

ANNUAL REPORT

&

ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2018

DEEPAK INDUSTRIES LIMITED

P. K. DAGA
Y. K. DAGA

CHAIRMAN-CUM-MANAGING DIRECTOR
VICE-CHAIRMAN-CUM-JOINT MANAGING DIRECTOR

S. CHAKRAVORTI
A. P. AGARWALLA
MEERA DOKANIA

DIRECTORS

V. D. MALL

COMPANY SECRETARY

LODHA & CO.
Chartered Accountants

AUDITORS

STATE BANK OF INDIA
UCO BANK

BANKERS

Maheshwari Datamatics Pvt.Ltd
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Phone : 033-2243-5809; 2243-5029
Fax : 033-2248-4787
E-mail : mdpldc@yahoo.com
Website : www.mdpl.in

REGISTRAR & SHARE TRANSFER AGENTS

DEEPAK INDUSTRIES LIMITED
CIN No. L63022WB1954PLC021638

CORPORATE DETAILS

Registered Office :
16, Hare Street, 2nd Floor
Kolkata - 700 001
Phone : 033-2248-2391/2/3
Fax : 033-2248-9382
Website : www.dil-india.com
E-mail : secretary@dil-india.com

NOTICE

Notice is hereby given that 63rd Annual General Meeting of the shareholders of the Deepak Industries Limited will be held at 16, Hare Street, 2nd Floor, Kolkata-700 001 on Friday, the 14th September, 2018 at 2.00P M to transact the following business:-

Ordinary Business:

1. To receive consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2018 and the statement of profit and loss for the year ended on that date together with the reports of the Board of Directors and Auditors of the Company thereon.
2. To appoint a director in place of Shri Yashwant Kumar Daga (Holding DIN No.00040632) who retires by rotation and being eligible offers himself for re-appointment.

Special Business:

3. To consider and if thought fit to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to section 148(3) and all other provisions of the Companies Act, 2013 and read with rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration of the Cost Auditors M/s. SPK Associates, Cost Accountants, Kolkata (Firm’s Registration No. 000040) for conducting the audit of the cost records of the company for the year 2018-19 determined by the Board of Directors of the Company at Rs 50,000/- (apart from service tax including cess as applicable and out of pocket expenses) be and is hereby approved and ratified.”

4. To consider and if thought fit to pass the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the special resolution passed under section 180(1)(c) of the Companies Act, 2013 on 25th September, 2014 in the matter, and pursuant to Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid -up capital of the Company

and its free reserves and securities premium , that is to say, reserves not so set apart for any specific purpose, provided that the total amount up to which money may be borrowed by the Board of Directors shall not exceed the aggregate of the paid-up capital and free reserves of the Company by more than the sum of Rupees three hundred Crores at any time.”

“Resolved further that the Board of the company be and is hereby authorized to do or cause to be done all such acts, deeds and other things as it may in its absolute discretion deem fit, proper and necessary or incidental thereto, for giving effect to the aforesaid resolution.”

5. To consider and if thought fit to pass the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Special resolution passed under section 180(1)(a) of the companies Act, 2013 on 25th September, 2014 in the matter, and pursuant to section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) to mortgaging and/ or charging all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertaking or the undertakings of the Company both present and future in favour of the lenders for securing any financial assistance obtained or as may be obtained time to time from any financial institutions, banks and Trustees for the holders of debentures/bonds/ other Instruments and all other lenders to extent of such amount as may be lent by them within the borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013 together with interest, penal, interest, costs, charges, expenses , liquidated damage and any other money payable by the Company.”

Resolved further that the Board of Directors of the Company be and is hereby authorized to finalize with the lenders, agreements and other documents, if any, necessary for creating the mortgages, charges, hypothecations as aforesaid and to accept any modification(s) to, or modify, alter or vary, the terms and conditions of the aforesaid documents and do all such acts, deeds and things and to execute all such documents, deeds and instruments in writing as may be required, incidental to and/or

expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board to be in the best interest of the company.”

6. To consider and if thought fit to pass the following resolution as an Special Resolution:

Resolved that pursuant to Regulation 31A and other relevant provisions of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013 ('Act') read with the rules framed there under (including any statutory modification(s) or re-enactment thereof), consent of the Company be and is hereby given for re-classification of following promoters entity of the company from promoter and promoter group to public category for their holding becoming nil following entire disposal of their individual holdings in the Company and each of them meeting the criteria of being qualified as public shareholder and have since requested the company for such re-classification based on the following submission by each of them.

1. I/We are not holding any shares in the Company and have not entered into any Shareholders' Agreement with the Company.
2. I/We do not have and shall not have any special rights as to voting power or control of the Company through any formal or informal arrangements.
3. I/We do not and shall not exercise any control over the affairs of the Company and are not and shall not be engaged in the management of the Company.
4. I/We do not have and shall not have any representation on the Board of Directors of the Company.
5. No regulatory action is pending against me/ us.

S. No.	Name of the outgoing promoter and Promoter group entities and individuals	Equity Holdings
1	Shantanu Daga	NIL
2	Pradip Kumar Daga, HUF	NIL
3	Yashwant Kumar Daga, HUF	NIL
4	Contransys Private Limited	NIL
5	Longview Tea company Limited	NIL

Resolved further that Shri Vithal Das Mall, Company Secretary of the Company or any director of the Company be and are hereby severally authorised to make the

necessary application to the Calcutta Stock Exchange Limited and also to give any declaration, undertaking, writings as may be required by the said exchange in the matter and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company or of the Board

7. 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, read with Schedule V and other applicable provisions of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Articles of Association, consent of the Company be and is hereby accorded to the re-appointment of Shri Pradip Kumar Daga, as Chairman-cum-Managing Director of the Company for a period of 5 (five) years with effect from 16th December, 2018 to 15th December,2023 and approval of the Company be and is hereby accorded to his remuneration with effect from 16th December, 2018 to 15th December, 2023 on the terms and conditions as set in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or remuneration and or agreement in such manner as may be agreed to between the Board of Directors and Shri Pradip Kumar Daga subject to the overall remuneration not exceeding the limits specified in Schedule V to the Act.”

Resolved further that the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break-up of the remuneration within the maximum permissible in order to give effect to this resolution or as may be otherwise considered by it to be in the best interest of the Company.”

Place: Kolkata
Date: 30/05/2018

By Order of the Board
V D MALL
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A person holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person can not act a proxy for any person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 08/09/2018 to 14/09/2018 (date of AGM) (both days inclusive) for annual closing.
4. Company has appointed M/S Maheshwari Datamatics Private Limited, 23, R N Mukherjee Road, 5th Floor, Kolkata – 700 001, as its Registrar and Transfer Agents (RTA) for both physical and demat segment of equity shares. Members are requested to send all their correspondence at the above address of RTA. For any communication, the shareholders may also send requests to email ids: mdpldc@yahoo.com and secretary@dil-india.com.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send relevant share certificates to the above referred Registrar for doing the needful.
6. Members holding physical share certificates are requested to get their shares demated by opening of a DP Account with a Depository Participant to facilitate corporate actions by the Company and also give a copy of the pan to the Registrar or the Company.
7. Members are requested to notify change in address, if any, immediately to the above referred Registrar quoting their Folio numbers.
8. To prevent fraudulent transactions, members are

advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

9. In terms of circulars issued by The Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of Permanent Account Number Card (PAN Card) to the company or its Registrars and Transfer Agents in cases of Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN Card for all the above mentioned transactions.
10. Details under SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report for 2017-2018 is being sent in the permitted mode.
12. Electronic copy of the Notice of the General Meetings of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by the permitted mode.
13. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.dil-india.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

14. Documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days except Saturdays upto and including the date of the Annual General Meeting of the Company.
15. Institutional Members/Bodies Corporate (i.e, other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution /Attorney letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at secretary@dil-india.com with a copy marked to helpdesk.evoting@cdslindia.com on or before 13/09/2018 up to 5.00 P.M. without which the vote shall not be treated as valid.
5. The Company has connectivity with both NSDL and CDSL under ISIN No INE485J01016.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its members the facility of "remote (e-voting from a place other than the venue at AGM) to exercise their right to vote at the AGM by electronic means. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL)

The facility through e-voting shall also be made available at the venue of the AGM. Only those members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their

vote through remote e-voting may attend the meeting but shall not be able to cast their vote again at the AGM.

The Company has appointed Shri Pravin Kumar Drolia, Practising Company Secretary (Certificate of Practice No. 1362) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

- (i) The remote E-voting period begins on 11/09/2018 at 9.00 A.M. and ends on 13/09/2018 at 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 (record date) of 07/09/2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 P M on 13/09/2018.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) 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, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are 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.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric * PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two characters of their name and the eight digit sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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 both 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 (vii)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Deepak Industries Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT" A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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 on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF,NRI etc.) are required to log on to <https://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 they have to create compliance user 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 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The Scrutinizer will submit his report on 15/09/2018 before 12.30 P M and the result will be announced on 15/09/2018 before 2.00 P M by any Director. The result will be placed on the website of the Company www.dil-india.com and the website of CDSL and communicated to The Calcutta Stock Exchange Limited where the equity shares of the Company are listed.

ANNEXURE TO THE NOTICE

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

Relating to item No.3

Under the provisions of section 148(3) of the Companies Act, 2013 read with rule 14 of the Cos (Audit & Auditors) rules, 2014 the remuneration of the cost auditors is required to be ratified by the shareholders of the Company and your directors recommend the resolutions for approval of the members by Ordinary resolutions.

None of the Directors and Key Management Personnel of the Company and their relatives is concerned or interested in this resolution financially or otherwise.

Relating to item No.4 & 5

At the general meeting of the Company held on 25th September, 2014, the company has accorded by ordinary resolution its consent under section 180(1)(c) of the Companies Act, 2013 to the Board of Directors borrowing moneys up to a limit of Rupees three hundred Crores (apart from the temporary loans obtained from the Bankers of the Company in the ordinary course of business).

Similarly, at the said general meeting of the Company held on 25th September, 2014, the company has accorded by special resolution its consent under section 180(1) (a) of the Companies Act, 2013 to the Board of Directors for charging and mortgaging of the Company's assets including land, building and plant and machineries for an amount upto the borrowing limit of Rupees three hundred Crores

Borrowing in excess of the capital and free reserves of the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) requires the approval of the members of the Company in the general meeting of the Company by special resolutions under section 180(1) (c). The maximum amount for which the borrowings can exceed the paid up capital and free reserves of the Company (apart from the temporary loans obtained from the Bankers of the Company in the ordinary course of business) has been fixed at Rupees three hundred Crores. and the resolution under section 180(1) (a) of the Companies Act, 2013 authorize the Board for charging and/or mortgaging of the properties of the Company for all amounts lent by the lending institutions to extent of such amount as may be lent by them within the borrowing powers of the Company and your directors recommend the resolutions for approval of the members by special resolutions.

