
	Advance to suppliers	101.34	132.60	181.86
	Prepaid expenses	43.87	36.12	35.47
	Total	**210.69**	**214.51**	**261.78**
15	**Equity Share Capital**			
	AUTHORISED			
	5,500,000 Equity Shares of Rs. 10 each (Previous Year : 5,500,000 Equity Shares of Rs. 10 each)	550.00	550.00	550.00
	500,000 Unclassified Shares of Rs.10 each (Previous Year: 500,000 Unclassified Shares of Rs.10 each)	50.00	50.00	50.00
	Total	**600.00**	**600.00**	**600.00**
	ISSUED, SUBSCRIBED AND PAID-UP			
	4,923,000 Equity Shares of Rs.10 each, fully paid-up (Previous Year: 4,923,000 Equity Shares of Rs.10 each, fully paid-up)	492.30	492.30	492.30
	Total	**492.30**	**492.30**	**492.30**

(i) Details of Shareholding more than 5%

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	2,050,574	41.65%	2,050,574	41.65%	2,050,574	41.65%
Leaders Healthcare Ltd.	825,194	16.76%	825,194	16.76%	825,194	16.76%
J L Morison India Ltd.	369,234	7.50%	369,234	7.50%	369,234	7.50%

(ii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

(iii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year: (Rs. in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balance as at the beginning and end of the year	492.30	492.30	492.30

(iv) For a period of 5 years immediately preceding the balance sheet date, the company has not:

- allotted shares for consideration other than cash
- issued any bonus shares
- bought back any shares issued

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(No. of Shares)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
16	**Non Current Borrowings** (Refer Note No. 33)			
	Term Loans			
	Secured			
	From Banks - Vehicle Loan	31.60	2.55	8.64
	Unsecured			
	From SICOM Ltd. by way of deferral of sales tax liability	220.82	329.81	386.33
	Total	**252.42**	**332.36**	**394.97**
17	**Non Current Provisions**			
	Provision for compensated absences	53.63	61.37	45.69
	Provision for Gratuity	32.47	14.83	24.08
	Total	**86.10**	**76.20**	**69.77**
18	**Other Non Current Liabilities**			
	Security Deposits	132.76	94.27	92.19
	Total	**132.76**	**94.27**	**92.19**
19	**Current Borrowings (Refer Note No. 33)**			
	Secured			
	From a Bank			
	Working Capital Loan	104.58	108.56	100.13
	Total	**104.58**	**108.56**	**100.13**
20	**Trade Payables**			
	Amounts due to related parties			
	Others	1,879.71	1,325.72	1,280.38
	Total	**1,879.71**	**1,325.72**	**1,280.38**
	Dues to Micro, Small and Medium Enterprise			
	The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:			
	Principal Amount due to suppliers under MSMED Act,2006, Beyond appointed Day	9.21	6.84	5.48
	Interest accrued and due to suppliers under MSMED Act, on the above amount	0.21	0.15	0.12
	Payment made to suppliers (other than interest) beyond the appointed day, during the year	Nil	Nil	Nil
	Interest paid to suppliers under MSMED Act (Other than section 16)	Nil	Nil	Nil
	Interest paid to suppliers under MSMED Act (Section 16)	0.15	0.12	0.25
	Interest due and payable to suppliers under MSMED Act, for the payment already made	Nil	Nil	Nil
	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	Nil	Nil	Nil

Note : The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small enterprises" on the basis of information available with Company.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
21	**Other Financial Liabilities**			
	Current maturities of long-term debt	110.44	61.67	60.89
	Interest accrued but not due on borrowings	0.14	0.05	0.45
	Unpaid dividends	31.00	29.02	23.43
	Employee Benefit Expenses	209.10	213.42	86.03
	Capital Creditors	45.93	49.22	14.02
	Other payables	486.17	839.69	475.68
	Total	**882.78**	**1,193.07**	**660.50**
22	**Other Current Liabilities**			
	Statutory Dues	48.63	130.47	96.94
	Total	**48.63**	**130.47**	**96.94**
23	**Current Provisions**			
	Provision for compensated absences	37.59	20.45	10.69
	Provision for gratuity	16.42	4.95	7.26
	Provision for Income Tax (Net)	46.71	-	-
	Total	**100.72**	**25.40**	**17.95**

(Rs. in lacs)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
24	**Revenue From Operations**		
	Sale of Products		
	Manufactured goods		
		13,937.65	12,480.53
	Investment Income		
	Dividend	257.93	584.65
	Interest	3,288.82	3,133.51
	Net gain on sale / Fair valuation of investments through profit and loss *	572.17	504.44
		4,118.92	4,222.60
	Other Operating Income		
	Export Incentives	48.45	32.00
	Marketing Fees and Royalty Income	30.11	13.87
	Insurance Claim	-	46.87
	Scrap Sale	10.13	6.99
	Others	17.12	16.59
		105.81	116.32
	Total	**18,162.38**	**16,819.45**
	* Includes fair value gain / (loss) as at 31st March, 2017 amounting to Rs. (80.25 lacs), (Previous Year Rs. 360.17 lacs)		
25	**Other Income**		
	Foreign Exchange Gain (Net)	27.61	31.59
	Profit on sale of land	59.53	-
	Rent	23.40	17.70
	Total	**110.54**	**49.29**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
26	**Cost Of Materials Consumed**		
	Raw materials and Components		
	Opening Stock	391.55	349.59
	Purchases	5,843.12	4,865.22
	Less: Closing Stock	502.59	391.55
		5,732.08	4,823.26
	Stores and Spare parts consumed		
	Opening Stock	53.13	47.79
	Purchases	247.86	190.45
	Less: Closing Stock	80.99	53.13
		220.00	185.11
	Total	**5,952.08**	**5,008.37**
27	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock :-		
	Work-in-progress	145.90	152.09
	Finished goods	75.34	55.34
	Total	**221.24**	**207.43**
	Closing Stock :-		
	Work-in-progress	270.00	145.90
	Finished goods	44.44	75.34
	Total	**314.44**	**221.24**
	Changes in inventories	**(93.20)**	**(13.81)**
28	**Employee Benefits Expense**		
	Salaries, wages and incentives	2,190.95	2,011.54
	Contributions to provident and other fund	108.79	105.30
	Contributions to gratuity fund	32.68	29.39
	Staff welfare expenses	86.31	76.61
	Total	**2,418.73**	**2,222.84**
29	**Finance Cost**		
	Interest expense	13.72	13.27
	Other borrowing costs	6.03	9.01
	Total	**19.75**	**22.28**
30	**Other Expenses**		
	Packing materials consumed	246.42	218.04
	Power and Fuel	855.53	793.77
	Rent	41.63	283.12
	Rates and taxes	27.01	27.79
	Insurance (including transit insurance)	37.17	28.73
	Freight and Forwarding	457.17	405.96
	Repairs and Maintenance:	-	-
	Plant and Machinery	112.80	129.32
	Buildings	69.66	73.55
	Job charges	836.29	653.57
	Travelling and Conveyance	482.97	531.03
	Sales Promotion Expenses	211.78	182.16
	Postage, Printing and Stationery	49.65	42.44

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
30	**Other Expenses (contd.)**		
	Communication Expenses	37.60	39.90
	Loss on sale/discarding of property, plant and equipment	1.96	14.55
	Excise Duty on Increase / (Decrease) of Finished Goods	(0.32)	1.99
	Provision for Diminution in value of Investments (net)	-	199.99
	Inter Corporate Deposit / Investment written off	-	172.70
	Less: Provision for doughtful Inter Corporate Deposits / Investment	-	(172.70)
	Advances written off	70.00	300.00
	Investment Advisory Related Expenses	175.92	144.79
	Legal and Professional Expenses	222.58	186.09
	Remuneration to Auditors:	-	-
	Audit fees (including limited review fees)	7.00	7.00
	Certification fees	4.20	-
	Reimbursement of out of pocket expenses	1.10	0.89
	Liquidated damages for disputed matter	-	175.55
	Contribution towards Corporate Social Responsibility (CSR)	100.00	50.00
	Charity and donations	261.91	443.17
	Miscellaneous Expenses	149.84	146.15
	Total	**4,459.87**	**5,079.55**

31 Contingent Liabilities not provided for in respect of :

- Disputed Sales Tax matters as at 31st March 2017 for Rs. 6.98 lacs (net of provisions of Rs. 10.56 lacs); as at 31st March 2016 for Rs. 11.10 lacs (net of provisions of Rs. 6.45 lacs) and as at 1st April, 2015 for Rs. 13.47 lacs (net of provision of Rs. 6.45 lacs).

- Disputed Income Tax matters as at 31st March 2017 for Rs. Nil, as at 31st March 2016 for Rs. 98.36 lacs and as at 1st April 2015 for Rs. 10.54 lacs).

- Disputed labour matter related to ex-workmen - amount unascertainable.

32 Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31st March 2017 for Rs.3,034.50 lacs (net of advance of Rs. 2,994.58 lacs), as at 31st March 2016 for Rs. 2,967.11 lacs (net of advance of Rs. 3,053.40 lacs) and as at 1st April 2015 for Rs. 2,646.99 lacs (net of advance of Rs. 637.18 lacs).

(b) In respect of investments made with private equity fund, the Company is further committed to invest as at 31st March 2017 for Rs. 2,556.37 as at 31st March 2016 for Rs. 3,043.88 and as at 1st April 2015 for Rs. 3,641.00.

33 Secured Loans:

(a) Interest Rate on Working capital loans as at 31st March 2017 is Base Rate plus 2.50% per annum, as at 31st March 2016 is Base Rate plus 2.50% per annum and as at 1st April 2015 is Base Rate plus 2.50% per annum, limit utilised as at 31st March 2017 for Rs. 359.58 lacs as at 31st March 2016 for Rs.420.42 lacs and as at 1st April 2015 for Rs. 348.95 lacs are secured by hypothecation of inventory and trade receivables of Company and charge on immovable properties of Bhandara unit.

(b) Non fund based limit utilised as at 31st March 2017 for Rs. 238.78 lacs are secured by lien over Investment (Bonds) of Rs. 800 lacs and as at 31st March 2016 non fund based limit utilised for Rs. 321.18 lacs were secured by lien over Investment (Bonds) of Rs. 500 lacs and as at 1st April 2015 non fund based limit utilised for Rs. 138.45 lacs were secured by lien over Investment (Mutual Fund Units - FMP) of Rs. 200 lacs.

(c) Vehicle loans (repayable within three years) are secured by way of hypothecation and carry Interest in the range of 9.00 % to 10.75 %(for the Year Ended 31st March 2016 9.61 % to 10.75%).

Unsecured Loans:

Interest free Sales tax Loans is repayable within 5 years.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

34 The accounts of Trade receivable and payable and Loans and Advances are subject to formal confirmations / reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements due to the same.

(Rs. in lacs)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
35	**Earnings Per Share**		
	Net Profit as per Profit and Loss Account (Amt. in lacs)	2,488.53	2,072.27
	Weighted average number of equity shares out standing	4,923,000	4,923,000
	Basic and Diluted EPS (Rs.)	50.59	42.11
36	**Research and Development Expenditure**		
	Debited to respective expenses heads in the Statement of Profit and Loss	132.10	159.38
	Property, plant and equipment	233.53	149.62
37	**Segment Reporting:**		
	Segment Revenue		
	Composite Products	14,043.45	12,596.85
	Investment	4,118.93	4,222.61
	Total	**18,162.38**	**16,819.46**
	Segment Expenses		
	Composite Products	13,170.30	11,788.57
	Investment	797.87	1,755.55
	Total	**13,968.17**	**13,544.12**
	Segment Results		
	Profit/(Loss) before Interest, Tax and Exceptional Items from each segment		
	Composite Products	873.16	808.28
	Investment	3,321.06	2,467.06
	Total	**4,194.22**	**3,275.34**
	Unallocated Expenses	1,085.03	907.99
	Interest Expenses	19.75	22.28
	Tax Expenses	711.44	322.09
	Other Income	(110.54)	(49.29)
	Profit after taxation	**2,488.54**	**2,072.27**
	Segment Assets		
	Composite Products	8,283.19	6,606.54
	Investment	66,633.87	60,434.98
	Unallocated Assets	3,211.09	3,179.20
	Total	**78,128.15**	**70,220.72**
	Segment Liabilities		
	Composite Products	3,275.19	2,861.82
	Investment	4,059.97	2,589.03
	Unallocated Liabilities	1,212.65	935.01
	Total	**8,547.81**	**6,385.86**
	Other Information:		
	Capital Expenditure	1,165.50	1,169.93
	Depreciation and Amortisation	771.04	653.33

Operating Segments: - The chief operational decision maker (CODM) has identified 2 operating segments viz., Composite products and Investments.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Segment revenue and results

The expenses and incomes which are not directly attributable to any business segment are shown as un-allocable expenditure (net of unallocated income).

Segment assets and liabilities

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents, Investments and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of un-allocable assets / liabilities.

38 Non-Current Investments: (Non Trade and Fully paid up) **(Rs. in lacs)**

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Equity Instruments							
Equity Shares (Quoted)							
Equity Shares (Quoted)							
Asian Paint Ltd.	1	525	5.62	-	-	-	-
Bajaj-Auto Ltd.	10	185	5.19	-	-	-	-
Bajaj Finance Ltd.	2	547	6.42	-	-	-	-
Borosil Glasswork Ltd.	10	-	-	-	-	135,000	2,212
Bosch Ltd.	10	23	5.24	-	-	-	-
Cipla Ltd.	2	860	5.09	-	-	-	-
Dabur India Ltd.	1	1,800	4.99	-	-	-	-
Glaxosmithkline Consumer Healthcare Ltd.	10	99	5.11	-	-	-	-
Godrej Consumer Products Ltd.	1	320	5.34	-	-	-	-
HDFC Bank Ltd.	2	400	5.77	-	-	-	-
Hindustan Unilever Ltd.	1	600	5.46	-	-	-	-
Housing Development Finance Corp. Ltd.	2	400	6.01	-	-	-	-
Infosys Ltd.	5	520	5.31	-	-	-	-
Kotak Mahindra Bank Ltd.	5	685	5.97	-	-	-	-
Larsen & Tuobro Ltd.	2	344	5.43	-	-	-	-
Lupin Ltd.	2	334	4.83	-	-	-	-
Maruti Suzuki India Ltd.	5	88	5.30	-	-	-	-
Pfizer Ltd.	10	277	5.24	-	-	-	-
Titan Company Ltd.	1	1,380	6.37	-	-	-	-
Sun Pharmaceutical Industries Ltd.	1	769	5.29	-	-	-	-
Ultratech Cemant Ltd.	10	148	5.91	-	-	-	-
Zf Steering Gear (I) Ltd.	10	100	1.33	100	1.47	100	1.01 -
Total			**111.22**		**1.47**		**2,212.99**
Equity Shares (Unquoted)							
Bosch Chassis System India ltd.	10	-	-	-	-	20	0.12
Prabhukripa Overseas Ltd.	10	231,053	56.05	231,053	57.76	231,053	57.76
Total			**56.05**		**57.76**		**57.88**
Private Equity (Unquoted) *							
India Business Excellence Fund	-	-	456.66	-	1,040.85	-	450.08
IL&FS Milestone Fund II	1,000	6,798	1.04	6,798	67.98	2,000	330.00
KKR (INDIA) Debt Opprotunities Fund II	-	-	359.45	-	-	-	-
Multiples Private Equity Fund Scheme I	100,000	341	589.83	341	593.28	311	450.56
TVS Shriram Growth Fund - 1B	-	-	461.11	-	-	-	-
Zephyr Peacock India II Fund	-	-	138.09	-	160.49	-	200.00

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

38 Non-Current Investments: (Non Trade and Fully paid up) (Contd..)

(Rs. in lacs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Tikona Digital Networks Private Limited Private Equity	-	-	-	-	-	-	199.99
India Business Excellence Fund - II	1,000	3,125	581.75	3,125	337.50	20,000	200.00
Indiareit Apartment Strategy Fund	-	-	386.90	-	262.10	-	135.00
Aditya Birla Real Estate Fund - I	-	-	209.52	-	299.71	-	301.56
Edelweiss Stressed & Troubled Assests Revival Fund - I	10,000	3,250	838.35	3,250	246.12	-	241.34
Multiples Private Equity Fund II LLP	-	-	518.97	-	169.18	-	-
Forefront Alternative Equity Scheme	-	13,368,825	2,513.46	-	-	-	-
DSP Blackrock India Enhanced Equity Fund AIF III	-	-	1,035.20	-	-	-	-
Total			**8,090.33**		**3,177.21**		**2,508.53**
* The Maturity of above funds range between 3 years to 8 years							
Equity PMS							
ASK IEP Equity PMS	-	-	499.55	-	-	-	-
Motilal Oswal NTDOP PMS	-	-	1,068.59	-	-	-	-
IDFC Hybrid Infrastructure Portfolio	-	-	15.40	-	14.25	-	65.16
Total			**1,583.54**		**14.25**		**65.16**
Investment in Group Companies							
Equity Shares (Quoted)							
J.L.Morison (India) Ltd.	10	272,800	4,228.40	272,800	2,586.14	272,800	3,821.25
Rasoi Ltd.	200	16,565	4,969.50	331,318	3,039.84	331,318	2,753.25
Rasoi Ltd. - Fractional share receivable	200	0.9	0.27	-	-	-	-
Total			**9,198.17**		**5,625.98**		**6,574.50**
Equity Shares (Unquoted)							
Compo Advics (India) Pvt. Ltd. (Joint Venture with 49% stake)		4,900,000	490.00	4,900,000	490.00	4,900,000	490.00
Total			**490.00**		**490.00**		**490.00**
Total Investment in Group Companies			**9,688.17**		**6,115.98**		**7,064.50**
Total Equity Instruments			**19,529.31**		**9,366.67**		**11,909.06**
Preference Shares (Unquoted)							
8.15% L&T Finance Holding Limited - Cumulative Preference Share -May 2020	100	1,500,000	1,500.00	1,500,000	1,486.20	-	-
8.33% Tata Capital Cumulative Preference Share - Tranch G - June 2020	1,000	100,000	1,000.00	100,000	1,000.00	100,000	1,000.00
9.50% IL&FS Redeemable Cumulative Preference Shares - March 2021	7,500	-	-	11,600	1,512.50	12,000	1,500.00
7.50% Tata Capital Preference Shares	1,000	50,000	500.00	-	-	-	-
Total Preference Shares			**3,000.00**	**-**	**3,998.70**	**-**	**2,500.00**
Real Estate Debt Funds (Unquoted) *							
Peninsula Bookfield India Real Estate Fund	100,000	467	381.19	625	625.47	-	249.65
IIFL Income Opportunities Fund Series - Special Situations	7.76	4,664,616	448.10	4,664,616	520.06	-	269.83
India Realty Excellance Fund II LLP	-	-	443.74	-	454.04	-	319.11
IIFL Real Estate Fund - II	10	9,186,729	995.45	-	995.45	-	96.50
Annuities in Senior Secured Estate Transactions 1- Asset 1	100	100,000	135.48	100,000	100.00	-	75.58
Kotak India Real Estate Fund - V	1,000	2,729	42.51	4,315	58.63	-	116.86

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

38 Non-Current Investments: (Non Trade and Fully paid up) (Contd..)

(Rs. in lacs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
IIFL Real Estate Fund - I	15.96	194,382	31.14	-	33.40	-	154.09
IIFL Income Opportunities Fund	0.77	2,328,496	15.29	-	18.15	-	245.33
ICICI Prudential Real Estate Securities Portfolio	-	-	385.21	-	238.28	-	156.00
Indostar Credit Fund	100,000	900	590.66	660	669.40	-	-
IIFL Real Estate Fund - III	9.24	4,983,975	461.74	-	472.32	-	-
IDFC Score Fund	1,000	49,250	115.00	-	25.00	-	- -
Annuities in Senior Secured Estate Transactions-II-Assets-II	100	500,00	544.42	-	-	-	
Edelweiss Real Estate Opportunities Fund	-	-	165.82	-	-	-	-
IIFL Special Opportunities Fund	-	-	125.00	-	-	-	-
Edelweiss Credit Opportunities Fund	-	-	100.00	-	-	-	-
Total Real Estate Debt Funds			**4,980.75**		**4,210.20**		**1,682.95**
* The Maturity of above funds range between 3 years to 8 years							
Government Securities (Quoted)							
Secured-							
8.28% GOI 15 -Feb 2032	50,000,000	2	1,062.30	2	1,032.00	1	520.80
9.20% GOI 30 -Sep 2030	50,000,000	1	574.95	1	553.20	1	558.65
8.30% GOI 2 -July 2040	50,000,000	1	527.35	1	519.00	1	524.90
8.83% GOI 12 -Dec 2041	50,000,000	2	1,142.50	2	1,093.40	2	1,104.50
9.23% GOI 23 -Dec 2043	50,000,000	2	1,190.40	2	1,137.60	1	576.55
Total Government securities			**4,497.50**		**4,335.20**		**3,285.40**
Debentures and Bonds							
Bonds (Quoted)							
Secured-							
8.20% HUDCO Tax Free Bond-March 2027	1,000	97,310	1,109.96	97,310	1,054.46	97,310	1,065.45
8.10% HUDCO Tax Free Bond -March 2022	1,000	30,000	322.71	30,000	315.87	30,000	312.70
8.56% HUDCO Tax Free Bond -Sep 2028	1,000	1	11.84	1	10.99	1	11.23
8.76% HUDCO Tax Free Bond -Jan 2034	1,000	100,000	1,255.56	100,000	1,165.39	1,000	1,095.00
8.51% HUDCO Tax Free Bond -Oct 2028	1,000	50,000	590.64	50,000	546.57	1,000	554.00
8.26% IIFCL Tax Free Bonds -Aug 2028	1,000,000	80	927.58	80	885.04	80	864.70
8.19% IIFCL Tax Free Bonds -Aug 2033	1,000,000	20	238.89	20	200.00	20	200.04
8.66% IIFCL Tax Free Bonds -Jan 2034	1,000	50,000	622.79	50,000	580.34	50,000	571.95
7.40% IIFCL Tax Free Bonds -Jan 2033	1,000	50,000	556.34	50,000	518.44	50,000	511.90
11% SREI Infrastructure Finance Ltd. 2017	1,000	-	-	25,000	251.67	-	-
11.90% IIISL -Aug 2016	1,000	-	-	-	-	29,747	302.23
8.67% NHPC Tax Free Bonds -Nov 2033	1,000	48,315	601.68	48,315	521.80	48,315	548.09
9.01% NHB Tax Free Bond -Jan 2034	5,000	50,000	3,138.90	50,000	3,020.00	50,000	2,895.32
8.68 % NHB Tax Free Bonds -March 2029	5,000	6,384	383.14	6,384	352.93	6,384	368.48
8.93 % NHB Tax Free Bonds Series 2A-March 2029	5,000	10,000	600.15	10,000	502.61	10,000	542.60
8.30% PFC- Tax Free Bonds -Feb 2027	1,000	7,120	81.65	7,120	77.78	7,120	77.71
8.67% PFC Tax Free Bonds -Nov 2033	1,000	161,945	2,015.95	161,945	1,869.49	161,945	1,884.55
7.93% REC-Tax Free Bond -March 2022	1,000	30,619	327.46	30,619	318.98	30,619	320.51
8.46% REC Tax Free Bonds -Aug 2028	1,000,000	50	587.79	50	560.46	50	557.65
8.06% REC Tax Free Bond -May 2023	1,000,000	50	-	50	498.75	50	491.18
Total			**13,373.03**		**13,251.57**		**13,175.29**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

38 Non-Current Investments: (Non Trade and Fully paid up) (Contd..)

(Rs. in lacs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Unsecured-							
9.80% GSPC NCDSeries 2 22/03/2073	1,000,000	48	527.18	50	500.00	-	-
12% IL&FS Transportation Networks Ltd -March 2018	1,000,000	-	-	-	-	-	2,102.00
9.90% IFCI Ltd Bonds Sr 58 -Nov 2032	25,000	1,000	279.05	-	-	1,800	450.00
9.90% IFCI Ltd Bonds Sr 58 -Nov 2037	25,000	4,000	1,082.50	4,000	1,000.00	4,000	1,000.00
9.75% IFCI Ltd. Sr.60- April 2028	1,000,000	100	1,062.60	-	-	-	-
12.50% Janalakshmi Financial Services 2019 Debentures	1,000,000	30	307.65	-	-	-	-
9.50% JM Financial Credit Solutions Ltd.	1,000,000	13	130.54	-	-	-	-
10.75% Tata Power Co. Ltd. Aug 2072	1,000,000	25	265.23	-	-	-	-
9.90% ING Vysya Bank Ltd Bond -Dec 2022	1,000,000	50	543.80	50	500.00	50	516.46
9.29% PFC Bonds -Aug 2022	1,000,000	50	540.10	50	515.95	50	499.43
12% Muthoot Fincorp. Limited - Apr.2017	100,000	-	-	250	240.13	-	-
9.02% REC Bonds -Nov 2022	1,000,000	150	-	150	1,545.45	150	1,547.62
9.35% REC Bonds -June 2022	1,000,000	50	-	50	525.20	50	527.43
Total			**4,738.65**		**4,826.73**		**6,642.94**
Total Bonds			**18,111.68**		**18,078.30**		**19,818.23**
Debentures and Bonds							
Debentures (Quoted)							
Secured-							
18.50% ILD Millennium Pvt. Ltd. Series A - NCD	-	-	-	-	-	30	300.00
Rajesh Real Estate Developers Pvt Ltd. - NCD	-		-	-	-	2	200.00
18.75% Raheja Developers Ltd. Series C - NCD	-	-	-	-	-	30	300.00
19.10% Orris Infrastructure Pvt. Ltd. NCD	-	-	-	-	-	34	320.00
11.85% ECL Finance Limited NCD	-	-	-	-	-	6,800	70.88
ECFL - Debt Market Linked Non Convertible Debenture	-	-	-	-	-	300	336.07
IIFL-Index Linked Principal Proctected Secured Redeeemable, Non Convertible Debenture-Oct -2016	-	-	-	-	-	250	250.00
IIFL-Index Linked Principal Proctected Secured Redeeemable, Non Convertible Debenture- Aug- 2016	-	-	-	-	-	250	250.00
12% EFIL-Debt Market Linked Non Convertible Debenture May 2016	100,000	-	-	300	315.66	300	300.00
39.01% EARC GSEC Linked Non Convertible Debenture	100,000	500	530.10	-	-	-	-
38.03% Market Linked Structured Products	100,000	500	537.02	-	-	-	-
35% EFIL-Market Linked Non Convertible Debenture -June 2018	100,000	300	340.38	300	325.99	300	300.00
Total			**1,407.50**		**641.65**		**2,626.95**
Debentures (Unquoted)							
Secured-							
17.25% Akshaya Pvt. Ltd.-Mar 2018	10,000,000	-	-	2	110.00	2	200.00
10.00% Rajesh Estates & Nirman Pvt. Ltd. -Dec 2017	10,000,000	-	-	2	200.00	2	200.00
17% Varnika Realty Pvt. Ltd. (Pasmina) NCD-Mar 2017	1,000,000	30	216.00	30	291.00	-	-
18% CCI Projects Private Limited Nov 2018	2,500,000	12	232.80	12	300.00	-	-
18% Darvesh Properties Private Limited May 2019	100,000	250	250.00	250	250.00	-	-
18.00% Foremost Realtors Pvt. Ltd. - Jan 2018	-	-	-	-	-	3	148.73
18.50% Manyata Developers Private Ltd June 2020	1,000,000	20	206.20	20	206.20	-	-

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

38 Non-Current Investments: (Non Trade and Fully paid up) (Contd..)

(Rs. in lacs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Debentures (Unquoted)							
17% Pinnacle Vastunirma Pvt Ltd Aug 2018	100,000	250	250.00	250	250.00	-	-
17.25% Shanders Properties Pvt Ltd. Jul 2018	100,000	250	236.11	250	250.00	-	-
17.50% Vagad Builders & Developers Pvt Ltd Aug 2018	100,000	250	170.50	250	255.50	-	-
18% Omkar Realtors Andheri Projects Pvt Ltd.	8,717,290	2	77.87	-	-	-	-
17.75% Orris Infrastructure PVt Ltd.	10,000,000	2	200.00	-	-	-	-
Total			**1,839.48**		**2,112.70**		**548.73**
Total Debentures			**3,246.98**		**2,754.35**		**3,175.68**
Total Debentures and Bonds			**21,358.66**		**20,832.65**		**22,993.91**
Mutual Funds (Quoted)							
ICICI Pru Fixed Maturity Plan- Series 75-Growth- April 2018	-	-	-	-	-	5,000,000	518.00
Total Mutual Funds			**-**		**-**		**518.00**
Bullion							
Gold 24K 99.999% (Unquoted)	-	-	-	-	-	2215.60 gm	58.89
Total Bullion			**-**		**-**		**58.89**
Total Non Current Investments			**53,366.22**		**42,743.42**		**42,948.21**
Aggregate amount of quoted investment and market value thereof:			**33,326.07**		**28,682.60**		**35,094.96**
Aggregate amount of unquoted investments			**20,040.15**		**14,060.82**		**7,853.25**
Aggregate amount of impairment in value of investments			**-**		**-**		**-**