None of the Directors and Key Management Personnel of the Company and their relatives are concerned or interested in these resolutions financially or otherwise

Relating to item No.6

The Company has received request letters from the following persons that since they each have disposed their

entire shareholding in the Company and meet the criteria specified in their individual letters for re-classification from promoters and promoters group to public category be reclassified from promoter and promoter group to public category in terms of the Regulation 31A of the listing regulations.

S. No.	Name of the outgoing promoter and Promoter group entities and individuals	Equity Holdings
1	Shantanu Daga	NIL
2	Pradip Kumar Daga, HUF	NIL
3	Yashwant Kumar Daga, HUF	NIL
4	Contransys Private Limited	NIL
5	Longview Tea company Limited	NIL

Regulation 31A of the listing regulations empowers the Stock Exchange to allow re-classification or modification of the existing status of individuals or entities from promoter and promoter group category to public category only subject to fulfillment of the conditions as provided therein.

Further as per the Rule 19A of the Securities Contract(Regulations) Rules, 1957, the public shareholding as per the last filing of the shareholding pattern with the stock exchange and as on the date of this notice fulfills the minimum public shareholding in the Company and the re-classification of the above entity shall not result in the increase in the public shareholding for achieving the minimum public shareholding.

The Board recommends the above resolution for approval of the shareholders.

Shri Pradip Kumar Daga, CMD and Shri Yashwant Kumar Daga, VCJMD of the Company and their relatives are deemed to be interested or concerned, financially or otherwise in this resolution to the extent of their shareholding in the Company and as existing member of the promoter and promoter group.

Save and except above none of the directors and Key Managerial personnel of the Company and/or their relatives are in any way interested or concerned financially or otherwise in this resolution.

Relating to item No.7

The company has re-appointed Shri Pradip Kumar Daga aged 81 years as Chairman-cum-Managing Director for a period of five years from 16th December, 2018 to 15th December, 2023 in the Board meeting held on 30/05/2018 with the following terms and conditions subject to the approval of shareholders by special resolution in the general meeting of the Company. Shri Pradip Kumar Daga, is a eminent industrialist having vast Industrial Experience in diverse fields like tea, Textile, Spinning and Engineering, Power etc. During his able leadership, the Company has achieved all around improvement during the association with the Company and has also undertaken new projects

which are progressing well. It is therefore proposed to re-appoint him as Managing Director for a period of five years with effect from 16th December, 2018.

The terms and conditions of his re-appointment are as follows:-

Tenure of re-appointment.

The re-appointment of Shri Pradip Kumar Daga is for a period of 5 (five) years from 16th December, 2018 to 15th December, 2023.

Nature of Duties

The appointee shall devote his time and attention to the business of the Company and carry out the duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the control and direction of the Board and in the best interest of the business of the Company.

Remuneration

Consolidated Salary- nil

- a. Free furnished accommodation or House Rent Allowance in lieu thereof.
- b. Re-imbusement of expenses for upkeep and maintenance the House. The Managing Director shall also be provided gardener, sweeper and care taker at the Company's expenses. The Expenses of gas, electricity, water shall be reimbursed by the Company. The Perquisites for this free furnished accommodation and services and reimbursement thereof shall be valued as per the Income Tax Act, 1961 or re-enactment thereof.
- c. Reimbursement of medical expenses incurred by the Managing Director for the medical treatment for self and family and premium paid to effect to keep in force insurance of his health or the health of members of his family shall be subject to Rs.50000/- per annum or as may be decided by the Board.
- d. The Company shall bear his and his dependant family members total Hospitalization Expenses in India and abroad.
- e. Gratuity shall be as per rules of the Company on actual period of service to the company on the basis of last salary drawn.
- f. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.
- g. Leave Travel Concession for the Managing Director and his family once in a year in accordance with the rules of the Company.
- h. Travelling expenses of spouse accompanying the Managing Director on any official overseas and inland trip if necessitated for business purpose.
- i. Club fees subject to maximum of two clubs.
- j. Personal Accident Insurance for self and family

subject to maximum of Rs.20,000/- per year or as may be decided by the Board.

- k. The Company may provide two cars with driver and telephone at the residence of the Managing Director for business purposes.
 - l. Leave including encashment of unavailed leave at the end of the tenure of the Managing Director as per Rules of the Company.
 - m. Shri Pradip Kumar Daga will be entitled to retirement benefits as the Board may decide at the time of his retirement which would include Salary, Housing and upkeep thereof, personal secretary, car with driver etc. considering his long association with the Company as director and executive Director.

Remuneration to Shri Pradip Kumar Daga, may be revised and altered in any manner as Board may deem fit during his tenure and no further consent of the shareholders be taken if the new remuneration after such revision and alteration does not exceed the limits as stipulated in Schedule V to the Act.

Overall Remuneration: The aggregate of Salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under sections 197, 198 and other applicable provisions of the Companies Act, 2013 read with schedule V of the Companies Act, 2013 as may for the time being in force.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of service of Managing Director, the payment of Salary, perquisites and other allowances shall be governed by the limits prescribed in schedule V of the Companies Act, 2013.

Either party may terminate the appointment by giving to the other party 3 months notice of such termination.

The brief resume of Shri Pradip Kumar Daga has been provided in the Annexure to this notice.

The Directors are of the view that the re-appointment of Shri Pradip Kumar Daga will be beneficial to the Company and the remuneration payable to him is commensurate with his abilities and experience.

In compliance to provisions of sections 196, 197 and 198 read with schedule V of the Act, the terms of re-appointment and remuneration is being placed before the members in the Annual General Meeting for approval by special resolution and Board recommends the resolution for approval of the members by special resolution.

None of the director and KMP except the appointee and his relatives is concerned or interested in this resolution financially or otherwise .

By Order of the Board
V D MALL
Company Secretary

Date: 30/05/2018

Place: Kolkata

Information required to be furnished under SEBI(LODR), 2015 in respect of the Appointment/Re-appointment of the Directors

Name of the Director	Shri Yashwant Kumar Daga	Shri Pradip Kumar Daga
Date of Birth	07/03/2061	24/04/1937
Date of Appointment	15/11/2014	16/12/2008
Qualification	B. Com. , (Hons)	B. Com. , (Hons)
Experience in specific functional areas	Tea, Spinning, Engineering and Solar and Hydro Power	Tea, Spinning, Engineering and Solar and Hydro Power
Directorship in other Companies	<ol style="list-style-type: none"> 1) Brua Hydrowatt Private Limited 2) H G I Industries Limited 3) Narsingh Holdings Private Limited 4) Deepak Gears Limited 5) Contransys Private Limited 6) Solding Hydrowatt Private Limited 7) The Magadh Sugar & Industries Ltd 8) Mint Investments Limited 9) Deepak Spinners Limited 10) Longview Tea Company Limited 11) Merlin Holdings Pvt Ltd 	<ol style="list-style-type: none"> 1) Longview Tea Company Limited 2) Century Textiles & Industries Limited 3) Deepak Gears Ltd 4) Deepak Spinners Limited
Chairmanship / Membership/ of Committees of Other Public Companies (Only Audit Committee and Stakeholders Relationship Committee considered)	<p>Longview Tea Company Limited-Member of Stakeholders relationship Committee</p> <p>HGI Industries Limited-Member of Audit committee and Stakeholders relationship Committee</p> <p>Mint Investments Limited-Member of Audit committee and Stakeholders relationship Committee</p> <p>Magadh Sugar & Limited-Member of Audit committee and Stakeholders relationship Committee</p> <p>Deepak Spinners Ltd-Member of Audit committee and Stakeholders relationship Committee</p>	<p>Longview Tea Company Limited-Member of Audit committee.</p> <p>Century Textiles Industries Ltd-Member of Audit and Stakeholders Relationship Committee</p>
Shareholding in the Company	524313	207700
Relationship with other directors	Son of Shri Pradip Kumar Daga, VCJMD	Father of Shri Yashwant Kumar Daga, VCJMD

BOARD'S REPORT

To
The Members,
Deepak Industries Limited
The Directors have pleasure in submitting their Annual report on the business and operations of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2018

FINANCIAL RESULTS

Financial Results of the Company for the year under review year are as follows:-

Particulars	₹ in lakhs
	31 st March, 2018
Profit before Finance Cost, depreciation and amortization & Tax	8408.85
Less: Finance Cost	1118.45
Depreciation and Amortization	2235.63
Profit before Tax	5054.77
Current Tax	1624.74
Taxation related to earlier years	-
Deferred Tax	164.73
Total Tax	1789.47
Profit for the year	3265.30
Other Comprehensive Income	
(i) Items that will not be classified to Profit and Loss Account	(49.30)
(ii) Income tax relating to items that will not be reclassified to Profit and Loss	17.06
Other Comprehensive Income for the year (net of tax)	(32.24)
Total Comprehensive Income for the year	3233.06
Basic and diluted earnings per share (₹)	82.53

The Ministry of Corporate Affairs (MCA) vide its notification dated 16.2.2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company has adopted Ind AS with effect from 1st April 2017 with a transition date of 1st April 2016. Accordingly, results for the year ended 31st March 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act 2013. Previous period figures have been restated as per Ind AS to make them comparable.

DIVIDEND

In order to preserve resources of the Company, the Board of directors of the Company have not proposed any dividend for the year 2017-18.

REVIEW OF OPERATIONS

Revenues with other income for financial year ended 31st March, 2018 stood at ₹ 42867.65 lakhs, profit before finance cost, depreciation and amortization, and tax ₹ 8408.85 lakhs, and profit after tax for the year was ₹ 3265.30 lakhs and Total Comprehensive Income for the year was ₹ 3233.06 Lakhs.

During the year under review, the results are better compared to the previous year largely due to improved

performance by the automobile and tractor gear segment arising from capex in previous years. The demand for the industrial gears however continues to remain subdued as a result of lack of fresh investment in industries such as heavy engineering, steel, power, cement, infra sectors. Government policies are expected to boost demand in the near future. Generation from solar power plant was satisfactory.

ISSUE OF CAPITAL

In order to reward the shareholders, your company initiated buy back of the 11,00,000 Equity Shares of ₹ 10/- each in the Company at an offer price of ₹ 310/- per share in compliance with the SEBI(Buy back of Securities) Regulations, 1998 after due approval of the Board of Directors, Shareholders of the Company and SEBI. Your Company has bought back 10,99,630 equity shares. Accordingly, the paid up capital stands reduced.

DIRECTORS

Shri Yashwant Kumar Daga, VCJMD, is liable to retire by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

BOARD EVALUATION

Pursuant to the Provisions of the Companies Act, 2013 the Board has carried out an annual evaluation of its own performance, the directors individually, and that of its committees. At the meeting of the Board all the relevant factors that were material for evaluating the performance were discussed in detail.

The Independent directors of the Company in its separate meeting reviewed the performance of the Non-independent directors, the Board as a whole, and performance of the chairman of the company taking into account the views of the executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

As per the requirement of the Companies Act, 2013 and regulation 17(10) of SEBI(LODR) Regulations, 2015, the performance evaluation of Independent directors was done by the entire Board of Directors as per the procedure.