39 Current Investments:

Equity Instruments

Equity Shares (Quoted)

HDFC Ltd.	-	-	-	-	-	44,000	450.05
Total			**-**		**-**		**450.05**
Total Equity Shares			**-**		**-**		**450.05**
Preference Shares (Unquoted)							
8.75% L&T Finance Holding Limited Cumulative Preference Share - March 2016	-	-	-	-	-	1,008,753	1,016.79
Total			**-**		**-**		**1,016.79**
Total Preference Shares			**-**		**-**		**1,016.79**
Bonds & Debentures (Quoted)							
Secured-							
11% SREI Infrastructure Finance Ltd. 2017	1,000	25,000	254.65	-	-	-	-
26.85% ECLF- Market Linked Non Convertible Debenture- June 2015	-	-	-	-	-	300	334.93
42.50% ECLF-Market Linked Non Convertible Debentures Jul-2016	100,000	300	-	300	412.90	-	-
43.25% IIFL-Index Linked Principal Proctected Secured Redeeemable, Non Convertible Debenture-Oct -2016	100,000	250	-	250	338.42	-	-
44.50% IIFL-Index Linked Principal Proctected Secured Redeeemable, Non Convertible Debenture- Aug- 2016	100,000	250	-	250	349.67	-	-

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

39 Current Investments: (Contd..) **(Rs. in lacs)**

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
11.90% IIISL -Aug 2016	1,000	-	-	29,747	299.89	-	-
Parsvanath Developers Limited - NCD	-	-	-	-	-	300	128.58
13.75% Peninsula Land Limited -NCD	-	-	-	-	-	25	62.50
Total			**254.65**		**1,400.88**		**526.01**
Secured-							
12% Manappuram Finance Limited NCD	-	-	-	-	-	25	250.00
Navjyoti Overseas Pvt Ltd.-TDI NCD	-	-	-	-	-	2	174.69
20.5% Prateek Infraprojects India Pvt Ltd. - NCD	-	-	-	-	-	2	68.48
Supertech Real Estate Fund -NCD	-	-	-	-	-	200,000	109.37
18% Kumar Builders Mumbai Realty Pvt. Ltd. NCD	-	-	-	-	-	200	100.00
Total			**-**		**-**		**702.54**
Total Debentures and Bonds			**254.65**		**1,400.88**		**1,228.55**
Mutual Funds (Quoted)							
L&T FMP - Vii (Mar 753DA) - Growth	-	-	-	-	-	2,000,000	239.60
Edelweiss Arbitrage Fund - Equity Mutual Fund	-	-	-	-	-	4,906,283	508.63
Total			**-**		**-**		**748.23**
Liquid Mutual Funds (Unquoted)							
IDFC Money Manager Fund - TP - Daily Dividend	10	256	0.03	404,427	0.31	-	-
L&T Liquid Fund - Direct Plan - Growth	10	-	-	987	12.01	-	-
Baroda Pioneer Liquid fund	1,000	21,212	190.10	-	-	-	-
IDFC Cash Fund- Growth	1,000	-	150.04	-	-	-	-
SBI Premier Liquid Fund - Growth	1,000	-	150.03	-	-	-	-
UTI Treasury Advantage Fund - Institutional Plan - D.P - Growth	10	-	-	4,822	100.00	-	-
Principal Cash Management Fund - D.P - Growth Option	10	-	-	119,178	1,757.59	-	-
ICICI Prudential Liquid Plan - Growth Option	10	-	-	384,862	863.19	-	-
LIC Nomura MF Liquid Fund - Direct -Growth	1,000	-	-	-	-	6,868	174.15
UTI Liquid Cash Plan - Direct Plan -Growth	1,000	-	-	18,150	450.00	23,344	535.34
Total			**490.20**		**3,183.10**		**709.49**
Total Mutual Funds			**490.20**		**3,183.10**		**1,457.72**
Total Current Investment			**744.85**		**4,583.98**		**4,153.11**
Aggregate amount of quoted investment and market value thereof:			**254.65**		**1,400.88**		**976.06**
Aggregate amount of unquoted investments			**490.19**		**3,183.09**		**3,177.04**
Aggregate amount of impairment in value of investments			**-**		**-**		**-**

40 Employee Benefits

(a) Defined contribution plan

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12 % of basic salary as per regulations. The contributions are made to registered provident fund administered by Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the year towards defined contribution plan is Rs.97.54 lacs (31st March,2016 Rs. 93.48 lacs).

(b) Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity for employees who are in continuous services for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity is a funded plan and the Company make contributions to recognised funds in India.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

Particulars	Present Value of Obligation	Fair Value of plan assets	Net amount
As of April 1, 2015	**278.27**	**-**	**278.27**
Current service cost	35.06	-	35.06
Interest expense/(income)	22.15	-	22.15
Total amount recognised in profit or loss	**57.21**	**-**	**57.21**
Remeasurements			
Return on plan assets, excluding amounts included			
in internet expense/(income)	-	-	-
Net actuarial (gain)/loss	**-**	**-**	**-**
Change in experience	26.44	-	26.44
Change in demographic assumptions	-	-	-
Change in financial assumptions	-	-	-
Total amount recognised in other comprehensive income	**26.44**	**-**	**26.44**
Employer Contribution	-	-	-
Benefits payment	(38.90)	-	(38.90)
As of March 31, 2016	**323.02**	**-**	**323.02**
As of April 1, 2016	**323.02**	**-**	**323.02**
Current service cost	29.35	-	29.35
Interest expense/(income)	24.30	-	24.30
	53.65	**-**	**53.65**
Capitalised during the year	93.11	-	93.11
Total amount recognised in statement of profit and loss	**146.76**	**-**	**146.76**
Remeasurements			
Return on plan assets, excluding amounts included in			
internet expense/(income)	(1.66)	-	(1.66)
Net actuarial (gain)/loss	**-**		
Change in experience	41.88	-	41.88
Change in demographic assumptions	-	-	-
Change in financial assumptions	21.65	-	21.65
Total amount recognised to comprehensive income	**63.53**	**-**	**63.53**
Employer contribution	**-**	**-**	**-**
Benefits payment	**(35.58)**	**-**	**(35.58)**
As of March 31, 2017	**404.62**	**-**	**404.62**

The net liability disclosed above relates to funded and unfunded plans are as follows: (Rs. in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Present value of funded obligations	404.62	323.02	278.27
Fair value of plan assets	372.14	293.23	263.06
Deficit of funded plan	**32.48**	**29.79**	**15.21**
Financial assumption:			
Discount rate	7.34%	7.96%	7.95%
Salary escalation rate	6.00%	5.00%	5.00%

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The net liability disclosed above relates to funded and unfunded plans are as follows: (contd.) **(Rs. in lacs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Demographic assumption:			
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Attrition rate	2%	2%	2%
Retirement age	60 Years	60 Years	60 Years
Sensitivity analysis			
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:			
Discount rate			
a) Discount rate - 100 basis points	27.63	18.83	
b) Discount rate + 100 basis points	(23.25)	(21.45)	
Salary escalation rate			
a) Rate - 100 basis points	(22.37)	(20.90)	
a) Rate + 100 basis points	23.66	16.36	

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The major categories of plan asset are as follows:			
Equities	0%	0%	0%
Bonds	0%	0%	0%
Gilts	0%	0%	0%
Pooled assets with an insurance company	100%	100%	100%
Other	0%	0%	0%
	100%	**100%**	**100%**

The defined benefit obligations shall mature after year end 31st March, 2017 as follows: **(Rs. in lacs)**

	31st March, 2017	31st March, 2016
Year 1	20.60	2.90
Year 2	33.87	3.73
Year 3	18.73	6.08
Year 4	13.50	5.32
Year 5	14.13	6.23
Year 6-10	244.49	48.81

The weighted average duration of the defined benefit obligation is 8.56 years (2016: 9.70 years, 2015: 9.10 years).

Risk exposure:

Through its defined benefit plans, Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk: The present value of the defined benefit plan liability is calculated using discount rate determined by reference to market yields at the end of reporting period on government bond yields.

Interest risk:- A decrease in the bond interest will increase in plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to best estimate of the mortality of plan participants both during and at the end of employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants.As such an increase in salary of the plan participants will increase the plan liability.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

41 First-time adoption of Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2017, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

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

A. Optional Exemptions

(i) Deemed Cost

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) Designation of previously recognised financial instruments

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(iii) De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

B. Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

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

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.

(b) Classification and measurement of financial assets

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

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

(i) Reconciliation of Balance sheet as at April 1, 2015 (Transition Date)

(ii) A. Reconciliation of Balance sheet as at March 31, 2016

B. Reconciliation of Statement of total Comprehensive Income for the year ended March 31, 2016

(iii) A. Reconciliation of Equity as at April 1, 2015 and March 31, 2016

B. Reconciliation of Income Statement March 31, 2016

(iv) Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

41 First-time adoption of Ind AS (Continue…)

I. Reconciliation of Balance sheet as at 1st April, 2015 (Rs. in lacs)

Particulars	Note	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment		11,511.20	-	11,511.20
(b) Capital work-in-progress		-	-	-
(c) Other Intangible assets		7.47	-	7.47
(d) Financial Assets				
(i) Investments	"A"	34,487.91	8,460.30	42,948.21
(ii) Loans	"B"	1,130.00	(163.69)	966.31
(iii) Others		54.16	-	54.16
(e) Other non-current assets		927.35	-	927.35
Total Non-current assets		**48,118.09**	**8,296.61**	**56,414.70**
Current assets				
(a) Inventories		604.81	-	604.81
(b) Financial Assets				
(i) Investments	"A"	4,097.54	55.57	4,153.11
(ii) Trade receivables		2,320.67	-	2,320.67
(iii) Cash and cash equivalents		192.33	-	192.33
(iv) Bank balances other than (iii) above		54.36	-	54.36
(v) Loans		1,926.23	-	1,926.23
(vi) Others		1,085.84	-	1,085.84
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets		261.78	-	261.78
Total Current assets		**10,543.56**	**55.57**	**10,599.13**
TOTAL ASSETS		**58,661.65**	**8,352.18**	**67,013.83**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		492.30	-	492.30
(b) Other Equity	"A" & "B" & "C" & "E" & "F" & "G"	54,428.14	5,496.14	59,924.28
Total Equity		**54,920.44**	**5,496.14**	**60,416.58**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings		394.97	-	394.97
(b) Provisions		69.77	-	69.77
(c) Deferred tax liabilities (Net) "F"		969.14	2,915.29	3,884.43
(d) Other non-current liabilities		92.19	-	92.19
Total Non-current liabilities		**1,526.07**	**2,915.29**	**4,441.36**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		100.13	-	100.13
(ii) Trade payables		1,280.38	-	1,280.38
(iii) Other financial liabilities (other than those specified in (c))		660.50	-	660.50
(b) Other current liabilities		96.93	-	96.93
(c) Provisions "E"		77.20	(59.25)	17.95
Total Current liabilities		**2,215.14**	**(59.25)**	**2,155.89**
Total Equity And Liabilities		**58,661.65**	**8,352.18**	**67,013.83**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

41 First-time adoption of Ind AS (Continue…)

II. A Reconciliation of Balance sheet as at 31st March, 2016 (Rs. in lacs)

Particulars	Note	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment		12,009.32	-	12,009.32
(b) Capital work-in-progress		-	-	-
(c) Intangible assets		5.36	-	5.36
(d) Financial Assets				
(i) Non Current Investment	"A"	35,485.10	7,258.31	42,743.42
(ii) Loans	"B"	1,130.00	(73.54)	1,056.46
(iii) Others		57.93	-	57.93
(e) Other non-current assets		3,346.84	-	3,346.84
Total Non-current assets		**52,034.55**	**7,184.77**	**59,219.33**
Current assets				
(a) Inventories		669.10	-	669.10
(b) Financial Assets				
(i) Investments	"A"	4,600.14	(16.16)	4,583.98
(ii) Trade receivables		2,660.71	-	2,660.71
(iii) Cash and cash equivalents		294.39	-	294.39
(iv) Bank balance other than (iii) above		59.23	-	59.23
(v) Loans		1,208.97	-	1,208.97
(vi) Others		1,310.50	-	1,310.50
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets		214.51	-	214.51
Total Current assets		**11,017.55**	**(16.16)**	**11,001.39**
TOTAL ASSETS		**63,052.10**	**7,168.61**	**70,220.72**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		492.30	-	492.30
(b) Other Equity	"A" & "B" & "C" & "E" & "F" &"G"	58,279.49	4,730.70	63,010.19
Total Equity		**58,771.79**	**4,730.70**	**63,502.49**
Liabilities				
Non-current liabilities				
(a) Financial liabilities		-	-	-
(i) Borrowings		332.36	-	332.36
(b) Provisions		76.20	-	76.20
(c) Deferred tax liabilities (Net)	"G"	935.01	2,497.16	3,432.18
(d) Other non-current liabilities		94.27	-	94.27
Total Non-current liabilities		**1,437.84**	**2,497.16**	**3,935.01**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		108.56	-	108.56
(ii) Trade payables		1,325.72	-	1,325.72
(iii) Other financial liabilities (other than those specified in (c))		1,193.07	-	1,193.07
(b) Other current liabilities		130.47	-	130.47
(c) Provisions	"E"	84.65	(59.25)	25.40
Total Current liabilities		**2,842.47**	**(59.25)**	**2,783.22**
Total Equity And Liabilities		**63,052.10**	**7,168.61**	**70,220.72**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

41 First-time adoption of Ind AS (Continue…)

II. B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016 (Rs. in lacs)

	Particulars	Note	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
I	Revenue from Operations	"A" & "D" & "G"	18,440.23	(1,620.78)	16,819.45
II	Other Income		49.29	-	49.29
III	**Total Revenue (I + II)**		**18,489.52**	**(1,620.78)**	**16,868.74**
IV	**Expenses**				
	Cost of materials consumed		5,008.37	-	5,008.37
	Excise Duty	"D"	-	1,501.83	1,501.83
	Changes in inventories of finished goods and work-in-progress		(13.81)	-	(13.81)
	Employee benefits expense	"C"	2,260.06	(37.22)	2,222.84
	Finance Costs		22.28	-	22.28
	Depreciation and amortization expense		653.33	-	653.33
	Other expenses	"G"	5,908.82	(829.27)	5,079.55
	Total Expenses		**13,839.05**	**635.34**	**14,474.39**
V	**Profit before tax**		**4,650.47**	**(2,256.12)**	**2,394.35**
VI	**Tax expense**				
	Current tax	"F"	774.00	(543.31)	230.69
	Deferred tax	"F"	(34.13)	125.52	91.39
VII	**Profit for the year**		**3,910.60**	**(1,838.33)**	**2,072.27**
VIII	**Other Comprehensive Income**	**"A" & "C"**			
	(i) Items that will not be reclassified to profit or loss		-	1,118.14	1,118.14
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(16.66)	(16.66)
	(iii) Items that will be reclassified to profit or loss		-	(45.58)	(45.58)
	(iv) Income tax relating to items that will be reclassified to profit or loss		-	17.00	17.00
IX	**Total Comprehensive Income for the year**		**3,910.60**	**(765.43)**	**3,145.17**

III A Reconciliation of Equity (Rs. in lacs)

Particulars	Note	As at 31st March, 2016	As at 1st April, 2015
Total equity under local GAAP		**58,771.79**	**54,920.44**
Adjustments impact: Gain/ (Loss)			
Reversal of proposed ordinary dividends payable	"E"	59.25	59.25
Fair valuation of financial asset - Interest feee loan to employee welfare trust	"B"	(73.54)	(163.69)
Fair valuation of financial asset - Investments	"A"	7,242.15	8,515.87
Deferred tax assets/(liability) "G"		(2,497.16)	(2,915.29)
Total IND AS adjustment		**4,730.70**	**5,496.14**
Total equity under Ind AS		**63,502.49**	**60,416.58**

III B Reconciliation of Income Statement (Rs. in lacs)

Particulars	Note	31st March, 2016
Profit after tax under local GAAP		**3,910.60**
Adjustments Gain/ (Loss)		
Fair valuation of Financial instruments - Assets (net of taxes)	"A" & "B" & "C"	(1,838.32)
Total Adjustments		**(1,838.32)**
Profit after tax as per Ind-AS		**2,072.28**
Other comprehensive income (net of taxes)	"A" & "C"	1,072.89
Total comprehensive income as per Ind AS		**3,145.17**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

41 First-time adoption of Ind AS (Continue…)

Notes to first time adoption:

A Fair valuation of Financial Assets - Investments

In previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value. Under Ind AS, the Company has valued financial assets - Investments at cost or at fair value i.e. either through Profit and loss or Other Comprehensive Income. Impact of fair value changes as on the date of transition, is recognised in opening reserves/ separate component of other equity and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

B Fair valuation of Financial Assets - Interest free loan to employee welfare trust

Under the previous GAAP, interest free loan to employee welfare trust are recorded at their transaction value. Under IND AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the interest free loan given to employee welfare trust.

C Defined benefit liabilities:

Under IND AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss in previous GAAP.

D Excise Duty

Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under IND AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

E Proposed Dividend

Under previous GAAP, dividends proposed by the board of directors after balance sheet date but before the approval of the financial statements were considered as adjusting events. However under IND AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly the liability for proposed dividend recognized as on transition date has been reversed with corresponding adjustment to opening retained earnings and dividend in the subsequent period has been recognized in the year of approval in the general meeting.

F Discounts and Incentives

Under previous GAAP, the Company accounted for revenue net of trade discounts, sales taxes and excise duties. Under Ind AS, the Company will recognise revenue at fair value of consideration received or receivable. Any sales incentive, cash discounts or rebates in any form given to customers will be considered as reductions from revenue.

G Deferred tax

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base.

42 Financial instruments

The details of siginificant accounting policies, including crieteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note A (k) for accounting policy.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

a. Financial assets

Instruments carried at fair value **(Rs. in lacs)**

Particulars	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost	Total carrying value	Total fair value
As at 1st April, 2015						
Investments	12,867.75	30,070.13	4,163.44	-	47,101.32	47,101.32
Trade receivables	-	-	-	2,320.67	2,320.67	2,320.67
Cash and cash equivalents	-	-	-	192.33	192.33	192.33
Other Bank balances	-	-	-	54.36	54.36	54.36
Loans	-	-	-	1,926.23	1,926.23	1,926.23
Other financial assets	-	-	-	1,140.02	1,140.02	1,140.02
Total	**12,867.75**	**30,070.13**	**4,163.44**	**5,633.61**	**52,734.93**	**52,734.93**
As at 31st March, 2016						
Investments	9,366.67	28,824.78	9,135.95	-	47,327.40	47,327.40
Trade receivables	-	-	-	2,660.71	2,660.71	2,660.71
Cash and cash equivalents	-	-	-	294.39	294.39	294.39
Other Bank balances	-	-	-	59.23	59.23	59.23
Loans	-	-	-	1,208.97	1,208.97	1,208.97
Other financial assets	-	-	-	1,368.43	1,368.43	1,368.43
Total	**9,366.67**	**28,824.78**	**9,135.95**	**5,591.73**	**52,919.13**	**52,919.13**
As at 31st March, 2017						
Investments	19,529.31	27,703.31	6,878.45	-	54,111.07	54,111.07
Trade receivables	-	-	-	2,663.97	2,663.97	2,663.97
Cash and cash equivalents	-	-	-	374.74	374.74	374.74
Other Bank balances	-	-	-	58.06	58.06	58.06
Loans	-	-	-	2,899.58	2,899.58	2,899.58
Other financial assets	-	-	-	1,252.11	1,252.11	1,252.11
Total	**19,529.31**	**27,703.31**	**6,878.45**	**7,248.46**	**61,359.53**	**61,359.53**

b. Financial liabilities **(Rs. in lacs)**

Particulars	Fair value through profit and loss	At amortized cost	Total carrying amount (A+B)	Total fair value
As at 1st April, 2015				
Borrowings	-	495.11	495.11	495.11
Trade payables	-	1,280.38	1,280.38	1,280.38
Other financial liabilities	-	660.50	660.50	660.50
Total	**-**	**2,435.99**	**2,435.99**	**2,435.99**
As at 31st March, 2016				
Borrowings	-	440.92	440.92	440.92
Trade payables	-	1,325.72	1,325.72	1,325.72
Other financial liabilities	-	1,193.07	1,193.07	1,193.07
Total	**-**	**2,959.71**	**2,959.71**	**2,959.71**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

b. Financial liabilities (contd.) **(Rs. in lacs)**

Particulars	Fair value through profit and loss	At amortized cost	Total carrying amount (A+B)	Total fair value
As at 31st March, 2017				
Borrowings	-	357.00	357.00	357.00
Trade payables	-	1,879.71	1,879.71	1,879.71
Other financial liabilities	-	882.78	882.78	882.78
Total	**-**	**3,119.49**	**3,119.49**	**3,119.49**

c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: quoted prices for identical instruments in active market.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2017, March 31, 2016 and April 01, 2015 measured at fair value:

(Rs. in lacs)

Particulars	Level 1	Level 2	Level 3	Total
As at 1st April, 2015				
Assets at fair value				
Investments				
Equities				
Equity Instruments	9,302.70	3,056.41	-	12,359.11
Equity Mutual Fund	508.63	-	-	508.63
Debt				
Real Estate Fund	-	1,682.95	-	1,682.95
Structured Products	-	1,771.00	-	1,771.00
Liquid Mutual Funds	709.49	-	-	709.49
Debt Mutual Fund	757.60	-	-	757.60
Preference Shares	-	-	3,516.79	3,516.79
Government Bonds	3,285.40	-	-	3,285.40
Bonds	17,716.23	-	-	17,716.23
Non Convertible Debentures	-	4,735.23	-	4,735.23
Others				
Bullion	-	58.89	-	58.89
Total	**32,280.05**	**11,304.48**	**3,516.79**	**47,101.32**
As at 31st March, 2016				
Assets at fair value				
Equities				
Equity Instruments	5,641.70	3,724.97	-	9,366.67
Debt				
Real Estate Fund	-	4,210.20	-	4,210.20
Structured Products	-	1,742.64	-	1,742.64
Liquid Mutual Funds	3,183.10	-	-	3,183.10
Preference Shares	-	-	3,998.70	3,998.70
Government Bonds	4,335.20	-	-	4,335.20
Bonds	18,378.19	-	-	18,378.19
Non Convertible Debentures	-	2,112.70	-	2,112.70
Total	**31,538.19**	**11,790.51**	**3,998.70**	**47,327.40**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

Particulars	Level 1	Level 2	Level 3	Total
As at 31st March, 2017				
Assets at fair value				
Equities				
Equity Instruments	10,892.91	8,636.40	-	19,529.31
Debt				
Real Estate Fund	-	4,980.75	-	4,980.75
Structured Products	-	1,407.50	-	1,407.50
Liquid Mutual Funds	490.20	-	-	490.20
Preference Shares	-	-	3,000.00	3,000.00
Government Bonds	4,497.50	-	-	4,497.50
Bonds	18,366.33	-	-	18,366.33
Non Convertible Debentures	-	1,839.48	-	1,839.48
Total	**34,246.94**	**16,864.13**	**3,000.00**	**54,111.07**

(Rs. in lacs)

Reconciliation of Level 3 fair value measurement:	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening balance	3,998.70	3,516.79
Additonal investment	500.00	1,486.20
Gain recognised in statement of profit and loss	13.80	13.00
Sale of Investment	1,512.50	1,016.79
Closing Balance	**3,000.00**	**3,999.20**

Fair value of financial assets and liabilities measured at amortised cost:- (Rs. in lacs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Trade receivables	2,663.97	2,663.97	2,660.71	2,660.71	2,320.67	2,320.67
Cash and cash equivalents	374.74	374.74	294.39	294.39	192.33	192.33
Other Bank balances	58.06	58.06	59.23	59.23	54.36	54.36
Loans	2,899.58	2,899.58	1,208.97	1,208.97	1,926.23	1,926.23
Other financial assets	1,252.11	1,252.11	1,368.43	1,368.43	1,140.02	1,140.02
Total	**7,248.46**	**7,248.46**	**5,591.73**	**5,591.73**	**5,633.61**	**5,633.61**
Financial liabilities						
Borrowings	357.01	357.01	440.92	440.92	495.11	495.11
Trade payables	1,879.71	1,879.71	1,325.72	1,325.72	1,280.38	1,280.38
Other financial liabilities	882.78	882.78	1,193.07	1,193.07	660.50	660.50
Total	**3,119.50**	**3,119.50**	**2,959.71**	**2,959.71**	**2,435.99**	**2,435.99**

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets, trade payables, and other financial liabilitie is considered to be equal to the carrying amount of these items due to their short-term nature except derivative financial instruments.

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

43 Notes to the financial statements for the year ended 31st March, 2017

Income Taxes

(a) Tax expense recognised in the Statement of Profit and Loss **(Rs. in lacs)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Current tax		
Current year	462.21	230.69
Total current tax	**462.21**	**230.69**
Deferred tax		
Relating to origination and reversal of temporary difference	249.23	91.39
Total deferred income tax expense/(credit)	**249.23**	**91.39**
Total income tax expense/(credit)	**711.44**	**322.08**

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

(b) Reconciliation of effective tax rate

Profit before tax	**3,199.97**	**2,394.35**
Enacted income tax rate in India	**34.608%**	**34.608%**
Expected income tax expense during the year at statutory rate	**1,107.45**	828.64
Differences due to:		
Expenses not deductible for tax purposes	82.08	204.89
Impact of Minimum alternate tax	(76.24)	(308.32)
Others	(401.85)	(403.12)
Effective tax expenses	**711.44**	**322.09**

The effective tax rate was 22.23% (2015-16: 13.45%).

(b) The movement in deferred tax assets and liabilities during the year ended March 31, 2016 and March 31, 2017:

(Rs. in lacs)

Movement during the year ended March 31, 2016 and March 31,2017	As at 1st April, 2015	Credit/ (charge) in statement of Profit and Loss	Credit/ charge) in Other Comprehensive Income	As at 31st March, 2016
Deferred tax assets/(liabilities)				
On Provision for Diminution in value of Investments	62.13	7.08	-	69.21
On expenses allowable for tax purposes when paid	26.71	(4.29)	-	22.42
On depreciation	(1,057.98)	(96.81)	-	(1,154.79)
On other provisons	-	128.15	-	128.15
On fair valuation of financial assets	(2,915.29)	(125.52)	543.64	(2,497.17)
Total	**(3,884.43)**	**(91.39)**	**543.64**	**(3,432.18)**

Deferred tax assets/(liabilities)	As at 31st April, 2016	Credit/ (charge) in statement of Profit and Loss	Credit/ charge) in Other Comprehensive Income	As at 31st March, 2017
On Provision for Diminution in value of Investments	69.21	(69.21)	-	-
On expenses allowable for tax purposes when paid	22.42	1.73	-	24.15
On depreciation	(1,154.79)	(82.01)	-	(1,236.80)
On other provisons	128.15	(128.15)	-	-
On fair valuation of financial assets	(2,497.17)	28.40	(1,631.12)	(4,099.88)
Total	**(3,432.18)**	**(249.24)**	**(1,631.12)**	**(5,312.53)**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

44 Risk Management

Financial risk management objective and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board of the Company. The risk management policies aims to mitigate the following risk arising from the financial instruments: (a) Market risk; (b) Liquidity risk and (c) Credit risk.

A. Financial risk factors

The Company's principal financial liabilities comprise borrowings, deposits and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include Investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risk arising from the financial instruments: (a) Market risk; (b) Liquidity risk and (c) Credit risk.