BOARD MEETINGS

During the year five Board meetings were held as per details given in the Corporate Governance Report.

AUDITORS AND THEIR REPORT

M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 302049E), Kolkata, Statutory Auditors have been appointed for a period of five years in the last annual General Meeting and the requirement for ratification has now been done away with as per latest notification of May 2018.

The Auditors' Report to the Shareholders does not contain any reservations, qualification or adverse remarks and the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

COST AUDITORS AND THEIR REPORT

Pursuant to the directives of the Central Government under the provisions of 148 of the Companies Act, 2013 M/s. SPK Associates, Cost Accountants, (Firm Registration No.000040) Kolkata, has been appointed to conduct the cost audit relating to the eligible products under central excise tariff 8413, 8431 and 8483.manufactured by the Company and solar power generation for the year 2018-19. The Company has received a certificate from the cost auditors to the effect that their appointment is in accordance with the provisions of section 141 of the Companies Act, 2013

The Cost Audit report for the financial year 2016-17 was duly filed within the due date with the Central government. The Cost Audit for the year 2017-18 is presently under

progress.

SECRETARIAL AUDIT AND THE APPOINTMENT OF THE SECRETARIAL AUDITORS

The Company has appointed Binay Kumar Pandey, Practising Company Secretaries (C P No. 12074) to hold the office of the Secretarial Auditors and to conduct the Secretarial Audit for the year 2018-19. The Secretarial Audit report conducted by Drolia & Company, Practising Company Secretaries is being annexed with this report as Annexure-I. The Secretarial Audit report does not contain any reservation, qualification or adverse remark and the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

AUDIT COMMITTEE, VIGIL MECHANISM, AND RISK MANAGEMENT

The Audit Committee comprises Shri Anand Prasad Agarwalla, as Chairman, Shri Yashwant Kumar Daga and Smt Meera Dokania as members. The Company Secretary is the Secretary of the Committee.

The Company has duly established a vigil mechanism and the details of the vigil mechanism are also available on the Company's website www.dil-india.com in the Investors Relation section.

The Audit Committee has also been delegated with the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risk which the Company may be exposed to. A risk matrix has been adopted and approved by the Board on the recommendation of the Audit Committee for observation by the executives of the Company. The unit heads certify the adherence of the risk management policy on quarterly basis to the Audit Committee and the Board.

DEPOSITS

The Company has not accepted any Deposit from the members or the general Public during the year. There are no outstanding deposits in terms of Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(5) the Board confirms and submits the Directors' Responsibility Statement:—

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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 and loss of the company for that period;

3. the directors have taken proper and sufficient care for the 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 fraud and other irregularities;
4. the directors have prepared the annual accounts on a going concern basis;
5. 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
6. the directors have proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

KEY MANAGERIAL PERSONNEL

Shri Pradip Kumar Daga, Chairman-cum-Managing Director, Shri Yashwant Kumar Daga, Vice-Chairman-cum-Joint Managing Director, Shri Maneesh Khanna, Chief Financial Officer, and Shri Vithal Das Mall, company Secretary are Key Managerial Personnel of the Company.

CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance Practices and following the guidelines prescribed by the SEBI and Stock Exchanges from time to time, the Company has implemented all of its stipulations as applicable to the Company. The report on the Corporate Governance for the year 2017-18 and Practicing Company Certificate thereon are annexed as Annexure-II to and form part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted corporate social responsibility committee and the present members of the committee are Shri Pradip Kumar Daga, CMD, Shri Anand Prasad Agarwalla and Shri Sujit Chakravorti, as members. The Company is committed to discharging its social responsibility as a good corporate citizen. The company has considered providing medical aid to the poor, under privileged, disabled and needy persons towards discharge of the Corporate Social Responsibility. Under this system a qualified doctor has been appointed by the Company for recommendation of the medical aid upon proper assessment of the disease and recommend the amount of aid to be given to such person. The expenditure of ₹ 139500/- incurred in respect of CSR activities and the reasons for unspent amount is given in Annual report of CSR annexed as Annexure-III to form part of this report.

The CSR policy has been framed and hosted on the website of the Company www.dil-india.com in the Investors

Relation section.

NOMINATION AND REMUNERATION

COMMITTEE

Nomination and Remuneration Committee comprises of Shri Anand Prasad Agarwalla, as Chairman, Shri Sujit Chakravorti and Smt Meera Dokania as Members. The Company's Remuneration Policy is annexed as Annexure-IV and forms part of this report.

RELATED PARTY TRANSACTIONS:

All transaction entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of the Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence form AOC-2 is not required. Suitable disclosure as required by the Accounting standard (IND AS-24) has been made in the notes to the Financial Statement.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature and also for unforeseen transactions. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board on a quarterly basis.

The Policy of the Related Party Transactions as approved by the Board is uploaded on the Company's website www.dil-india.com in the Investors Relation section. None of the Directors and Senior Management Personnel had any pecuniary relationship or transactions vis-à-vis the Company.

Shri Anand Prasad Agarwalla, Independent Director of the company is an advocate and provides legal services required by the Company from time to time. The transactions with the said Director and his advocate son for legal services are on arm's length basis and in the ordinary course of business.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The company has complied with Secretarial Standards issued by the Institute of company Secretaries of India on

Board meetings and General Meetings.

DECLARATION BY INDEPENDENT DIRECTORS

Necessary declarations have been obtained from all the Independent Directors under sub-section (6) of Section 149 of the Companies Act, 2013.

LOANS AND INVESTMENTS

The company has not given any loans. The investments made by the Company are stated in the Financial statement of the company.

INTERNAL FINANCIAL CONTROL

The Company has in place internal financial control systems commensurate with the size and complexity of its operation to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, respective departments undertake corrective actions in their respective areas and thereby strengthen the controls.

PARTICULARS OF EMPLOYEES

Disclosure pursuant to Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-V and forms part of this report. There is no employee in the Company drawing remuneration as prescribed under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. No complaint has been received under 'Sexual harassment of Women at work place (Prohibition, Prevention and Redressal) Act, 2013 during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and Analysis as required under the SEBI(LODR) Regulations, 2015 is annexed as Annexure-VI and forms part of this Report.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy,

technology absorption, foreign exchange earnings and outgo, as required under the Companies Act, 2013, read with the Companies (Accounts) Rules 2014 is annexed as Annexure- VII and forms part of this Report.

ABSTRACT OF THE ANNUAL RETURN:

The Abstract of the Annual Return for the year ended 31/03/2018 is annexed as Annexure-VIII with this Report.

CASH FLOW ANALYSIS

In conformity with the provisions of the Companies Act, 2015, the Cash Flow Statement for the year ended 31/03/2018 is annexed with the accounts.

PERSONNEL

The Company continues to have cordial relations with its employees.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from Investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the Company to achieve growth.

CAUTIONARY STATEMENT

Statements in the Board Report and Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board.

Pradip Kumar Daga, (DIN : 00040692)

Chairman-cum-Managing Director

Yashwant Kumar Daga, (DIN : 00040632)

Vice Chairman-cum-Joint Managing Director

Sujit Chakravorti (DIN : 00066344)

Anand Prasad Agarwalla (DIN : 003122652)

Meera Dokania (DIN : 07094376)

Directors

Place: Kolkata

Dated: 30/05/2018

Annexure - I

DROLIA & COMPANY

3rd FLOOR, ROOM NO.19, 9, CROOKED LANE, KOLKATA-700069
MOBILE NO.- 9831196869,EMAIL ID: droliapravin@yahoo.co.in

To
The Members
Deepak Industries Ltd,
16, Hare Street
Kolkata-700001

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DROLIA & COMPANY**
Company Secretaries

Pravin Kumar Drolia
Proprietor
FCS No.: 2366
C.P. No.: 1362

Place: Kolkata
Date: 30-05-2018

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st Day of March, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Deepak Industries Ltd ,
16, HARE STREET,
Kolkata-700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. DEEPAK INDUSTRIES LTD.** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and return filed and other records maintained by the Company for the financial year ended 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent applicable of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing (not applicable during the period of audit);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time as applicable to the Company during the period under review:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable during the period of audit);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable during the period of audit);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the period of audit);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the period of audit and
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998
- (vi) The following Industry Specific laws:
 - a. Factories Act, 1948
 - b. Industrial Disputes Act, 1947
 - c. The Payment of Wages Act, 1936
 - d. The Minimum Wages Act, 1948

- e. Employee State Insurance Act, 1948
- f. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- g. The Payment of Bonus Act, 1965
- h. The Payment of Gratuity Act, 1972
- i. The contract Labour (Regulations and Abolition) Act, 1970
- j. The Maternity Benefit Act, 1961
- k. Environment protection Act and rules
- l. Water(Prevention and Control of Pollution) Act, 1974
- m. Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India in relation to holding of Board meeting and Member's meeting,
- (ii) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

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

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

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

We 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 as also represented by the management. All decisions of the Board were unanimous and the same was captured and recoded as part of the Minutes.

We further report that during the audit period, the Company has not made any :

- a) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.
- b) Redemption of Securities.
- c) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- d) Merger/Amalgamation/Reconstruction etc
- e) Foreign technical collaborations.

For **DROLIA & COMPANY**
 Company Secretaries
Pravin Kumar Drolia
Proprietor
 FCS No.: 2366
 C.P. No.: 1362

Place: Kolkata
 Date:30 -05-2018

DEEPAK INDUSTRIES LIMITED

REPORT ON THE CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH, 2018

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

As a corporate policy, your Company believes in transparency and good Corporate Governance practice.

(I) BOARD OF DIRECTORS

COMPOSITION, OUTSIDE DIRECTORSHIPS, AND ATTENDANCE AT THE BOARD MEETING

As on 31/03/2018, the Board of the Company comprises of an Executive Chairman and Executive Vice Chairman and non-executive independent directors with one lady director and more than fifty percent of the Directors being independent Directors.

Name of Director	Category	Directorship in other Companies*		No of Committees Membership(s)/ Chairmanship(s) in Board Committees of other Companies@		No of Shares held in the Company.
		As a Director	As a Chairman/Chairman cum Managing Director*	As a Member	As a Chairman	
Shri Pradip Kumar Daga, Chairman-cum-Managing Director	Promoter Non-Independent and Executive Director	3	1 (Chairman-Cum-Managing Director)	3	Nil	207700
Shri Yashwant Kumar Daga, Vice-Chairman-cum- Joint Managing Director	Promoter Non-Independent and Executive Director	11	Nil	9	Nil	524313
Shri Sujit Chakravorti	Independent Non-Executive Director	3	2 (Chairman)	0	3	Nil
Shri Anand Prasad Agarwalla	Independent Non-Executive Director	Nil	Nil	Nil	Nil	Nil
Smt Meera Dokania	Independent Non-Executive Director	Nil	Nil	Nil	Nil	Nil

*Excludes alternate Directorship, Directorship in foreign Companies and Companies formed under section 8 of the Companies Act, 2013.

@Committee positions only of Audit Committee and Stakeholders Relationship Committee in Listed Public Companies have been considered.

Membership of the directors in various Committees are within the permissible limits of the Listing Agreements.

Shri Yashwant Kumar Daga is son of Shri Pradip Kumar Daga.

BOARD MEETINGS

Dates for the Board meeting are decided well in advance and communicated to the Directors. The Agenda along with the notes are sent at least seven days in advance to the each Board Members.

The Board of Directors met five times during the year respectively on 30/05/2017, 14/09/2017, 03/11/2017, 13/12/2017, and 14/02/2018.

Name of the Director	No. of Board Meeting Attended	Attended last AGM
Shri Pradip Kumar Daga	4	No
Shri Yashwant Kumar Daga	4	Yes
Shri Sujit Chakravorti	5	Yes
Shri Anand Prasad Agarwalla	5	Yes
Smt Meera Dokania	5	Yes

Shareholding of the non-executive Directors in the Company as on 31st March, 2018:-

Name of the Director	No of equity shares held as on 31 st March, 2018
Shri Sujit Chakravorti	Nil
Shri Anand Prasad Agarwalla	Nil
Smt Meera Dokania	Nil

The information as required under Schedule-II of SEBI (LODR), Regulations, 2015 being made available to the Board. The Board periodically reviews compliance Report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance , if any.

The Company has adopted Code of Conduct and Ethics for Directors and Senior Management Personnel of the Company. The said code of conduct is available on the website of company in the Investors Relations section. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding Compliance of Code of Conduct and Ethics during the year under review. In addition to this a separate code of conduct for dealing in equity shares in the Company is also in place and has been complied with.

Shri Yashwant Kumar Daga, Chairman-cum-Joint Managing Director has given a certificate to the Board of Directors in pursuance of SEBI(LODR) Regulations, 2015

DECLARATION BY THE CEO UNDER SEBI(LODR) Regulations, 2015 REGARDING ADHERENCE OF THE CODE OF CONDUCT.

In accordance with SEBI(LODR) Regulations 2015, I hereby confirm that all the Directors and the Senior Management personnel of Deepak Industries Limited have affirmed compliance to Code of Conduct and Ethics framed by the Company for the Financial Year ended 31.03.2018.

Yashwant Kumar Daga

Chairman-cum-Joint Managing Director

Kolkata .30/05/2018

(II) AUDIT COMMITTEE

The Audit Committee comprises of three Directors, namely Shri Anand Prasad Agarwalla, Chairman, Shri Yashwant Kumar Daga, VCJMD and Smt Meera Dokania, as Members. The Members have adequate knowledge of accounts and financial matters. The Secretary of the Company acts as a Secretary of the Committee.

The terms of reference of the Audit Committee are in conformity with the requirements with the Stock Exchange /SEBI(LODR) Regulations, 2015 and the Companies Act, 2013. The audit committee inter-alia reviews annual and quarterly financial statements, accounting policies, system of internal controls, reports of internal auditors, Related party transactions, recommend the appointment of statutory auditors, internal auditors, appointment of Chief Financial Officer, and ensuring of compliance with stock exchanges and other legal requirements.

The Audit Committee met four times during the year respectively on 30/05/2017, 14/09/2017, 13/12/2017 and 14/02/2018. The attendance of each members of the committee is given below. Statutory and Internal Auditors also try to attend the Meeting on the invitation of the Chairman of the meeting.

Name of the Member	No of Meetings held	No of Meetings attended
Shri A.P. Agarwalla	4	4
Shri Yashwant Kumar Daga	4	3
Smt Meera Dokania	4	4

(III) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Directors, namely Shri Anand Prasad Agarwalla, Chairman, Shri Sujit Chakravorti, and Smt Meera Dokania, as Members.

The terms of reference of the Nomination and Remuneration Committee are in conformity with the requirements of SEBI(LODR) Regulations, 2015 and the Companies Act, 2013. The Nomination and Remuneration committee inter-alia formulates the criteria for determining qualification, 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, identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry evaluation of every director's performance.

The Nomination and Remuneration Committee met one time during the year on 30/05/2017. The attendance of each members of the committee is given below.

Name of the Member	No of Meetings held	No of Meetings attended
Shri A.P. Agarwalla	1	1
Shri S. Chakravorti	1	1
Smt Meera Dokania	1	1

The Remuneration policy of the Company is annexed with the Board's report which may please be referred to. Chairman of the Nomination and Remuneration Committee attended the last AGM.

(IV) DETAILS OF REMUNERATION PAID TO DIRECTORS (01/04/2017 to 31/03/2018)

The Executive Vice-Chairman-cum-Joint Managing Director is paid remuneration approved by the Board and shareholders and other directors are paid sitting fees for attending the meetings of the Board and Committee and also commission approved by the Board of Directors from time to time.

Name of Director						₹
Yashwant Kumar Daga, (Vice-Chairman-cum-Joint Managing Director	6988800				As Executive Compensation consisting of Salary and perquisites in the nature of employer's contribution to PF	
	Sitting Fees					Commission paid during the year (For the Financial year 2015-16)
	Board Meeting	Audit Committee Meeting	Stakeholders relationship committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	
Smt Meera Dokania	50000	8000	2000	2000	-	275000
Shri A.P. Agarwalla	50000	8,000	2000	2000	4000	275000
Shri S. Chakravorti	50000	-	2000	2000	4000	275000

During the year the Company has paid ₹ 16500/- as professional fees to Shri Anand Prasad Agarwalla, Advocate, Director of the Company and ₹ 5500/- to his son Shri Niraj Agarwalla, Advocate,. The payments to them were at arm's length price and in the ordinary course of business. There were no other than above pecuniary relationships or transactions of the Executive and Non -Executive directors vis-a-vis the Company.

(V) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board of Directors of the Company have constituted a Corporate Social Responsibility (CSR) Committee of the Board comprising three directors Shri Pradip Kumar Daga, Chairman, Shri Anand Prasad Agarwalla, and Shri Sujit Chakravorti. Shri Vithal Das Mall acts as Secretary of the Committee. The Committee held two meeting on 30/05/2014 and 14/02/2018 in which all the committee members were present except Shri Pradip Kumar Daga in the committee meeting held on 14/02/2018. The Board on the recommendation of the Committee has framed a CSR policy which has been hosted on the company website at www.dil-india.com in the Investors Relation section.

(VI) STAKEHOLDERS RELATIONSHIP COMMITTEE

The committee comprises of three non-executive Directors namely, Smt Meera Dokania as Chairperson, Shri Sujit Chakravorti, Shri A.P. Agarwalla as Members and. Shri Vithal Das Mall, Secretary of the Company acts as the secretary of the committee. The Compliance officer of the Company is Shri Vithal Das mall, Company Secretary. The committee deals with the shareholder's complaints and grievance etc. As per the Certificates furnished by the Registrar & Share Transfer Agents M/S Maheshwari Datamatics Private Limited, the Company did not receive any Investors complaints during the year ended 31st March, 2018 and there are no pending complaints as on 31st March, 2018.

The committee met one time during the year on 13/03/2018 in which all the Committee members were present.

(VII) MEETING OF THE INDEPENDENT DIRECTORS

One separate meeting of the independent directors was held on 14/02/2018 in which all the independent directors on the date of the meeting were present to review the performance of the non-independent directors and the Board as a whole with the performance of the chairman of the company and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board as per para VII of schedule IV of the Companies Act, 2013.

(VIII) SHARE TRANSFER SYSTEM

Share transfers documents are registered and certificate returned within prescribed time from the date of receipt if the documents are clear in all respects as per provisions of LODR/listing agreement. The transfers are approved by the secretary/Director of the Company in consultation with the Managing Director and/or by the Board.

There was no pending request for share transfer etc. as on 31st March, 2018.

(IX) SUBSIDIARY COMPANIES

The Company does not have any subsidiary, associate and joint venture company.

(X) FAMILIARISATION PROGRAMME

The Board has framed a familiarisation programme to familiarise the independent directors their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc through the various programmes..

The Familiarisation programmes has been disclosed on the company's website www.dil-india.com in the Investors Relations section.

(XI) ANNUAL GENERAL MEETINGS

Location, date and time for last three Annual General Meetings were as follows :

Year	Location	Date	Time	No. of Special Resolution Passed
2014-2015	16, Hare Street, Kolkata-70 0 001	29/09/2015	2.00 P M	2
2015-2016	-do-	29/09/2016	2.00 P M	Nil
2016-2017	-do-	10/08/2017	1.00 P.M	1

i) Three Special resolutions were passed during last three Annual General Meetings.

Date	Special Resolution Matter
29/09/2015	To Keep the Register of Members to a place other than at the registered office of the Company under section 94 of Companies Act, 2013.
29/09/2015	Payment of Commission to Non-Executive Directors under section 197 of the Companies Act, 2013.
10/08/2017	Removal of the promoter entity from promoter category in the shareholding pattern

ii) One special resolution was passed on 02/01/2018 through the postal ballot for buy back of shares of the Company.

iii) No special resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting of the Company. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

iv) Procedure for postal ballot, if any, is as per the provisions contained in this behalf in the Companies Act, 2013 and rule made there under namely The Companies (management and Administration) Rules, 2014, as amended, was followed.

(XII) DISCLOSURES

i) All related party transactions have been entered into the ordinary course of business and were placed periodically before the audit committee in summary form including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on arm's length basis. Details of related party transactions during the year ended the 31st March, 2018 have been set out under an appropriate note in Schedule to the Annual Accounts of the Company for the year ended 31st March, 2018.

ii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.

iii) Procedure for assessment of risk and its minimisation have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.

iv) The Company has fully complied with all the requirements of regulatory authorities on Capital Markets and consequently, no penalties/ strictures have been imposed against it during the last three years.

The Company has adopted a Vigil Mechanism Policy which has been put on the website of the Company www.dil-india.com in the Investors Relations section and no personnel has been denied access to the audit committee. Shri Vithal Das Mall, Company Secretary has been appointed Vigil Officer under the said policy.

There has been no non-compliance by the Company during the year and no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.

Management Discussion and Analysis is a part of Annual Report. Shareholders information section forms part of the Annual Report

There were no material financial and commercial transactions by Senior management as defined in SEBI(LODR) Regulations, 2015 where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company and that the same has been confirmed by all the Senior Management.

Reconciliation of Share Capital Audit is carried out by Practicing Company Secretaries on quarterly basis to reconcile the total admitted paid-up capital with National securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) with the total issued and paid-up capital. The reconciliation audit confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

The Company has complied with all the mandatory requirement of SEBI(LODR) Regulations, 2015 e.g, Constitution of the Board, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, and a report on the Compliance report on the Corporate Governance is submitted to the stock Exchange every quarter. The Company has not adopted the non-mandatory requirements of SEBI(LODR)Regulations, 2015.