Risk	Exposure arising from	Measurement	Management
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities; working capital management
Credit risk	Cash and cash equivalents, trade receivables, Investments, loans and other finncial assets measured at fair /amortised cost.	Ageing analysis/ Credit ratings	Diversification in verious class of assets, credit limits and letters of credit
Market Risk - Foreign exchange	Financial assets and liabilities denominated in INR	Cash flow forecasting Sensitivity analysis	Hedging Forex planning
Market Risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk - Price risk	Investments in Equitites, Bonds, debentures, funds	Sensitivity analysis; market fluctuations; credit rating	Continous monitoring, Diversificaton

(a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintain sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short tem and long term liabilities as and when due. Anticipated future cash flows,undrawan committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

(Rs. in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured working capital credit facility from Banks	1,349.24	1,221.28	1,503.61

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(ii) The following is the contractual maturities of the financial liabilities: (Rs. in lacs)

Particulars	Carrying amount	Total	Payable on demand	Less than 1 month	1-6 months	more than 12 months
As at 1st April, 2015						
Non-derivative liabilities						
Borrowings	495.11	495.11	-	4.32	4.15	486.63
Trade payables	1,280.38	1,280.38	-	73.92	1,206.45	-
Other financial liabilities	660.50	660.50	-	660.50	-	-
As at 31st March, 2016						
Non-derivative liabilities						
Borrowings	440.92	440.92	-	2.55	-	438.37
Trade payables	1,325.72	1,325.72	-	75.45	1,250.27	-
Other financial liabilities	1,193.07	1,193.07	-	1,193.07	-	-
As at 31st March, 2017						
Non-derivative liabilities						
Borrowings	357.00	357.00	-	5.70	5.45	345.84
Trade payables	1,879.71	1,879.71	-	196.85	1,682.86	-
Other financial liabilities	882.78	882.78	-	882.78	-	-

(b) 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 price risk, such as equity price risk and commdity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

(i) Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does have transactions in currency other than fuctional currency i.e. in US Dollar (USD) for purchase of raw materia from overseas supplier. However, those are not very significant considering the nature and size of the operations of the Company .

Foreign Currency Exposure (Rs. in lacs)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015
	USD	EURO	USD	EURO	USD
Trade payable	37,503	-	171,427	3,590	67,285
Buyes Credit	115,049	-	192,488	-	-
Advance from Customer	8,380	4,500	10,037	-	-
Trade receivables	200,310	-	266,633	-	187,526
Advance to suppliers	28,103	-	126,463	-	-
Net Exposure - [Receivable/(Payable)	**67,481**	**(4,500)**	**19,144**	**(3,590)**	**120,241**

The company's exposure to the foreign currency risk is not significant cosniderig the nature and size of the operations.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's Long term borrowings have fixed rate of interest and carried at amortized costs and short term borrowings have variable rate of interest. The Company also has significant investments in Bonds i.e. Government securities; Debentures; Prefrence shares and Debt funds. These investments are subject to the Market risk - Interest rate risk.

Exposure to Interest rate risk - Financial liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total borrowings	136.18	111.10	108.78
% of borrowings out of above bearing variable rate of interest and short term in nature	76.80%	97.71%	92.06%

Hence, the Company is not siginificantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

Exposure to Interest rate risk - Financial assets - Investments in Government Bonds, Bonds, Debentures, Debt funds and Prefrence Shares

Market price risk for government bonds, debentrues, prefrence shares and other bonds is movement in the interest rate and impct thereof on the yield. The Company's major part of investments is in Bonds/Debentures, which exposes Company to a price risk and consequently impact on the profitabililty and value of instruments.

Sensitivity

The tabe belwo summrises the impact of increase/decrease in the interest rate over the value of bonds/debentures. The analysis is based on the assumption that the Interest rate has increased by 100 bps or decrease by 100bps with all other variables held constant.

(Rs. in lacs)

Impact on profit before tax	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Increase of 100 bps -Gain/(loss)	(1,658.71)	(1,810.90)
Decrease of 100 bps-Gain/(loss)	1,658.71	1,810.90

(iii) Investment Price Risk

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from its investments , the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company in accordance with the guidelines provided by the Board of directors of the Company.

Exposure

Nature of Investments	As at 31st March, 2017 Amount	%	As at 31st March, 2016 Amount	%	As at 1st April, 2015 Amount	%
Equities						
Equity Instruments	19,529.31	36.09%	9,366.67	19.79%	12,359.11	26.24%
Equity Mutual Fund	-	-	-	-	508.63	1.08%
Bonds						
Real Estate Fund	4,980.75	9.20%	4,210.20	8.90%	1,682.95	3.57%
Structured Products	1,407.50	2.60%	1,742.64	3.68%	1,771.00	3.76%
Liquid Mutual Funds	490.20	0.91%	3,183.10	6.73%	709.49	1.51%
Debt Mutual Fund	-	-	-	-	757.60	1.61%
Preference Shares	3,000.00	5.54%	3,998.70	8.45%	3,516.79	7.47%
Government Bonds	4,497.50	8.31%	4,335.20	9.16%	3,285.40	6.98%
Bonds	18,366.33	33.94%	18,378.19	38.83%	17,716.23	37.61%
Non Convertible Debentures	1,839.48	3.40%	2,112.70	4.46%	4,735.23	10.05%
Others						
Bullion	-	-	-	-	58.89	0.13%
Total	**54,111.07**	**100.00%**	**47,327.40**	**100.00%**	**47,101.32**	**100.00%**

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Investments in Equity Instruments and Equity mutual funds (including investment throguh Private Equity funds)

The Company's quoted equity instruments are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L or Fair value through OCI. The Company's investment in equity instruments mainly consists of Investments in certain of its gorup companies wherein the price fluctuations, based on the historical trends, are not very significant.

Sensitivity

The table below summarises the impact of Increase/decrease of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decrease by 5 % with ll other variables held constant and that all the Company's equity instruments moved in line with the index.

(Rs. in lacs)

Impact on total comprehensive income	**For the year ended 31st March, 2017**	**For the year ended 31st March, 2016**
BSE Sensex - Increase 5% -Gain/(loss)	1,046.84	555.47
BSE Sensex - Decrease 5% -Gain/(loss)	(1,046.84)	(555.47)

(c) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations

(iv) Significant increase in credit risk on other financial instruments of same counterparty.

(I) Expected credit loss for trade receivables under simplified approach **(Rs. in lacs)**

	As at 31st March, 2017	**As at 31st March, 2016**	**As at 1st April, 2015**
Not Due	2,172.01	2,038.12	1,952.98
0-90 days	401.49	582.62	339.18
90-180 Days	85.69	36.46	5.08
> 180 Days	4.78	3.51	23.43
Total	**2,663.97**	**2,660.71**	**2,320.67**

(ii) Movement in provisions of doubtful debts **(Rs. in lacs)**

	As at 31st March, 2017	**As at 31st March, 2016**
Opening **provision**	-	-
Add:-Additional provision made	-	-
Less:-Provision write off/reversed	-	-
Less:-Provision utilised against bad debts	-	-
Closing provisions	**-**	**-**

Commodity Risk

The Company is exposed to the risk of price fluctions of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

45 Risk Management

(a) Capital risk management

The Company's objectives when managing capital are to :

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

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

(Rs. in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total equity	69,327.91	63,502.49	60,416.58
Net Debt	-	146.53	302.78
Total Capital (Borrowings and Equity)	**69,327.91**	**63,649.02**	**60,719.36**
Gearing Ratio	**0.00%**	**0.23%**	**0.50%**

(I) Net debt represents total borrowings (non-current and current) as reduced by cash and cash equivalents.

(ii) Equity comprises of all components incuding other comprehensive income.

(b) Dividend

(Rs. in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Equity Shares		
Final dividend for the year ended March 31, 2017 of Rs. 0.50 per shares (March 31, 2016 - Rs. 1) per fully paid share	73.95	49.23

Subsequent events - Dividend not recognised at the end of reporting period:

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.50 per fully paid equity share (31st March, 2016 – INR 1). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

The Shareholders of the Company through postal ballot process, the result of which has been declared on 13th May, 2017 has approved:-

(a) Sub-division of face value of equity shares of Rs.10/- each into two equity shares of Rs.5/- each; and

(b) Issue of one equity bonus share of Rs.5/- each for every two equity shares of Rs.5/- each held on record date.

The Record date for Sub-division and issue of bonus shares has been fixed on 26th May, 2017. After considering Sub-division and issue of bonus shares as aforesaid, the equity share capital of the Company will increase to Rs.7,38,45,000 divided into 1,47,69,000 equity shares of Rs.5/- each. The Board of directors of the Company has recommended the payment of dividend on equity shares of Rs.5/- each @Rs. 0.50/- per share for the year ended 31st March, 2017 on its enhanced equity share capital after bonus issue, subject to approval of shareholders at the ensuing 53rd Annual General Meeting.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

46 Related Party Disclosure are given below:

(i) Group Companies/ Joint Venture and Enterprises where KMP's / Relative of KMP's have significant influence with whom transactions have been entered during the year in the ordinary course of the business:

Rasoi Ltd.
J L Morison India Ltd.
Pallawi Resources Ltd.
Pallawi Trading & Mfg. Co. Ltd.
Look Link Finance Ltd.
Noble Trading Co. Ltd.
Lotus Udyog Ltd.
Surdas Trading & Mfg. Co. Ltd.
Leaders Healthcare Ltd.
Goodpoint Advisory Services and Investments Ltd.
Axon Trading & Mfg. Co. Ltd.
Silver Trading & Services Ltd.
Rasoi Express Pvt. Ltd.
Compo Advics (India) Pvt. Ltd. (Joint Venture)
Manoj Mody Foundation
Mody Welfare Trust

(ii) Key Management Personnel (KMP):

Whole Time Directors

Mr. Raghu Mody, Executive Chairman
Mr. P. K. Choudhary, Managing Director

Chief Financial Officer (CFO)

Mr. Sunil Jindal, Chief Financial Officer

Company Secretary

Mr. Amit Goenka, V.P. Finance & Company Secretary

(iii) Relatives of Key Managerial Personnel / Directors:

Mrs. Shashi Mody (Daughter-in-law of Mr. Raghu Mody, Executive Chairman)
Mr. Varunn Mody, (Husband of Smt. Sakshi Mody, Non Executive Director)

(iv) Non Executive Directors

Mr. Ashok B Vadiya, Independent Director
Mr. Kuldeep Singh Digamber Brar, Independent Director
Mr. Keith Marshall Robinson, Independent Director
Mr. Deepak Sethi, Independent Director
Mrs. Shakshi Mody, Non Executive Director

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(A) Related party transactions with Group Companies/Joint Venture/KMP's/ Relative of KMP's/Enterprises where KMP and Relatives of KMP have significant influence during the year:

(Rs. in lacs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Rent Deposit Given		
Rasoi Limited	350.00	Nil
Rent Paid		
Rasoi Limited	2.00	Nil
J L Morison (India) Limited	13.20	13.20
Pallawi Resources Limited *	4.14	4.10
Mr. Varunn Mody	14.03	13.20
* Including Service Tax		
Income		
Compo Advics (India) Pvt. Ltd.		
Marketing Fees and Royalty	30.11	13.87
Reimbursement of expenses	39.84	24.38
Contribution to Charitable Trusts		
Manoj Mody Foundation	Nil	100.00
Mody Welfare Trust	Nil	50.00
Others		
Rasoi Express Pvt. Ltd. (Purchase of Air Ticket)	89.51	104.06
Compo Advics (India) Pvt. Ltd. (Sale of Raw Material(Net))	20.22	14.77
Mrs. Shashi Mody (Sale of Shares)	60.00	Nil
Leaders Health Care Ltd. (Advisory Services)	10.00	Nil
Dividend Received		
J L Morison (India) Limited	2.73	2.73
Rasoi Limited	3.31	3.31
Dividend Given		
Rasoi Limited	20.51	20.51
J L Morison (India) Limited	3.69	3.69
Leaders Health Care Ltd.	8.25	8.25
Others	4.46	4.46
Salaries and Other Employee Benefits to Whole Time Directors and Executive Officers	297.06	425.56
Salaries and Other Employee Benefits to Relatives of Key Managerial Personnel / Directors	11.34	11.45
(B) Closing Balances:		
Receivable:		
Compo Advics (India) Pvt. Ltd.	65.04	42.79
Mrs. Shashi Mody	60.00	Nil
Mr. Varunn Mody	6.60	6.60
Payable:		
Rasoi Express Pvt. Ltd. (Purchase of Air Tickets)	4.18	7.35
Salaries and other employee benefits payable to whole time directors and executive officers		
Salaries and other employee benefits payable to relatives of key managerial personnel / directors Investment in:		
J L Morison (India) Limited	515.49	515.49
Rasoi Limited	856.40	856.40
Compo Advics (India) Pvt. Ltd.	490.00	490.00

Note:

i) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back

ii) The related parties are as identified by the Company and relied upon by the Auditors.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

47 (a) Loans and Advances in nature of loans.

(Rs. in lacs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Loans where there is no interest or at an interest rate below		
that specified in the Companies Act, 2013.		
Amount Outstanding end of the year		
Employees (as per general rules of the Company)	40.30	42.70
Employees' Welfare Trust	930.00	1,130.00
Maximum amount Outstanding During the Year		
Employees (as per general rules of the Company)	61.60	70.45
Employees' Welfare Trust	1,130.00	1,130.00
(b) Details of Short Term Inter Corporate Deposits: #		
Gillanders Arbuthnot & Co. Ltd	300.00	500.00
IGL Infrastructure Pvt. Ltd.	300.00	400.00
Lakshmi Farms Pvt. Ltd.	-	250.00
Subir Udyog Ltd.	-	50.00
Jagatdal Jute & Industries Ltd.	100.00	-
International Conveyors Ltd	450.00	-
Globe Financial Services Pvt. Ltd.	15.00	-
Pitti Laminations Ltd	300.00	-
India Glycols Limited	500.00	-
Total	1,965.00	1,200.00

#Given for general corporate purpose of the borrowing company.

48 Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 :

(Rs. in lacs)

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	**11.09**	**NA**	**11.09**
Permitted receipts	NA	NA	NA
Permitted payments	NA	NA	NA
SBNs deposited in Banks	11.09	NA	11.09
Closing cash in hand as on 30.12.2016	**NIL**	**NA**	**NIL**

49 Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification. Figures in brackets pertain to previous year.

Signatures to Notes 1 to 49 which form an integral part of the financial statements.

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 23rd May 2017

For and on behalf of the Board of Directors

Raghu Mody — Chairman
P.K. Choudhary — Managing Director
Amit Goenka — V.P. Finance & Company Secretary
Sunil Jindal — Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To The Members of
Hindustan Composites Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of "Hindustan Composites Limited" (Hereinafter referred to as "the Parent Company"), and its joint venture (the Parent Company, and its joint venture together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31st, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows 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 to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance including Other comprehensive income, consolidated cash flows statement and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 the 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 Parent 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 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 including Ind AS, of the consolidated state of affairs of the Group as at 31st March,

2017, and its consolidated financial performance (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, we give in "Annexure A" a separate report on the same.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the Parent Company as on March 31 , 2017 taken on record by the Board of Directors of the Parent Company and the jointly controlled company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act

   f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note no. 31 to the consolidated Ind AS financial statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

      iv. The Group has disclosed in the Consolidated Ind AS financial statements as to holding as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with books of account maintained by the Group- Refer Note 48 to the standalone Ind AS financial statements (read with Note No 35 to the consolidated Ind AS financial statements).