(XIII) MEANS OF COMMUNICATION

There is no practice to send half-yearly report to each shareholder. Company is regularly publishing all its quarterly, half yearly and yearly results in print media in English and local language in Financial Express/Business Standard and Sukhabar which are widely circulated in West Bengal as well as Nationally.

The Company has a website www.dil-india.com to display the quarterly results and other information as required under the listing agreement. No presentation have been made to Investors Relations/Analysts and stakeholders of the Company .

(XIV) GENERAL SHAREHOLDERS INFORMATION

i)	Date, time and venue of forthcoming AGM	14th September, 2019 at 2.00 P.M. at 16, hare Street, Kolkata-700 001
ii)	Financial Calendar 2017-2018 (Tentative)	
	First unaudited Quarterly Results	Middle of August,2018
	Second unaudited Quarterly Results	Middle of November,2018
	Third unaudited Quarterly Results	Middle of February, 2019
	Audited yearly Results for the year ended 31 st March,2017	Before end of May, 2019
iii)	Annual Book Closure dates	08/09/2018 to 14/09/2018 (both days inclusive)
iv)	Payment of Dividend	No dividend is proposed.
v)	Listing on Stock Exchanges	The Calcutta Stock Exchange Limited
vi)	Annual listing fee	Listing fee has been paid upto and for the year 2018-2019.
vii)	ISIN No. of the Company :	INE 485J01016
viii)	Stock Code in Calcutta Stock Exchange	10014084

(XV) MARKET PRICE DATA

There has been no trading of the Company's share during the year on Calcutta Stock Exchange.

(XVI) REGISTRAR AND TRANSFER AGENT :

The Company has appointed M/s. Maheshwari Datamatics Pvt. Ltd., Kolkata, as Registrar and Share Transfer Agent for Company's securities held in physical as well as in electronic mode . The address and contact details of RTA is as below:

Maheshwari Datamatics Pvt.Ltd, 5th floor, 23, R N Mukherjee Road, Kolkata – 700 001, Phone: 033-2243-5809; 2243-5029, 2248-2248, Fax: 033-2248-4787 E-mail: mdpldc@yahoo.com Website: www.mdpl.in

(XVII) PATTERN OF SHAREHOLDING AND DISTRIBUTION (AS ON 31/03/2018)

Category	No. of Shares Held	% of Total Paid up Capital
Promoters & Promoters Group	2732044	69.05
Financial Institutions & Banks	142188	3.59
Bodies Corporate including clearing Member	1053183	26.62
Resident Individual	29018	0.74
Mutual Funds	NIL	NIL
NRIs/OCBs	NIL	NIL
Insurance Companies	NIL	NIL
TOTAL	3956433	100.00

From	To	No of Shares held	% of total paid-up capital	No of Shareholders	% of Total No of Shareholders
Up to	500	4525	0.0915	31	39.2405
501	1000	11318	0.1932	16	20.2532
1001	2000	10023	0.2533	9	11.3924
2001	3000	4450	0.1125	2	2.5316
3001	4000	3596	0.0909	1	1.2658
5001	10000	29646	0.7493	5	6.3291
Above	10000	3892825	98.3923	15	18.9873
	Total	3956433	100.0000	79	100.0000

(XVIII) DEMATERIALIZATION AND TRADING OF SHARE ON STOCK EXCHANGE

The Company is pleased to inform that shares of the Company are available for dematerialization with NSDL as well as with CDSL. The equity shares of the Company are under compulsory demat trading for all categories of Investors. As on 31st March, 2018, 3573080 comprising 94.8601% of the equity capital stood dematerialized.

The Company has not issued any GDRs / ADRs/ Warrants or any Convertible instruments, which may have likely impact on Equity shares of the Company.

(XIX) PLANT LOCATION

- i) 62, Hazra Road, Kolkata-700 019
- ii) 14/7, Mathura Road, Faridabad (Haryana)
- iii) Plot no. 62, Sector -11 , Rudrapur Dist Udham Singh Nagar, Uttranchal.
- iv) Village: Rojhani, Dist: Shajapur, MP. (Solar Plant)
- v) Plot. No. 292, Sarve 75 & 80, Belur Industrial Area, Dharward, Karnataka
- vi) Village-Bhagola, Bhagola Delvi Road, Tehsil & district-Palwal-121 102

(XX) ADDRESS FOR CORRESPONDENCE

Deepak Industries Limited, 16, Hare Street, Kolkata-700 001 Phone Nos: 033-2248-2391/2/3, Fax: 033-2248-9382 E-mail: secretary@dil-india.com website: www.dil-india.com.

(XXI) NON-MANDATORY REQUIREMENT.

1. The Board
The Company has an executive Chairman
2. Shareholders' Right
Half yearly financial results including summary of the significant events in the last six months are presently not being sent to shareholders of the Company.
3. Audit Qualification
There are no qualification in the Auditor's report on the financial statements to the Shareholders of the Company.
4. Separate Post for Chairman and CEO
Presently, the Company has a executive Chairman.
5. Reporting of Internal Auditor
Internal Auditors are invited to the meeting of Audit Committee wherein they interact directly with the Committee.

(XXII) CEO AND CFO CERTIFICATION

The Vice Chairman –cum- Joint Managing Director, that is, the Chief Executive Officer (CEO) and CFO gives the annual certification on the financial reporting and internal controls to the Board in terms of SEBI(LODR) Regulations, 2015. The CEO and CFO also give quarterly certification on the financial results while placing the financial results before the Board in terms of SEBI(LODR) Regulations, 2015.

The Board of Directors at their Meeting held on 30th May 2018 adopted the above Report

CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Deepak Industries Ltd,
16, Hare Street,
Kolkata 700 001

- 1) We have examined the compliance of the conditions of Corporate Governance by M/S Deepak Industries Limited of 16, Hare Street, Kolkata 700001 for the year ended on 31st March, 2018, as per regulation 17 to 27 and 34(3) read with schedule –V of the SEBI (Listing Obligation and Disclosure Requirements “(LODR”) Regulations, 2015.
- 2) The Compliance of the conditions of Corporate Governance is the responsibility of the Company’s Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute Secretaries of India and was limited to the procedure and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statement of the Company.
- 3) In our opinion and to the best of our information and according to explanations given to us, which to the best of our knowledge & belief were necessary for the purpose of issuance of this certificate, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations to the extent applicable to it.
- 4) 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 Drolia & Company
(Company Secretaries)

Place: 9, Crooked Lane,
Kolkata 700069
Date: 30th May, 2018

(Pravin Kumar Drolia)
Proprietor
CP 1362

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

- A brief outline of the Company's CSR policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR Policy and Projects or programs.
The Company has formulated a Corporate Social Responsibility (CSR) Policy stated in the link mentioned below pursuant to Section 135 of the Companies Act, 2013 and Notification dated 27th February, 2014 issued by the Ministry of Corporate Affairs under the said Section. The policy is framed for undertaking activities as may be found beneficial and feasible for betterment of critical social environmental of the weaker sections of the society, preferably locally, near to the factory sites of the Company. This CSR policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act and the expenditure thereon and focuses on addressing critical social, environmental and economic needs of marginalised/underprivileged sections of the society. The CSR policy is hoisted on the web link www.dil-india.com under the Investors section of the site.
- The Composition of the CSR Committee:
The composition of the CSR Committee is as follows:-

Name of the Director	Chairman/Member	Promoter/Independent Director
Shri Pradip Kumar Daga,	Chairman	Promoter CMD of the Company
Shari Anand Prasad Agarwalla	Member	Independent Director
Shri Sujit Chakravorti	Member	Independent Director

- Average net Profit of the company for last three years: ₹ 2354.68 lakhs
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 47.09 lakhs
- Details of CSR spent during the financial year:
 - Total amount to be spent for the financial year; ₹ 47.09 lakhs
 - Amount unspent, if any; ₹ 45.69 lakhs.
 - Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads (1)Direct expenditure on projects or programs (2)Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
1	Provision of Medical aid to the under privileged, disabled and other needy persons	Promoting health care including preventive health care	West Bengal, Kolkata	Not set	139500/-	139500/-	Direct

- In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: The Company is making efforts to spend the amount through the various programmes undertaken by the Company.
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectivities and Policy of the company.

Shri Yashwant Kumar Daga (Chief Executive Officer or Managing Director or Director)	Shri Pradip Kumar Daga (Chairman of CSR Committee)	N.A (Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)
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Place: Kolkata
Date: 30/05/2018

Annexure-IV

DEEPAK INDUSTRIES LIMITED

NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry to which the Company belongs.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 14th August, 2014.

Effective Date:

This policy shall be effective from the date of approval by the Board.

Constitution of the Nomination and Remuneration Committee:

The Board has constituted Nomination and Remuneration Committee on 15th May 2014 in place of Remuneration Committee and Selection Committee.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable

statutory requirements.

Definitions:

- 'Board' means Board of Directors of the Company.
- 'Directors' means Directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 'Company' means Deepak Industries Limited.
- 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 'Key Managerial Personnel (KMP)' means-
 - (i) Executive Chairman and / or Managing Director/Chief Executive officer
 - (ii) Whole-time Director
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- 'Senior Management Personnel' means senior personnel of the Company occupying the position of functional heads of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to -

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General :

- This Policy is divided in three parts:
 - (i) **Part – A** covers the matters to be dealt with and recommended by the Committee to the Board,
 - (ii) **Part – B** covers the appointment, nomination and removal and
 - (iii) **Part – C** covers remuneration and perquisites etc.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE

NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Carry out the evaluation of performance of Directors, KMP and Senior Management Personnel and recommend to the Board, their appointment and removal.
- Recommend to the Board a policy relating to remuneration for the directors, KMP and other employees and recommend to the Board, amendments to such policy as and when required.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Guiding Principles

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.
- Remuneration packages may be composed of fixed and incentive pay depending on short and long term performance objectives appropriate to the working of the Company.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
- **Appointment criteria and qualifications:**
 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years and the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
 4. Every whole-time Key Managerial Personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Provided that the appointment of whole time director(s) shall require approval of shareholders as per the provisions of the Companies Act, 2013.
 5. A whole time KMP shall not hold office in more than one company except in its subsidiary company, if any, at the same time. However, such KMP can be a director of any Company with the permission of the Board.
 6. The Managing Director or Manager of the Company may be the Managing Director or Manager of one and not of not more than one other Company and such appointment should be approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.
- **Term / Tenure:**
 1. Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 2. Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- 3. Key Managerial Personnel (KMP)-
If the office of any whole time KMP is vacated, the resulting vacancy shall be filled up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval and recommend to the Board appointment / removal.

- **Removal:**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of any Act, rules and regulations, their service contract or evaluation of their performance.

- **Retirement:**

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

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTORS, DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

1. The remuneration / compensation / commission etc. to the Whole-time Directors and Directors

will be determined by the Committee. It shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, the Companies Act, 2013, the rules made there under and the Listing Agreement with Stock Exchanges as amended from time to time. The Committee shall recommend the remuneration / compensation / commission etc. to be paid the Whole-time Director and Directors to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. Increments to the existing remuneration / compensation structure of Whole time Director and Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.
3. The Non- Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
4. Commission to Non-executive Directors may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Companies Act, 2013.
5. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined based on the Company's financial position, trends and practices on remuneration prevailing in peer companies, in the industry to which the company belongs and performance of such KMP and Senior Management Personnel
6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
7. An Independent Director shall not be entitled to any stock option of the Company.

The key features of this policy shall be included in the Board's Report.

This policy was adopted in the Board meeting held on 14/08/2014.

Deepak Industries Limited
Disclosure pursuant to rules 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014

Sr. No.	Requirement of Rule 5(1) for the Financial Year 2017-18	Details
i.	The ratio of remuneration of each director to the median remuneration of the employee of the company for the financial year.	Shri Yashwant Kumar Daga: 27.41 Other Directors-N A (as they do not receive monthly remuneration)
ii.	The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager, if any, in the financial year	Director Shri Yashwant Kumar Daga, VCJMD- 08.33% Other Directors- N.A (as they do not receive monthly remuneration) Key Managerial Personnel Shri Maneesh Khanna, CFO- Nil Shri Vithal Das Mall, Company Secretary- Nil Manager: Not applicable as the company does not have a Manager.
iii.	The Percentage increase in the median remuneration of employee in the financial year.	5.80%
iv.	The Number of permanent employee on the roll of the Company.	985 as on 31/03/2018.
v.	Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average salary increase of non-managerial employees is 7.54%, Average salary increase in managerial personnel is about 6.50% There are no exceptional circumstances in increase in managerial remuneration.
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31/03/2018 is as per the Remuneration Policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report forms the part of Board Report for the year ended 31st March, 2018.

OVERALL REVIEW AND INDUSTRY STRUCTURE AND DEVELOPMENT.

Indian economy has grown at about 7% in the year 2017-18 and the same was stagnant as per the previous year. However, the production and manufacturing index remained subdued during the year. The financial sector particularly Banks are reeling under high NPA legacy and write offs due to the process under the newly introduced Bankruptcy code. The required capitalisation and consolidation in the banking sector is not forthcoming. Introduction of the GST is yet to give results. However, sectoral contribution to the Indian economy has not been uniform. The metal, power, road, construction, infra, rail, information technology, irrigation etc have not shown encouraging growth. The ongoing expenditure in rail and road will be giving result in the near future. The reform in the agri sector is yet to materialise in terms of benefits to the farmers.

BUSINESS SEGMENTS

The Industrial gear segment being largely dependent on establishment of infra sector projects, expansion of core industries such as power, metal, infra etc continues to be under pressure.

The automobile industry has shown some growth which will improve with the reforms in the agri sector. Current year expectation of good monsoons will provide some relief to and demand for the tractor.

OPPORTUNITY AND THREATS

The government spending programs are expected to be implemented soon which will provide the necessary support to the market for revival. Your company's investments in manufacturing capacity made in the recent years has yielded some results and in near future will provide the platform for deriving maximum benefits at the time of economic revival. Generation of solar power station is satisfactory. However, the purchase of RECs, is not reviving as in last year.

FINANCIAL PERFORMANCE

This has already been discussed in the Board Report and further segment performance can be looked in the segment information part of the notes to the accounts.

OUT LOOK

It is expected that the core sectors will show improvement and investments in power and infra sectors will receive a fresh momentum. The current policy of allocation of coal and gas will have encouraging response.

RISK AND CONCERNS

The company has made sufficient investment in both the segments and requires skilled man power to operate the latest technology machines. Increased power cost, higher transaction cost, high cost of labour continues to hinder the progress. Competition from peers continues to be intensifying.

INTERNAL CONTROL SYSTEM AND ADEQUACY.

The Company has adequate internal control systems and procedures commensurate with the size and nature of business ensuring that the assets and resources are used reasonably and are adequately protected and all the internal policies and statutory guidelines are complied with.

HUMAN RESOURCES AND INDUSTRIAL RELATION

The industrial relations continue to be cordial as the Company continues to lay emphasis on employee's development at all levels. There are 985 employees in the Company as on 31.03.2018.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Governments regulations, tax laws and other incidental factors. The Company assumes no responsibility in respect of forward looking statements that may be revised or modified in the future on the basis of subsequent developments, information of events.

Information as required under Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of Energy

(i) Step Taken or Impact on Conservation of Energy during the year 2017-18

The company continues to give high priority to conservation of energy to conserve and optimize energy wherever practicable by economizing on fuel and power on a continuous basis by renovation/upgradation in high consumption areas like lighting, Air Conditioning, heat treatment, supply power factor through additional condensers. The new machines installed and put to use are highly energy efficient

We append energy conservation measures implemented in our various units during the above period:

Faridabad Plant

1. Energy saving team of senior and experienced officials of company along with outside Energy consultation agencies interact time to time for exploring the new possibilities of Energy conservation Projects and working on its Projects.
2. Installed and commissioned Servo voltage stabilizer of 3000 KVA at Main HT Electricity Board supply for stabilizing voltage and Electrical Energy saving.
3. Made the system for Machine procurement with Energy Efficient Motors only.
4. Replaced Energy efficient water pump 7.5 HP -02 nos. for Induction Hardening machine of Heat treatment shop.
5. Replaced T-5 Tube lights and Overhead 250 Watt Metal halide lights with LED Energy Efficient Over head mid bay 72 Watt lights -80 nos. in Hobbing /Shaving /Grinding section/ Main Gangways.
6. Replaced machine lamps from 60 Watt to LED Bulbs of 09 Watt.
7. Extensive work done for compressed air leakage detection and prevention through 'Legris'.
8. Improved insulation of Gas Carburizing furnaces for reducing heat losses.
9. Maintaining the power factor of Electric supply near unity by APFCR Panels.
10. Increased the number of natural lighting in all shop floors by fixing Polycarbonate transparent sheets in the roof.

Rudrapur Plant

11. Lorenze gear shaper machine multi outlet lubrication pump motor (0.5kw) replaced by single outlet pump motor (0.25 kw) in 03 machines.
12. 02 separate pump for hyd & lube removed by dual inlet & dual outlet pump in Glasson hobbing (1612). Lube pump motor removed (3.7kw).
13. For plant lighting 08 no's 250watt HPMV lamp replaced by 72 watts LED lights.
14. Continued maintaining the power factor at unity by providing Mamal Make Capacitor against Epcos makes capacitor on Substation with the help of automatic power factor control relays.
15. All CNC hobbing (LC120) running with dry cutting by this save energy consumption of coolant motor 1.5 kw each in 05 machines.
16. Provided separate pneumatic pipe line for Heat treatment shop to support furnaces in contingency with the help of SM12 air compressors (02 No's).

Bhagola Plant

17. For shop floor lighting provided 80 watts LED lights- 160 nos. and in offices provided 16 Watt (2'X2') LED Lights -112 Nos.
18. Continued maintaining the power factor at unity with the help of automatic power factor control relays Panel.
19. Provided UPS -30 KVA for SQF-1 & 2 instead of running DG Sets for Quenching operation.
20. Installed and commissioned PNG fired SQF-3rd and 4th of capacity – 1500 kgs /hour each instead of Electric heated SQF's for Heat Treatment shop.
21. Installed and commissioned Energy Efficient Kaeser make 297 CFM Air compressor.

(ii) The Steps taken by the company for utilizing alternate sources of energy

The Company is in process to install solar power plant of 100KW capacity with authorized dealer/agencies. Expected to start vendor selection and technical feasibility.

(iii) The Capital Investment on energy Conservation Equipment

Company has a budgeted plan of Rs.100 lakhs for energy saving projects.

B). Technology absorption**i) The Efforts Made Towards Technology Absorption;**

Company had introduced following technology in last few years for the product quality improvement, Faster production Development, Cost reduction

1. Straitening of Shafts,
2. Shot Peening
3. Hard Tuning
4. Gear Teeth Grinding
5. Marking
6. CNC Teeth Chamfering(with Auto Part Load/Unload)
7. Quality Checking Equipment
8. CNC HOB Resharpener
9. Provided Energy efficient Bin washing machine of Karcher make.
10. Use of Robots on Turn mill centre machines.
11. Oil spinning system for oil conservation.
12. Use of multi gauging system.
13. Introduction of in process gauge with feedback system for offset correction, to get consistent quality.

ii) Benefit derived

- 1) Automation in Process
- 2) Elimination of operator skill dependency
- 3) Multiple machining operations in one setup
- 4) Utilizing Latest cutting TML technology for cycle time improvement
- 5) Quality Assurance

iii) Imported Cases**2016-17**

Roughness Tester Make: Mahr ,Model-Marsurf Xr1

AMS-CNC Vertical Machining Center

Gear Chamfering & Deburring m/c

Precision Slant Bed CNC Chucker Model

Machine/Technology Description

Gear Grinding Machine, Viper 500W(HOFLER)

Horizontal machining Centre (BFW)

2015-16

Machine Turning Centre, Make Toshiba, Japan

200 xrf Analyzer & Accessories, Make Bruker, USA

External Cylindrical Grinding Machine, Make MICROMATIC

Double Ended Facing & Centering Machine, Make HMT

Heavy Duty CNC Gear Hobbing Machine, Make HMT

Carl Zeiss Micro Scope Model:Axio Imager M2M

CNC Generating & Profile Grinding Machine Model:Lcs/300, Make: Liebherr

Hv3100 Automatic Hardness Tester Wilsion Make

Motorized Upright Metallurgical Microscope

2014-15
CNC Universal Cyl. Grinding Machine/Ecogrinder
CNC Gear Hobbing Machine Model: Pe300 Make :Pfauter
CNC Gear Hobbing Machine Make Gleason Model : 125 Gh
CNC Turning Centre ,Make :Hardinge
CNC Gear Hobbing Machine Pfauter Model Pe150
Gear Hobbing Machine Model: Pe 150 Make: Pfauter
CNC Gear Hobbing Machine Make: Pfauter ,Model: 250c
Hardness Tester Make: Reicherter, MODEL: Briskup 300h
Gear hobbing machine model: 782 Make: Gleason
CNC Gear Hobbing Machine Make: Gleason Phoenix Model: 125 gh
CNC Gleason Gear Shaping
Pit Type Gas Carburising Furnace
Bemco Hydraulic Press

a) Whether the technology been fully utilized: Yes

b) If not fully absorbed: NA

iv) Expenditure incurred on R & D (In house only, not on imported case in Last FY)

The research and development is being carried out in house by qualified professional for development, technology up gradation.

(C) Foreign Exchange earning and outgo

The Company is making an all out effort of the products and expects improved performance in export in the coming year.