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : 23rd May, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIATED IND AS FINANCIAL STATEMENTS OF HINDUSTAN COMPOSITES 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 Ind AS Financial Statements of the Company for the year ended March 31st, 2017, we have audited the internal financial controls over financial reporting of Hindustan Composites Limited ("the Parent Company") and a jointly controlled.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and a joint venture incorporated in India are 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 includes 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 authorizations 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 Group 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 31st, 2017, based on the internal control over financial reporting criteria established by the Group 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 LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : 23rd May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

(Rs.in lacs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	1	12,382.44	12,009.32	11,511.20
(b) Capital work-in-progress	1.1	41.73	-	-
(c) Other Intangible assets	2	5.65	5.36	7.47
(d) Financial assets				
(i) Investments	3	52,876.22	42,387.48	42,797.16
(ii) Loans	4	-	1,056.46	966.31
(iii) Other financial assets	5	63.18	57.93	54.16
(e) Other non-current assets	6	3,225.00	3,346.84	927.35
Total non-current assets		**68,594.22**	**58,863.39**	**56,263.65**
Current assets				
(a) Inventories	7	903.10	669.10	604.81
(b) Financial assets				
(i) Investments	8	744.85	4,583.98	4,153.11
(ii) Trade receivables	9	2,663.97	2,660.71	2,320.67
(iii) Cash and cash equivalents	10	374.74	294.39	192.33
(iv) Other bank balances	11	58.06	59.23	54.36
(v) Loans	12	2,899.58	1,208.97	1,926.23
(vi) Other current financial assets	13	1,188.93	1,310.50	1,085.84
(c) Other current assets	14	210.69	214.51	261.78
Total current assets		**9,043.92**	**11,001.39**	**10,599.13**
Total assets		**77,638.14**	**69,864.78**	**66,862.78**
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	492.30	492.30	492.30
(b) Other equity		68,312.59	62,654.25	59,773.23
Total equity		**68,804.89**	**63,146.55**	**60,265.53**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
Borrowings	16	252.42	332.36	394.97
(b) Provisions	17	86.10	76.20	69.77
(c) Deferred tax liabilities (net)		5,312.53	3,432.18	3,884.43
(d) Non Current Liabilities	18	165.78	94.27	92.19
Total non-current liabilities		**5,816.83**	**3,935.01**	**4,441.36**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	104.58	108.56	100.13
(ii) Trade payables	20	1,879.71	1,325.72	1,280.38
(iii) Other financial liabilities	21	882.78	1,193.07	660.50
(b) Other current liabilities	22	48.63	130.47	96.93
(c) Provisions	23	100.72	25.40	17.95
Total current liabilities		**3,016.42**	**2,783.22**	**2,155.89**
Total equity and liabilities		**77,638.14**	**69,864.78**	**66,862.78**
Significant accounting policies	**A**			
See accompanying notes to the financial statements	**B (1 - 36)**			

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Raghu Mody
Chairman

P.K. Choudhary
Managing Director

Place: Mumbai
Date: 23rd May 2017

Amit Goenka
V.P. Finance & Company Secretary

Sunil Jindal
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Rs.in lacs)

	Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I	Revenue from operations	24	18,162.38	16,819.45
II	Other income	25	110.54	49.29
III	**Total revenue (I + II)**		**18,272.92**	**16,868.74**
IV	**Expenses**			
	Cost of materials consumed	26	5,952.08	5,008.37
	Excise duty		1,544.68	1,501.83
	Changes in inventories of finished goods and work-in-progress	27	(93.20)	(13.81)
	Employee benefits expense	28	2,418.73	2,222.84
	Finance costs	29	19.75	22.28
	Depreciation and amortization expense	1.1	771.04	653.33
	Other expenses	30	4,459.87	5,079.55
	Total expenses		**15,072.95**	**14,474.39**
V	**Profit before tax and share of joint venture (III - IV)**		**3,199.97**	**2,394.35**
VI	**Share of (loss) of joint venture**		**(167.08)**	**(204.89)**
VII	**Profit before tax (V - VI)**		**3,032.89**	**2,189.46**
VIII	**Tax expenses**			
	Current tax		462.21	230.69
	Deferred tax		249.23	91.39
	Total Tax Expenses		**711.44**	**322.08**
IX	**Profit for the year**		**2,321.45**	**1,867.38**
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss		3,880.54	1,118.14
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,278.85)	(16.66)
	(iii) Items that will be reclassified to profit or loss		1,209.51	(45.58)
	(iv) Income tax on items that will be reclassified to profit or loss		(415.06)	17.00
XI	**Total comprehensive income for the year**		**5,717.59**	**2,940.28**
	Earnings per equity share of Rs. 10 each (Basic and Diluted)	33	**47.20**	**37.95**
	Significant accounting policies	A		
	See accompanying notes to the financial statements	B (1 - 36)		

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 23rd May 2017

For and on behalf of the Board of Directors

Raghu Mody — Chairman
P.K. Choudhary — Managing Director
Amit Goenka — V.P. Finance & Company Secretary
Sunil Jindal — Chief Financial Officer

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs.in lacs)

	Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A	**Cash flow from operating activities:**		
	Net profit before tax	**3,032.90**	**2,189.47**
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation	771.04	653.33
	Net gain on sale / fair valuation of investments through profit and loss	(2,631.19)	(2,129.84)
	(Profit)/Loss on Sale of property, plant and equipment (net)	(57.58)	14.54
	Remeasurements of defined benefit plans	(60.43)	(37.22)
	Interest expenses	19.75	22.28
	Advances written off	70.00	300.00
	Operating profit before working capital changes	**1,144.49**	**1,012.56**
	Adjustment for		
	(Increase)Decrease in Trade and other receivable	279.27	(342.55)
	(Increase)Decrease in Inventories	(234.00)	(64.29)
	(Decrease)Increase in Trade and other payables	260.15	742.58
	Cash generated from operations	**1,449.91**	**1,348.30**
	Direct taxes paid (net)	(483.15)	(726.91)
	Net cash generated from operating activities	**966.76**	**621.39**
B	**Cash generated from investing activities**		
	Purchase of property, plant and equipment	(1,209.37)	(1,169.93)
	Proceeds from sale of property, plant and equipment	80.77	6.06
	Purchase of investments (net)	(2,012.14)	(4,279.89)
	(Increase)/decrease in inter- corporate deposits	(765.00)	700.00
	Income from Investment (net)	3,133.38	4,359.78
	Net cash flow (used in) from investing activities	**(772.36)**	**(383.98)**
C	**Cash generated from financing activities**		
	Proceeds/(repayment) from long-term borrowings (net)	(31.17)	(61.82)
	Proceeds/(repayment) from short-term borrowings (net)	(3.97)	8.41
	Dividend paid (including corporate dividend tax)	(59.25)	(59.25)
	Interest paid	(19.66)	(22.69)
	Cash generated from financing activities	**(114.05)**	**(135.35)**
D	**Net Increase/ Decrease in cash and cash equivalent (A+B+C)**	**80.35**	**102.06**
	Cash and Cash equivalents		
	At the beginning of the year	**294.39**	**192.33**
	At the end of the year	**374.74**	**294.39**

Notes:-

The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

Significant accounting policies **A**
See accompanying notes to the financial statements **B (1 - 36)**

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 23rd May 2017

For and on behalf of the Board of Directors

Raghu Mody Chairman
P.K. Choudhary Managing Director

Amit Goenka V.P. Finance & Company Secretary
Sunil Jindal Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in lacs)

Particulars	Amount
(a) Equity Share Capital	
Balance as at 1st April, 2015	**492.30**
Changes in share capital during the year	-
Balance as at 31st March, 2016	**492.30**
Changes in share capital during the year	-
Balance as at 31st March, 2017	**492.30**

(b) Other Equity

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Acturial gain/ (loss)	
Balance as at 1st April, 2015	**57.70**	**53,796.28**	**429.19**	**1,042.67**	**4,447.39**	**-**	**59,773.23**
Profit for the year	-	-	1,867.38	-	-	-	1,867.38
Other comprehensive income for the year (Net)	-	-	-	(28.59)	1,125.82	(24.34)	1,072.89
Dividend paid during the year	-	-	(49.23)	-	-	-	(49.23)
Corporate dividend tax paid	-	-	(10.02)	-	-	-	(10.02)
Transfer to General reserve	-	2,000.00	(2,000.00)	-	-	-	-
Balance as at 31st March, 2016	**57.70**	**55,796.28**	**237.32**	**1,014.08**	**5,573.21**	**(24.34)**	**62,654.25**
Profit for the year	-	-	2,321.45	-	-	-	2,321.45
Other comprehensive income for the year (Net)	-	-	-	794.45	2,641.20	(39.51)	3,396.14
Dividend paid during the year	-	-	(49.23)	-	-	-	(49.23)
Corporate dividend tax paid	-	-	(10.02)	-	-	-	(10.02)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
Balance as at 31st March, 2017	**57.70**	**57,296.28**	**999.52**	**1,808.53**	**8,214.41**	**(63.85)**	**68,312.59**

Significant accounting policies **A**

See accompanying notes to the financial statements **B (1 - 36)**

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 23rd May 2017

For and on behalf of the Board of Directors

Raghu Mody — Chairman
P.K. Choudhary — Managing Director

Amit Goenka — V.P. Finance & Company Secretary
Sunil Jindal — Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

CORPORATE OVERVIEW:

The consolidated financial statements comprise financial statements of Hindustan Composites Limited (the Group) and its joint venture, namely Compo Advics (India) Pvt. Ltd., (collectively referred to as "the Group") for the year ended 31 March 2017. The groups share in the Joint Venture is 49%.

Hindustan Composites Limited ("the Group") is a public Group domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The registered office of the Group is located at Peninsula Business Park, A Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

The Group is engaged in the business of manufacturing and marketing of fibre based friction material, consisting of Brake Liners, Roll Lining, Brake Block, Clutch Facing, Disc Brakes Pads etc and investment of its surplus fund.

SIGNIFICANT ACCOUNTING POLICIES:

a) Basis Of Preparation of Financial Statements:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other related provisions of the Act. The figures for the previous year ended March 31, 2016 and opening balance sheet as on April 01, 2015 have also been reinstated by the management as per the requirements of Ind AS.

These consolidated financial statements are the first financial statements of the Group under Ind AS. Refer note 41 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

The consolidated financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

i) Certain financial assets and liabilities are measured at Fair value (refer note no. 42 financial instruments)

ii) Defined benefit employee plan (refer note no. 40)

All assets and liabilities have been classified as current or non current as per the Group'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 acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Uses of estimates and judgments:

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

(a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives

and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

(b) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(c) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(d) Measurement of defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its joint venture as at 31 March 2017.

Investment in joint venture:

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred.

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

d) Property, plant and equipment and Intangible assets
Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to

the acquisition of the asset.

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

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

Intangible assets:

Technical Know How and Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Depreciation/ amortisation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over period of lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful lives of assets are same as those prescribed in Schedule II of the Companies Act, 2013.

The Group amortizes computer software with a useful life using the straight-line method over the period of 3 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

e) As a lessee

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

f) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less, including money market deposits, commercial paper and investments. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

g) Inventories:

Inventories of Raw Materials, Work-in-Progress, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'.

Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Group.

h) Financial Instruments

Financial assets - Initial recognition

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

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

(ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

(iii) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity instruments:

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial Liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition

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

Offsetting of financial instruments

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

Derivative financial instruments:

Derivative financial instruments such as future contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

i) Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest."

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, 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 Group 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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j) Borrowings:

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method.

k) Borrowing costs:

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

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

l) Provisions and contingent liabilities:

Provisions for legal claims, volume discounts and returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

m) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duties and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Sale of goods -

Timing of recognition: Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic sales take place when goods are dispatched or delivery in handed over to customer's logistics. In case of export sales take place when goods are shipped on-board, based on bill of lading.

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Dividend income:

Dividend income is recognised when the Group's right to receive the payment has been established.

n) Employee Benefits:

The Group provides following post-employment plans:

(i) Defined benefit plans such as gratuity and pension &

(ii) Defined contribution plans such as Provident fund

a) Defined-benefit plan:

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

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

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

Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset, 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) ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date based on an actuarial valuation.

o) Foreign Currency Transaction:

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

p) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or

directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities 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 a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

q) Segment Reporting:

The Group has identified its Managing Director as the Chief Operating Decision Maker. Operating segments are reported in a manner consistent with the internal reporting provided to managing director of the Group. The Managing Director evaluates the Group's performance and allocates resources as a whole.

r) Research and Development:

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Group has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

s) Earnings Per Share:

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

B. NOTES ON ACCOUNTS :

1 Property, Plant and Equipment (Rs. in lacs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
Gross Carrying Amount :								
Deemed cost as at 1st April, 2015	**290.41**	**1.56**	**8,579.33**	**1,809.06**	**479.19**	**268.10**	**83.55**	**11,511.20**
Additions	-	-	395.39	676.25	38.05	42.30	17.94	1,169.93
Disposals	-	-	-	8.15	-	12.18	0.26	20.59
Balance as at 31st March, 2016	**290.41**	**1.56**	**8,974.72**	**2,477.16**	**517.24**	**298.22**	**101.23**	**12,660.54**
Additions	-	-	177.31	836.00	46.22	92.72	13.26	1,165.51
Disposals	8.30	-	-	10.00	-	4.90	-	23.20
Balance as at 31st March, 2017	**282.11**	**1.56**	**9,152.03**	**3,303.16**	**563.46**	**386.04**	**114.49**	**13,802.85**
Accumulated Depreciation :								
Balance as at 1st April, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	-	0.02	163.33	340.09	60.48	52.94	34.36	651.22
Disposals	-	-	-	-	-	-	-	-
Balance as at 31st March, 2016	**-**	**0.02**	**163.33**	**340.09**	**60.48**	**52.94**	**34.36**	**651.22**
Depreciation charge for the year	-	0.02	170.19	448.55	62.90	59.10	28.43	769.19
Disposals	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	**-**	**0.04**	**333.52**	**788.64**	**123.38**	**112.04**	**62.79**	**1,420.41**
Net Carrying Amount :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 1st April 2015	**290.41**	**1.56**	**8,579.33**	**1,809.06**	**479.19**	**268.10**	**83.55**	**11,511.20**
As at 31st March 2016	**290.41**	**1.54**	**8,811.39**	**2,137.07**	**456.76**	**245.28**	**66.87**	**12,009.32**
As at 31st March 2017	**282.11**	**1.52**	**8,818.51**	**2,514.52**	**440.08**	**274.00**	**51.70**	**12,382.44**

Notes:

(I) The Company has elected to continue with the net carrying value of all property, plant and equipments as at 1st April, 2015 (Gross block: Rs. 16,323,87 lacs ; Accumulated depreciation: Rs.4,812.68 lacs) as per previous GAAP and use that as the deemed cost.