(D) The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual figures

Earnings & Expenditures in Foreign Currency:		₹ In lakhs
a)	Earnings	
	F.O.B.Value of Export	0000.00
	Tooling Advances (Other Income)	0000.00
b)	Expenditure	
	Travelling	0000.00
	Repairs & Maintenance	0000.00
	Others	
	Raw Materials (CIF)	0000.00
	Stores and Spares parts (CIF)	0000.00
	Capital Goods (CIF)	0000.00

Annexure-VIII

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURNas on the financial year ended on 31st March, 2017.*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L63022WB1954PLC021638
ii)	Registration Date	08 TH MAY, 1954
iii)	Name of the Company	DEEPAK INDUSTRIES LIMITE
iv)	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES
v)	Address of the Registered office and contact details	16, HARE STREET, KOLKATA-700 001
vi)	Whether listed company Yes / No	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAHESHWARI DATAMATICS PVT LTD 23, R.N.MUKHERJEE ROAD, 5 th FLOOR, KOLKATA-700001 PHONE: 033-2248-2248, 2231-6389, FAX;2248-4787 EMAIL;info@mdpl.in; mdpldc@yahoo.com

II. 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	Automobile Gears	3563	81.23
2	Industrial Gears	3563	16.96

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
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NIL

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

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3201708	0	3201708	63.3241	2207444	0	2207444	55.7938	-7.5303
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	590336	0	590336	11.6758	524600	0	524600	13.2594	1.5836
e) Banks/Fi	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	3792044	0	3792044	74.9999	2732044	0	2732044	69.0532	-5.9467
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fi	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	3792044	0	3792044	74.9999	2732044	0	2732044	69.0532	-5.9467
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fi	142188	0	142188	2.8122	142188	0	142188	3.5938	0.7816
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	142188	0	142188	2.8122	142188	0	142188	2.8122	0.0000

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	722565	364325	1086890	21.4968	688858	364325	1053183	26.6195	5.1227
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	13590	21351	34941	0.6911	9990	19028	29018	0.7334	0.0423
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Others (Specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	736155	385676	1121831	22.1879	69884	383353	1082201	27.3529	5.1650
Total Public Shareholding (B)=(B)(1)+ (B)(2)	878343	385676	1264019	25.0001	841036	383353	1224389	30.9467	5.9466
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4670387	385676	5056063	100.0000	3753080	383353	3956433	100.0000	0.0000

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2017]			Shareholding at the end of the year [As on 31/Mar/2018]			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	ASHA DEVI DAGA	870806	17.2230	0.0000	604806	15.2866	0.0000	-1.9364
2	NANDINI DAGA	1026625	20.3048	0.0000	870625	22.0053	0.0000	1.7005
3	Shantanu Daga	56000	1.1076	0.0000	0	0.0000	0.0000	-1.1076
4	YASHWANT KUMAR DAGA	513313	10.1524	0.0000	524313	13.2522	0.0000	3.0998
5	YASHWANT KUMAR DAGA, HUF	250000	4.9446	0.0000	0	0.0000	0.0000	-4.9446
6	PRADIP KUMAR DAGA, HuF	277264	5.4838	0.0000	0	0.0000	0.0000	-5.4838
7	PRADIP KUMAR DAGA	207700	4.1079	0.0000	207700	5.2497	0.0000	1.1418
8	COPLAMA PRODUCTS PRIVATE LIMITED	554531	10.9676	0.0000	524600	13.2594	0.0000	2.2918
9	LONGVIEW TEA COMPANY LTD	35805	0.7082	0.0000	0	0.0000	0.0000	-0.7082
	TOTAL	3792044	74.9999	0.0000	2732044	69.0532	0.0000	-5.9467

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ASHA DEVI DAGA				
	01/04/2017	870806	17.2230		
	02/03/2018 - Transfer	-570806	31.0890	30000	16.3395
	09/03/20178- Transfer	570806	11.2895	870806	17.2230
	16/03/2018-Transfer	-266600	5.2610	604806	11.9620
	31/03/2018	870806	15.2866	870806	15.2866
2	NANDINI DAGA				
	01/04/2017	1026625	15.3207		
	23/06/2017 - Transfer	45000	0.8900	1071625	21.1949
	02/03/2018- - Transfer	-826125	44.7499	250000	13.6163
	09/03/2018 - Transfer	821625	16.2503	1071625	21.1949
	16/03/2018 - Transfer	-201000	3.9745	970625	17.2194
	31/03/2018 - Transfer	1026625	20.3048	1026625	22.0053
3	SHANTANU DAGA				
	01/04/2017	56000	1.1076		
	23/06/2017 - Transfer	-56000	1.1076	0	0.0000
	31/03/2018	0	0	0	0.0000
4	YASHWANT KUMAR DAGA				
	01/04/2017	513313	10.1524		
	23/06/2017- Transfer	11000	0.2176	524313	5.1683
	31/03/2018	524313	13.2522	524313	13.2522
5	YASHWANT KUMAR DAGA, HUF				
	01/04/2017	250000	4.9446		
	16/03/2018- Transfer	-250000	4.9446		
	31/03/2018	0	0.0000	0	0.0000

SI No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/167 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	PRADIP KUMAR DAGA, HUF				
	01/04/2017	277264	5.4838		
	16/03/2018- Transfer	-277261	5.4838		
	31/03/2018	0	0.0000	0	0.0000
7	PRADIP KUMAR DAGA				
	01/04/2017	207770	4.1079		
	31/03/2018	207700	5.2497	207700	5.2497
8	COPLAMA PRODUCTS PRIVATE LIMITED				
	01/04/2017	554531	10.9676		
	02/03/2018	-519531	28.2963	350000	1.9063
	09/03/2018	519531	10.2754	554531	10.9676
	16/03/2018	-29931	0.5920	524600	10...3757
	31/03/2018	524600	13.2594	524600	13.2594
9	LONGVIEW TEA COMPANY LTD				
	01/04/2017	35805	0.7082		
	16/03/2018 - Transfer	-35805	0.7082	0	0.7082
	31/03/2018	0	0.0000	0	0.0000

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

SI No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	JALPAIGURI HOLDINGS PRIVATE LIMITED				
	01/04/2017	618312	12.2291		
	23/02/2018- Transfer	-618312	9109051	0	0.0000
	02/03/2018- Transfer	50000	2.7233	50000	2.7233
	09/03/2018- Transfer	568312	11.2402	618312	12.2291
	31/03/2018	618312	15.6280	618312	15.6280
2	NAVIN AGRO INDUSTRIES LTD.				
	01/04/2017	200525	3.9660		
	31/03/2018	200525	5.0683	200525	5.0683
3	NAVIN UDYOG PROMOTIONS LTD.				
	01/04/2017	162500	3.2140		
	31/03/2018	162500	4.1072	162500	4.1072
4	ICICI BANK LTD				
	01/04/2017	142188	2.8122		
	31/03/2018	142188	3.5958	142188	3.5958
5	IDEAL MOTOR FINANCE PRIVATE LIMITED *				
	01/04/2017	11596	0.2293		
	16/03/2018 - Transfer	-8000	0.1582	3596	0.0711
	31/03/2018	3596	0.0909	3596	0.0909

SI No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	GLOBE STOCKS AND SECURITIES LTD. *				
	01/04/2017	13362	0.2643		
	16/03/2018 - Transfer	-13362	0.2643	0	0.0000
	31/03/2018	0	0.0000	0	0.0000
7	KARIKISH VYAPAAR PRIVATE LIMITED *				
	01/04/2017	10250	0.2027		
	16/03/2018 - Transfer	-5000	0.0989	5250	0.1038
	31/03/2018	5250	0.1327	5250	0.1327
8	KNITWORTH LEAE FINANCE LTD				
	01/04/2017	6236	0.1233		
	31/03/2018	6236	0.1576	6236	0.1576
9	PNC CAPITAL TRUST LTD. *				
	01/04/2017	13362	0.2643		
	31/03/2018	13362	0.3377	13362	0.3377
10	ARIDHI VANIJYA PRIVATE LIMITED				
	01/04/2017	7127	0.1410		
	31/03/2018	7127	0.1801	7127	0.1801
11	BHAWANI FREIGHT AND FORWARDERS PVT LTD				
	01/04/2017	5964	0.1180		
	31/03/2018	5964	0.1507	5964	0.1507
12	PRJ FINANCE PVT.LTD. *				
	01/04/2017	15601	0.0000		
	31/03/2018	15601	0.3943	15601	0.3943
13	RISORGIMENTO INDUSTRIAL COMPANY LIMITED *				
	01/04/2017	13362	0.2643		
	31/03/2018	13362	0.3377	13362	0.3377

(v) Shareholding of Directors and Key Managerial Personnel:

SI No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors					
1	PRADIP KUMAR DAGA				
	01/04/2017	207770	4.1079		
	31/03/2018	207700	5.2497	207700	5.2497
2	YASHWANT KUMAR DAGA				
	01/04/2017	513313	10.1524		
	23/06/2017- Transfer	11000	0.2176	524313	5.1683
	31/03/2018	524313	13.2522	524313	13.2522

SI No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Other Directors				
	01/04/2017	NIL	NIL		
	31/03/2018	NIL	NIL	NIL	NIL
Key Managerial Personnel					
1	Vithal Das Mall				
	01/04/2017	100	0		
	31/03/2018	100	0	100	0
	Other Key Managerial personnel				
	01/04/2017	NIL	NIL		
	31/3/2018	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

₹ Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12991.33	115.54	-	13106.87
ii) Interest due but not paid	43.64	-	-	43.64
iii) Interest accrued but not due	0.37	-	-	0.37
Total (i+ii+iii)	13035.35	115.54	-	13150.88
Change in Indebtedness during the financial year				
• Addition	2451.68	56.89	-	2508.57
• Reduction	-	-	-	-
Net Change	2451.68	56.89	-	2508.57
Indebtedness at the end of the financial year				
i) Principal Amount	15447.95	172.43	-	1560.38
ii) Interest due but not paid	38.54	-	-	38.54
iii) Interest accrued but not due	0.53	-	-	0.53
Total (i+ii+iii)	15487.02	172.43	-	15659.45

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	(₹)
		Yashwant Kumar Daga, VD/JMD
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6240000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	748800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission - as % of profit - others, specify	NIL
5.	Others, please specify	NIL
	Total (A)	6988800
	Ceiling as per the Act	10% of the net profit of the Company computed as per sec 197 and 198 of the Companies Act, 2013

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Anand Prasad Agarwalla	Sujit Chakravorti	Meera Dokania	
1.	Independent Directors	(₹)	(₹)	(₹)	(₹)
	• Fee for attending board committee meetings	66000	58000	62000	186000
	• Commission	275000	275000	275000	825000
	• Others, please specify				
	Total (1)	341000	333000	337000	1011000
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings		NIL		
	• Commission		NIL		
	• Others, please specify		NIL		
	Total (2)		NIL		
	Total (B) = (1 + 2)	341000	333000	337000	1011000
	Total Managerial Remuneration	341000	333000	337000	1011000
	Overall Ceiling as per the Act	1% of the net profits of the Company computed under section 197 and 198 of the Companies Act, 2013 excluding Sitting fees within the prescribed ceiling under section 197(5) of the Companies Act, 2013.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (₹)		
		Company Secretary Vithal Das Mall	CFO Manish Khanna	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	540000	770000	1310000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	110000	777334	887334
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	- as % of profit			
	- others, specify...			
5.	Others, please specify	NIL	NIL	NIL
	Total	650000	1547334	8197334

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable
B. DIRECTORS					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable

INDEPENDENT AUDITORS' REPORT

To the Members of DEEPAK INDUSTRIES LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Deepak Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 notes for the year ended on that date (hereinafter referred as "Ind AS financial statements").