(ii) Leasehold Land for Rs. 0.80 lacs is valid till 31/01/2079 and for Rs. 0.76 lacs is valid till 30/04/2081.

(iii) Buildings includes eight flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.

1.1 Capital work-in-progress

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Plant & Equipment	41.73	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	Technical Know-How	Computer Software	Total
2	**Other Intangible assets**			
	Gross Carrying Amount :			
	Deemed cost as at 1st April, 2015	**0.32**	**7.15**	**7.47**
	Additions	-	-	-
	Deductions	-	-	-
	Balance as at 31st March, 2016	**0.32**	**7.15**	**7.47**
	Additions	-	2.13	2.13
	Deductions	-	-	-
	Balance as at 31st March, 2017	**0.32**	**9.28**	**9.60**
	Accumulated Depreciation :			
	Balance as at 1st April, 2015	**-**	**-**	**-**
	Additions	0.32	1.79	2.11
	Deductions	-	-	-
	Balance as at 31st March, 2016	**0.32**	**1.79**	**2.11**
	Depreciation charge for the year	-	1.84	1.84
	Deductions	-	-	-
	Balance as at 31st March, 2017	**0.32**	**3.63**	**3.95**
	Net Carrying Amount :			
	Balance as at 1st April, 2015	**0.32**	**7.15**	**7.47**
	Balance as at 31st March, 2016	**-**	**5.36**	**5.36**
	Balance as at 31st March, 2017	**-**	**5.65**	**5.65**

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
3	**Non current investments**			
	Equities			
	Investment in Joint venture	134.06	338.95	338.95
	Add:Share of loss for the year	(134.06)	(204.89)	
	Add: Share of OCI for the period	-	-	
	Interest in Joint venture	**-**	**134.06**	**338.95**
	Other Equity instruments	19,039.31	8,876.67	11,419.06
	Debt			
	Preference shares	3,000.00	3,998.70	2,500.00
	Real Estate and debt funds	4,980.75	4,210.20	1,682.95
	Government securities	4,497.50	4,335.20	3,285.40
	Debentures and bonds	21,358.66	20,832.65	22,993.91
	Mutual funds	-	-	518.00
	Others			
	Bullion	-	-	58.89
	Total	**52,876.22**	**42,387.48**	**42,797.16**
4	**Non current loans**			
	Unsecured, considered good			
	Loans and advances			
	Interest free loan to employee welfare trust	-	1,056.46	966.31
	Total	**-**	**1,056.46**	**966.31**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5	**Non current other financial assets**			
	Electricity deposits	19.37	19.47	19.45
	Rent deposits	7.18	7.36	9.66
	Other deposits	33.42	31.10	25.05
	Margin money deposits with bank	3.21	-	-
	Total	**63.18**	**57.93**	**54.16**
6	**Other Non Current Assets**			
	Capital advance	3,225.00	3,055.57	705.64
	Advance for income tax (net)	-	41.85	88.95
	Deposits legal matters	-	249.42	132.76
	Total	**3,225.00**	**3,346.84**	**927.35**
7	**Inventories** (Refer Note No. A (f) for accounting policy)			
	(As taken, valued and certified by the management)			
	Raw materials	502.59	391.55	349.59
	Raw materials - Goods-in-transit	5.09	3.18	-
	Work-in-progress	270.00	145.90	152.09
	Finished goods	44.44	75.34	55.34
	Stores and spares	80.98	53.13	47.79
	Total	**903.10**	**669.10**	**604.81**
8	**Current Investments** (Refer Note No. 39)			
	Equities			
	Equity instruments	-	-	450.05
	Debt			
	Preference shares	-	-	1,016.79
	Debentures and bonds	254.65	1,400.88	1,228.55
	Mutual funds	490.20	3,183.10	1,457.72
	Total	**744.85**	**4,583.98**	**4,153.11**
9	**Trade Receivables (Refer Note No. 44 (c))**			
	Unsecured, considered good			
	Joint venture	65.04	42.79	51.23
	Others	2,598.93	2,617.92	2,269.44
	Total	**2,663.97**	**2,660.71**	**2,320.67**
10	**Cash and cash equivalents**			
	Balances with Banks			
	In Current accounts	352.88	289.31	186.14
	Cheques in hand	18.26	2.39	1.18
	Cash in hand	3.60	2.69	5.01
	Total	**374.74**	**294.39**	**192.33**
11	**Other bank balances**			
	Other Balances			
	In Dividend Accounts	31.00	29.03	23.43
	In Margin money	27.06	30.20	30.93
	Total	**58.06**	**59.23**	**54.36**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
12	**Current Loans**			
	Unsecured, considered good			
	Inter corporate deposits	1,965.00	1,200.00	1,900.00
	Loans and advances to employees	4.58	8.97	26.23
	Interest free loan to employee welfare trust	930.00	-	-
	Total	**2,899.58**	**1,208.97**	**1,926.23**
13	**Other Current Financial Assets**			
	Interest accrued on investments	676.03	697.41	657.18
	Interest accrued on inter corporate / other deposits	15.75	24.10	0.93
	Receivable on sale of current investments	135.62	521.97	3.88
	Rent deposits (Associates)	350.00	-	-
	Insurance claim receivable	-	-	364.78
	Other receivables	11.53	67.02	59.07
	Total	**1,188.93**	**1,310.50**	**1,085.84**
14	**Other Current Assets**			
	Balances with central excise and service tax	65.48	45.79	44.45
	Advance to suppliers	101.34	132.60	181.86
	Prepaid expenses	43.87	36.12	35.47
	Total	**210.69**	**214.51**	**261.78**
15	**Equity Share Capital**			
	AUTHORISED			
	5,500,000 Equity Shares of Rs. 10 each (Previous Year : 5,500,000 Equity Shares of Rs. 10 each)	550.00	550.00	550.00
	500,000 Unclassified Shares of Rs.10 each (Previous Year: 500,000 Unclassified Shares of Rs.10 each)	50.00	50.00	50.00
	Total	**600.00**	**600.00**	**600.00**
	ISSUED, SUBSCRIBED AND PAID-UP			
	4,923,000 Equity Shares of Rs.10 each, fully paid-up (Previous Year: 4,923,000 Equity Shares of Rs.10 each, fully paid-up)	492.30	492.30	492.30
	Total	**492.30**	**492.30**	**492.30**

(I) Details of Shareholding More than 5%

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	2,050,574	41.65%	2,050,574	41.65%	2,050,574	41.65%
Leaders Healthcare Ltd.	825,194	16.76%	825,194	16.76%	825,194	16.76%
J L Morison India Ltd.	369,234	7.50%	369,234	7.50%	369,234	7.50%

(ii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(iii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:			
Balance as at the beginning and end of the year	492.30	492.30	492.30
(iv) For a period of 5 years immediately preceding the balance sheet date, the company has not: - allotted shares for consideration other than cash - issued any bonus shares - bought back any shares issued			
16 Non Current Borrowings (Refer Note No. 33)			
Term Loans			
Secured			
From Banks - Vehicle Loan	**31.60**	**2.55**	**8.64**
Unsecured			
From SICOM Ltd. by way of deferral of sales tax liability	220.82	329.81	386.33
Total	**252.42**	**332.36**	**394.97**
17 Non Current Provisions			
Provision for compensated absences	53.63	61.37	45.69
Provision for Gratuity	32.47	14.83	24.08
Total	**86.10**	**76.20**	**69.77**
18 Other Non Current Liabilities			
Security Deposits	132.76	94.27	92.19
Obligation towards Joint venture	33.02	-	-
Total	**165.78**	**94.27**	**92.19**
19 Current Borrowings (Refer Note No. 33)			
Secured			
From a Bank			
Working Capital Loan	104.58	108.56	100.13
Total	**104.58**	**108.56**	**100.13**
20 Trade Payables			
Amounts due to related parties	-	-	-
Others	1,879.71	1,325.72	1,280.38
Total	**1,879.71**	**1,325.72**	**1,280.38**

Dues to Micro, Small and Medium Enterprises

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Principal Amount due to suppliers under MSMED Act,2006, Beyond appointed Day		6.84	5.48
Interest accrued and due to suppliers under MSMED Act, on the above amount		0.15	0.12
Payment made to suppliers (other than interest) beyond the appointed day, during the year		Nil	Nil
Interest paid to suppliers under MSMED Act (Other than section 16)		Nil	Nil
Interest paid to suppliers under MSMED Act (Section 16)		0.12	0.25
Interest due and payable to suppliers under MSMED Act, for the payment already made		Nil	Nil
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act		Nil	Nil
Note : The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small enterprises" on the basis of information available with Company.			

21	**Other Financial Liabilities**			
	Current maturities of long-term debt	110.44	61.67	60.89
	Interest accrued but not due on borrowings	0.14	0.05	0.45
	Unpaid dividends	31.00	29.02	23.43
	Employee Benefit Expenses	209.10	213.42	86.03
	Capital Creditors	45.93	49.22	14.02
	Other payables	486.17	839.69	475.68
	Total	**882.78**	**1,193.07**	**660.50**
22	**Other Current Liabilities**			
	Statutory Dues	48.63	130.47	96.93
	Total	**48.63**	**130.47**	**96.93**
23	**Current Provisions**			
	Provision for compensated absences	37.59	20.45	10.69
	Provision for gratuity	16.42	4.95	7.26
	Provision for Income Tax (Net)	46.71	-	-
	Total	**100.72**	**25.40**	**17.95**

24 **Revenue From Operations** (Rs. in lacs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Products		
Manufactured goods	13,937.65	12,480.53
Investment Income		
Dividend	257.93	584.65
Interest	3,288.82	3,133.51
Net gain on sale / Fair valuation of investments through profit and loss *	572.17	504.44
	4,118.92	4,222.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
24	**Revenue From Operations (contd.)**		
	Other Operating Income		
	Export Incentives	48.45	32.00
	Marketing Fees and Royalty Income	30.11	13.87
	Insurance Claim	-	46.87
	Scrap Sale	10.13	6.99
	Others	17.12	16.59
		105.81	116.32
	Total	**18,162.38**	**16,819.45**
	* Includes fair value gain / (loss) as at 31st March, 2017 amounting to Rs. (80.25 lacs), (Previous Year Rs. 360.17 lacs)		
25	**Other Income**		
	Foreign Exchange Gain (Net)	27.61	31.59
	Profit on sale of land	59.53	-
	Rent	23.40	17.70
	Total	**110.54**	**49.29**
26	**Cost Of Materials Consumed**		
	Raw materials and Components		
	Opening Stock	391.55	349.59
	Purchases	5,843.12	4,865.22
	Less: Closing Stock	502.59	391.55
		5,732.08	4,823.26
	Stores and Spare parts consumed		
	Opening Stock	53.13	47.79
	Purchases	247.86	190.45
	Less: Closing Stock	80.99	53.13
		220.00	185.11
	Total	**5,952.08**	**5,008.37**
27	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock :-		
	Work-in-progress	145.90	152.09
	Finished goods	75.34	55.34
	Total	**221.24**	**207.43**
	Closing Stock :-		
	Work-in-progress	270.00	145.90
	Finished goods	44.44	75.34
	Total	**314.44**	**221.24**
	Changes in inventories	**(93.20)**	**(13.81)**
28	**Employee Benefits Expense**		
	Salaries, wages and incentives	2,190.95	2,011.54
	Contributions to provident and other fund	108.79	105.30
	Contributions to gratuity fund	32.68	29.39
	Staff welfare expenses	86.31	76.61
	Total	**2,418.73**	**2,222.84**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
29	**Finance Cost**		
	Interest expense	13.72	13.27
	Other borrowing costs	6.03	9.01
	Total	**19.75**	**22.28**
30	**Other Expenses**		
	Packing materials consumed	246.42	218.04
	Power and Fuel	855.53	793.77
	Rent	41.63	283.12
	Rates and taxes	27.01	27.79
	Insurance (including transit insurance)	37.17	28.73
	Freight and Forwarding	457.17	405.96
	Repairs and Maintenance:	-	-
	Plant and Machinery	112.80	129.32
	Buildings	69.66	73.55
	Job charges	836.29	653.57
	Travelling and Conveyance	482.97	531.03
	Sales Promotion Expenses	211.78	182.16
	Postage, Printing and Stationery	49.65	42.44
	Communication Expenses	37.60	39.90
	Loss on sale/discarding of property, plant and equipment	1.96	14.55
	Excise Duty on Increase / (Decrease) of Finished Goods	(0.32)	1.99
	Provision for Diminution in value of Investments (net)	-	199.99
	Inter Corporate Deposit / Investment written off	-	172.70
	Less: Provision for doughtful Inter Corporate Deposits / Investment	-	(172.70)
	Advances written off	70.00	300.00
	Investment Advisory Related Expenses	175.92	144.79
	Legal and Professional Expenses	222.58	186.09
	Remuneration to Auditors:	-	-
	Audit fees (including limited review fees)	7.00	7.00
	Certification fees	4.20	-
	Reimbursement of out of pocket expenses	1.10	0.89
	Liquidated damages for disputed matter	-	175.55
	Contribution towards Corporate Social Responsibility (CSR)	100.00	50.00
	Charity and donations	261.91	443.17
	Miscellaneous Expenses	149.84	146.15
	Total	**4,459.87**	**5,079.55**

31 Contingent Liabilities not provided for in respect of :

- Disputed Sales Tax matters as at 31st March 2017 for Rs. 6.98 lacs (net of provisions of Rs. 10.56 lacs); as at 31st March 2016 for Rs. 11.10 lacs (net of provisions of Rs. 6.45 lacs) and as at 1st April, 2015 for Rs. 13.47 lacs (net of provision of Rs. 6.45 lacs).
- Disputed Income Tax matters as at 31st March 2017 for Rs. Nil, as at 31st March 2016 for Rs. 98.36 lacs and as at 1st April 2015 for Rs. 10.54 lacs).
- Disputed labour matter related to ex-workmen - amount unascertainable.

32 Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31st March 2017 for Rs.3,034.50 lacs (net of advance of Rs. 2,994.58 lacs), as at 31st March 2016 for Rs. 2,967.11 lacs (net of advance of Rs. 3,053.40 lacs) and as at 1st April 2015 for Rs. 2,646.99 lacs (net of advance of Rs. 637.18 lacs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(b) In respect of investments made with private equity fund, the Company is further committed to invest as at 31st March 2017 for Rs. 2,556.37 as at 31st March 2016 for Rs. 3,043.88 and as at 1st April 2015 for Rs. 3,641.00.

(c) Other commitements related to Joint Venture - Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31st March 2017 for Rs.41.96 lacs (net of advance of Rs. 29.36 lacs), as at 31st March 2016 for Rs. 14.38 lacs (net of advance of Rs. Nil).

(Rs. in lacs)

	Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
33	**Earnings Per Share**		
	Net Profit as per Profit and Loss Account (Amt. in lacs)	2,321.45	1,867.38
	Weighted average number of equity shares out standing	4,923,000	4,923,000
	Basic and Diluted EPS (Rs.)	47.20	37.95

34 Investment in other entities:

Details and financial information of material joint venture

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group		
			As at 31/03/17	As at 31/03/16	As at 1/04/15
Compo Advics (India) Pvt. Ltd.	Manufacturing of Disc Brake Pads	Place of incorporation - Mumbai, Principal place of business - Bhalgaon Dist. Aurangabad	49.00%	49.00%	49.00%

The above joint venture is accounted for using the equity method in these consolidated financial statements.

Summarised financial information of material joint ventures

Summarised financial information in respect of each of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

(Rs. in lacs)

Particulars	As at 31/03/17	As at 31/03/16	As at 1/04/15
Non-current assets	735.36	739.62	752.45
Current assets	214.39	80.93	116.56
Cash and Cash equivalents	26.67	0.40	18.84
Others	187.72	80.53	97.72
Total Assets [A]	**949.75**	**820.55**	**869.01**
Non-current liabilities	-	-	-
Current liabilities	945.14	648.70	492.08
Current financial liabilities (excluding trade payables and provisions)	943.00	647.68	491.62
Others	2.14	1.02	0.46
Total Liabilities [B]	**945.14**	**648.70**	**492.08**
Net Assets [A-B]	4.61	171.85	376.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

	Year ended 31/03/17	Year ended 31/03/16
Revenue	391.04	159.49
Profit (loss) for the year	(167.29)	(205.05)
Other comprehensive income for the year	0.04	(0.02)
Total comprehensive income for the year	(167.25)	(205.07)
Dividends received from the associate during the year	-	-
The above profit/(loss) for the year include the followings:		
Depreication and amortisation	51.69	41.21
Interest income	1.43	0.86
Interest expenses	79.98	64.84
Income tax expenses	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in recognised in the consolidated financial statements:

	As at 31/03/17	As at 31/03/16	As at 1/04/15
Net assets of the joint venture	4.61	171.85	376.93
Add/(Less) Consolidation Adjustments			
Impact of gain on downstream transactions	(37.63)	(37.80)	(37.98)
Proportion of the Group's ownership interest in	49.00%	49.00%	49.00%
Carrying amount of the Group's interest in Joint ventrue	-	134.06	338.95
Obligation towards Joint venture	(33.02)	-	-

35 The group have one Joint venture with no significant material transactions. Notes to accounts as required in accordance Schedule III and Companies (Indian accounitng statndard) Rules 2015 being similar to that disclosed holding company in their standalone financial statements, are not been appended hereto.

36 Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification. Figures in brackets pertain to previous year.

Signatures to Notes 1 to 36 which form an integral part of the financial statements.

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 23rd May 2017

For and on behalf of the Board of Directors

Raghu Mody — Chairman
P.K. Choudhary — Managing Director
Amit Goenka — V.P. Finance & Company Secretary
Sunil Jindal — Chief Financial Officer

Form AOC-I

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

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

Part "A": Subsidiaries

Not Applicable as the Company does not have any subsidiaries

Part "B": Associates and Joint Ventures

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

Sr. No.	Name of Joint Ventures	Compo Advics (India) Private Limited
1	Latest audited Balance Sheet Date	31/03/2017
2	Shares of Associate/Joint Ventures held by the company on the year end	
	i) No. of shares held as on 31st March, 2017	4,900,000
	ii) Amount of Investment in Joint Venture	49,000,000
	iii) Extend of Holding %	49%
3	Description of how there is significant influence	Holding 49% voting powers and as per Joint Venture Agreement
4	Reason why the joint venture is not consolidated	N.A.
5	Net Worth attributable to Shareholding as per latest audited Balance Sheet	461,113
6	Profit / Loss for the year	
	i) Considered in Consolidation	(16,707,578)
	ii) Not Considered in Consolidation (Unaudited)	Nil

1. Names of associates or joint ventures which are yet to commence operations: **None**
2. Names of associates or joint ventures which have been liquidated or sold during the year: **None**

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. - 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 23rd May 2017

For and on behalf of the Board of Directors

Raghu Mody — Chairman
P.K. Choudhary — Managing Director
Amit Goenka — V.P. Finance & Company Secretary
Sunil Jindal — Chief Financial Officer

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HINDUSTAN COMPOSITES LIMITED

Hindustan Composites Limited

CIN: L29120MH1964PLC012955

Peninsula Business Park, "A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.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]

53RD ANNUAL GENERAL MEETING ON 12TH SEPTEMBER, 2017

Name of the Member (s) : _____

Registered Address : _____

_____

Email Id : _____

Folio No/Client Id : _____

DP ID : _____

I/We, being a Member (s) of _____ shares of the above named Company hereby appoint:

1. Name : _____
   Address : _____
   Email ID : _____
   Signature : _____ , or failing him

2. Name : _____
   Address : _____
   Email ID : _____
   Signature : _____ , or failing him

3. Name : _____
   Address : _____
   Email ID : _____
   Signature : _____

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf of at the 53rd Annual General Meeting of the Company to be held on 12th day of September, 2017 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018, and at any adjournment thereof in respect of such resolution as are indicated overleaf:

Resolution Number	Resolutions	Vote (Optional see note 3) Please mention no. of Shares	
		For	Against
	Ordinary Business:		
1	Ordinary Resolutions for adoption of: (a) The Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Directors' and Auditors' thereon; and (b) The Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the reports of Auditors' thereon.		
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31st March, 2017.		
3	Ordinary Resolution for appointment of a director in place of Mr. Raghu Mody, who retires by rotation and being eligible, offered himself for re-appointment.		
4	Ordinary Resolution for appointment of M/s. Bagaria & Co. LLP, Chartered Accountants, Mumbai (having Firm Registration Number: 113447W), as Statutory Auditors of the Company.		
	Special Business:		
5	Ordinary Resolution for revision in remuneration payable to Mr. Raghu Mody, Executive Chairman and Whole Time Director of the Company, w.e.f. 1st April, 2017 for the remaining period of his tenure.		
6	Special Resolution for re-appointment of Mr. Raghu Mody as the Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f 1st October, 2017 till 30th September, 2020.		
7	Ordinary Resolution for revision in remuneration payable to Mr. P. K. Choudhary, Managing Director of the Company, w.e.f. 1st April, 2017 for the remaining period of his tenure.		
8	Ordinary Resolution for appointment of Mr. Chakrapani Misra as an Independent Director of the Company to hold office upto 22nd May, 2022.		
9	Ordinary Resolution for revision in remuneration payable to Mr. Varunn Mody, President – Treasury and Strategy of the Company, w.e.f. 1st July, 2017.		

Signed this _____ day of _____2017

Signature of Member: _____

Signature of Proxy holder(s): _____

Affixe Revenue Stamp of Re.1

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

HINDUSTAN COMPOSITES LIMITED

CIN: L29120MH1964PLC012955
Peninsula Business Park, "A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

ATTENDANCE SLIP

53RD ANNUAL GENERAL MEETING ON 12TH SEPTEMBER, 2017

(To be completed and presented at the Entrance of the Meeting Hall)

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s) **Joint Holder 1** **Joint Holder 2**	
No. of Share(s)	

I/we hereby record my/our presence at the 53rd **ANNUAL GENERAL MEETING** of the Company, to be held on Tuesday, 12th September, 2017 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Member's Folio/DP ID/Client ID No.	**Member's/Proxy's name** (in Block Letters)	**Member's/Proxy's Signature**

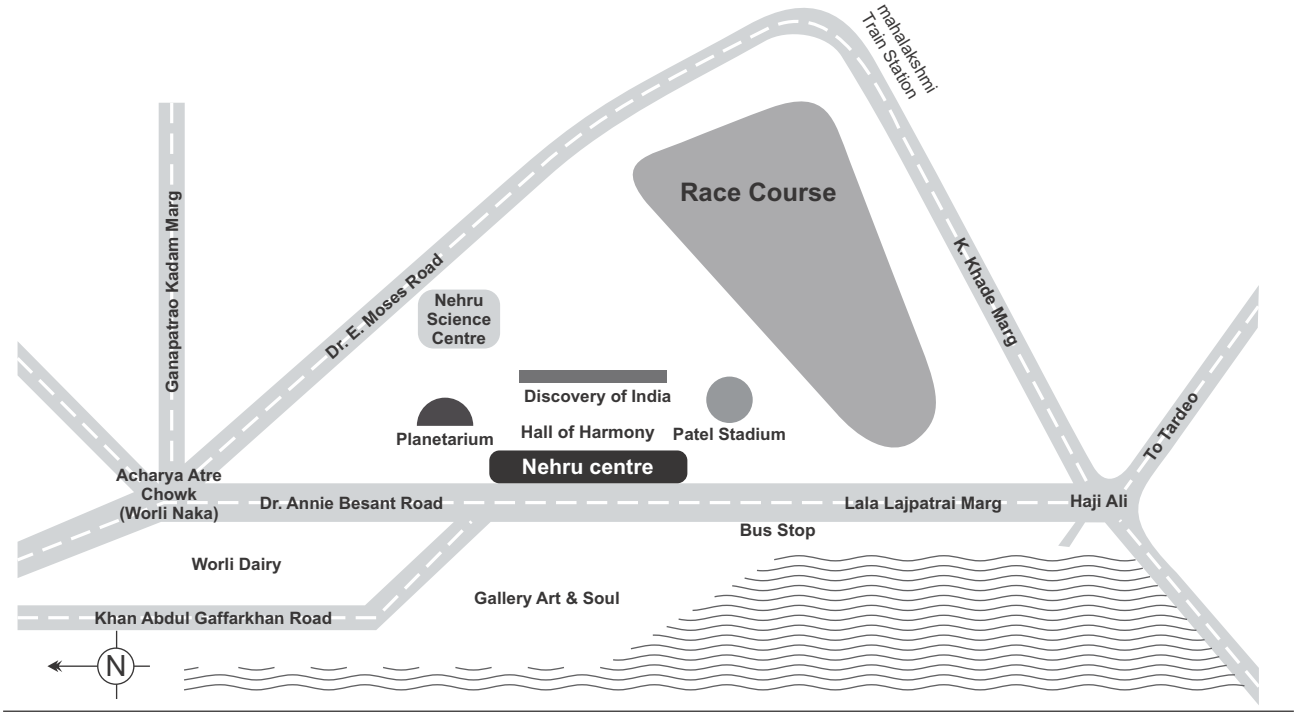
Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign the Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL.**

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password
Note: Please read the instructions for e-voting given along with Annual Report. The remote e-voting period starts from Saturday 9th September, 2017 (9:00 am) and ends on Monday, 11th September, 2017 (5:00 pm). The voting module shall be disabled by CDSL for voting thereafter.		

Note: PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.



Hall of Harmony, Nehru Centre, Dr. Annie Besant Road,
Worli, Mumbai – 400 018

Hindustan Composites Limited
CIN: L29120MH1964PLC012955
Peninsula Business Park, "A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Member	
Father's/Mother's/Spouse's Name	
Address (Registered Of Address in case the Member is a Body Corporate)	
E-mail Id	
PAN or CIN	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Place: _____
Date: _____

_____
Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. **"LINK INTIME INDIA PRIVATE LIMITED, C-101, 247 PARK, LBS MARG, VIKHROLI (WEST), MUMBAI - 400083."**

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

For Hindustan Composites Limited

Amit Goenka
V. P. –Finance & Company Secretary

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Hindustan Composites Limited

CIN: L29120MH1964PLC012955
Peninsula Business Park, "A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

NECS MANDATE FORM

LINK INTIME INDIA PRIVATE LIMITED
UNIT: HINDUSTAN COMPOSITES LIMITED
101, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083
Email Id: rnt.helpdesk@linkintime.co.in

For **SHARES HELD IN THE PHYSICAL MODE** please complete the form and mail to

For **SHARES HELD IN THE ELECTRONICMODE** please inform respective DPs

Dear Sirs,

Sub: Payment of Dividend through NECS

I hereby consent to have the amount of dividend on my Equity Shares credited through National Electronic Clearing Service (NECS). The particulars are:

1. Folio No. /Client ID. No./DPID. No. _____
   (Folio No. given in equity share certificate(s)/customer ID No. given by your DP's)
2. Shareholders Name: Shri/Smt./Kum./M/s. _____
3. Shareholders Address : _____
4. Telephone No. _____ 5. Mobile No. _____
6. Particulars of the Bank:
   - Bank Name: _____
   - Branch Name and Address: _____
   - Mention the 9 digit code number issued by the bank and Branch appearing on the MICR cheque issue by the bank: _____
   - Account Type (please √) Savings ☐ Current ☐ Cash Credit ☐
   - Account Number (as appearing on the cheque Book): _____
   - IFSC Code Number: _____
7. Date from which the mandate should be effective: _____

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the company /Registrars & Share Transfers Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS Facility.

_____
Signature of the first/sole shareholder

Note: 1) Please attach the photocopy of a Cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number.
2) The Form can be downloaded from the company's website: www.hindcompo.com

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Our Participation in Automechanika - Frankfurt World's biggest trade fair for automotive aftermarket held on 13th-17th September 2016





If undelivered, please return to:

HINDUSTAN COMPOSITES LIMITED

Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013.