Management's Responsibility for the Ind AS financial statements

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

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

Auditors' Responsibility

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

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

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

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

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

Opinion

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

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rule, 2006 audited by predecessor auditor, M/s. Singhi & Co., whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May, 2017 and 28th May, 2016 respectively who expressed unmodified opinion on those financial statements, as adjusted for the company on transition to the Ind AS, which have been audited by us. Reliance has been placed by us on the said financial statements and the report issued thereupon for the purpose of this financial statements and the report issued by us.

Our opinion is not modified in respect of this matter.

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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows comply with the Indian Accounting Standard specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". and
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our 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 Ind AS financial statements – refer Note no. 38 of the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.:301051E
H K Verma
Partner
Membership No: 055104

Place: Kolkata
Date: May 30, 2018

“Annexure A” to the Independent Auditor’s Report of even date:

The Statement referred to in paragraph 1 with the heading ‘Report on other legal and regulatory requirements’ of our Report of even date to the members of Deepak Industries Limited on the Ind AS financial statements of the Company for the year ended 31st March 2018, we report that:

- i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. There is a phased programme of verification of such assets, based on which physical verification of fixed assets is being carried out by the management. Discrepancies in respect of fixed assets verified during the year were not material.
 - c. Based on verification of title deeds produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds of immovable properties are held in the name of the company.
- ii) As explained to us, inventories have been physically verified during the year at reasonable interval by the management. As far as ascertained, discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with in the books of account.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Act. Hence clause 3(iii) of the Order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. The Company has neither issued any guarantee, given any loan nor has provided any security on behalf of any party. Further according to the information and explanations given to us, the company has not entered into any transactions as referred to in section 185 of the Act.
- v) The Company has not accepted any deposits. Consequently, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company’s products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii)
 - a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, goods and services tax, customs duty , excise duty, value added tax, cess, Goods and services tax and any other material statutory dues as applicable to it with the appropriate authorities. However, according to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2018 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, custom duty, excise duty , and Value added Tax, if any, as at March 31, 2018, not deposited on account of any dispute are as follows:

(₹ In Lakhs)

Name of the Statute	Nature of Dues	Amount	Forum Where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2000-01)	35.72	Revision pending before Kolkata High Court
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2001-02)	106.19	Pending before Kolkata High Court (State matter settled under SOD Scheme)
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2002-03)	38.46	Revision pending before Tribunal & High Court
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2005-06)	56.46	Pending before Kolkata High Court
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2006-07)	63.57	Revision pending before Revision Board (State matter settled under SOD Scheme)
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2010-11)	21.33	Revision pending before Revision Board

Name of the Statute	Nature of Dues	Amount	Forum Where dispute is Pending
Central Sales Tax Act, 1956	Central Sales Tax (F.Y 2011-12)	30.75	Revision pending before Revision Board
Central Sales Tax Act, 1956	Central Sales Tax (F.Y.2012-13)	20.88	Revision pending before Revision Board
Central Sales Tax Act, 1956	Central Sales Tax (F.Y.2014-15)	90.75	Revision pending before Revision Board
W.B. Sales Tax Act, 1944	W.B. Sales Tax (F.Y 2002-03)	27.76	Revision pending before Tribunal & High Court
W.B. Sales Tax Act, 1944	W.B. Sales Tax(F.Y. 2010-11)	0.89	Revision pending before Revision Board
W.B. Sales Tax Act, 1944	W.B. Sales Tax(F.Y.2011-12)	3.42	Revision pending before Revision Board
Central Excise Act, 1944(Rule 14 of CENVAT Credit Rule)	CENVAT for Service Tax on Rent (F.Y. 2009-10)	4.19	Punjab and Haryana High Court, Chandigarh
Income Tax Act, 1961	Income Tax	6.40	Commissioner of Income Tax VI (Appeals)/ Kolkata.
Income Tax Act, 1961	Income Tax (Assessment Year 2013-14)	0.26	Commissioner of Income Tax VI (Appeals)/ Kolkata..
Income Tax Act, 1961	Income Tax (Assessment Year 2016-17)	41.44	Commissioner of Income Tax (Appeals)2/ Kolkata..

- viii) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and governments. As explained, the company does not have any loan or borrowings from any financial institution or any dues to debenture holders.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees nor have we been informed of any such cases by the management.
- xi) 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 of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) 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 as required by the applicable accounting standards.
- xiv) 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.
- xv) 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 them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, 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's ICAI Registration No.:301051E
H K Verma
Partner
Membership No: 055104

Place: Kolkata
Date: May 30, 2018

“Annexure B” referred to in our report of even date

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

We have audited the internal financial controls over financial reporting of Deepak Industries Limited (“the Company”) as at March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place: Kolkata
Date: May 30, 2018

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.:301051E
H K Verma
Partner
Membership No: 055104

BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount ₹ In lakhs)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	5	13,913.10	14,341.43	14,547.23
(b) Capital work-in-progress		455.37	157.53	596.82
(c) Intangible Assets	6	98.76	75.62	75.13
(d) Financial Assets				
(i) Investments	7	91.04	82.19	74.19
(ii) Other Financial Assets	8	109.33	102.69	93.15
(e) Other non-current assets	9	1,553.29	1,026.97	1,487.67
Total Non Current Assets		16,220.89	15,786.43	16,874.19
(2) Current assets				
(a) Inventories	10	6,909.30	6,487.49	6,504.03
(b) Financial Assets				
(i) Trade receivables	11	9,505.34	7,430.02	7,187.20
(ii) Cash and cash equivalents	12	195.32	6,690.64	5,354.12
(iii) Other Bank Balances	13	14,307.02	6,206.05	2,902.98
(iv) Other financial assets	14	629.34	744.59	641.73
(c) Other current assets	15	605.81	742.62	983.33
Total Current Assets		32,152.13	28,301.41	23,573.39
Total Assets		48,373.02	44,087.84	40,447.58
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	16	395.64	505.61	505.61
(b) Other Equity	17	21,867.69	21,933.52	20,171.18
Total Equity		22,263.33	22,439.13	20,676.79
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	3,060.30	4,155.95	3,954.55
(ii) Other financial liabilities	19	433.13	442.95	446.82
(b) Provisions	20	164.55	152.13	108.27
(c) Deferred Tax Liabilities (Net)	21	1,082.79	935.12	714.26
(d) Other Non-current Liabilities	22	1.83	3.14	3.56
Total Non Current Liabilities		4,742.60	5,689.29	5,227.46
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	11,446.37	8,006.53	6,842.20
(ii) Trade payables	24	5,407.90	4,411.82	4,189.75
(iii) Other financial liabilities	25	1,748.32	1,546.95	1,772.25
(b) Other current liabilities	26	2,491.72	1,822.65	1,646.79
(c) Provisions	27	272.78	171.47	92.34
Total Current Liabilities		21,367.09	15,959.42	14,543.33
Total Liabilities		26,109.69	21,648.71	19,770.79
Total Equity and Liabilities		48,373.02	44,087.84	40,447.58

Summary of significant accounting policies 1
Notes on Financial Statements 2-48

These notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For **Lodha & Co**

Chartered Accountants
Firm Regn No. 301051E

P K Daga (DIN: 00040692)
Chairman-Cum-Managing Director

Y K Daga (DIN: 00040632)
Vice Chairman-Cum-Joint Managing Director

H K Verma
Partner
Membership No. 055104

S Chakravorti
(DIN: 00066344)
(DIRECTOR)

A P Agarwalla
(DIN: 00312652)
(DIRECTOR)

Meera Dokania
(DIN: 07094376)
(DIRECTOR)

Kolkata
May 30, 2018

Maneesh Khanna
Chief Financial Officer

V D Mall
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount ₹ In lakhs)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue From Operations	28	41,232.78	36,211.04
Other Income	29	1,635.07	1,367.47
Total income		42,867.85	37,578.51
EXPENSES			
Cost of Materials consumed	30	18,082.01	14,142.75
Changes in Inventories of finished goods, Stock-in-Trade and work-in progress	31	(497.64)	24.03
Employee benefits expense	32	5,235.18	4,701.31
Finance costs	33	1,118.45	1,240.13
Depreciation and amortisation expense	5 & 6	2,235.63	2,173.59
Other expenses	34	11,639.45	12,748.06
Total expenses		37,813.08	35,029.87
Profit before tax		5,054.77	2,548.64
Tax expense:			
(1) Current tax	37	1,624.74	543.44
(2) Deferred tax	37.1	164.73	228.47
Profit for the year		3,265.30	1,776.73
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(49.30)	(22.00)
(ii) Income tax relating to items that will not be reclassified to profit or loss	37.3	17.06	7.61
Other Comprehensive Income for the year (net of tax)	37.4	(32.24)	(14.39)
Total Comprehensive Income for the year		3,233.06	1,762.34
Earnings per equity share of par value of ₹ 10 each.	42		
(1) Basic (₹)		82.53	35.14
(2) Diluted (₹)		82.53	35.14
Summary of significant accounting policies	1		
Notes on Financial Statements	2-48		

These notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Regn No. 301051E

P K Daga (DIN: 00040692)
Chairman-Cum-Managing Director

Y K Daga (DIN: 00040632)
Vice Chairman-Cum-Joint Managing Director

H K Verma
Partner
Membership No. 055104
Kolkata
May 30, 2018

S Chakravorti
(DIN: 00066344)
(DIRECTOR)
Maneesh Khanna
Chief Financial Officer

A P Agarwalla
(DIN: 00312652)
(DIRECTOR)
V D Mall
Company Secretary

Meera Dokania
(DIN: 07094376)
(DIRECTOR)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) Equity Share Capital

Particulars	Note No.	(Amount ₹ in lakhs)
Balance as at April 1,2016		505.61
Changes during the year		-
Balance as at March 31,2017		505.61
Changes during the year	16.2.1	(109.97)
Balance as at March 31,2018		395.64

(B) Other Equity

Particulars	Reserves and Surplus			Total (Amount ₹ in lakhs)
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	
Balance as at 01.04.2016	35.36	24.20	20111.62	20171.18
Profit for the year			1,776.73	1,776.73
Other Comprehensive Income for the year arising from Re-measurement of defined benefit obligation (net of income tax)			(14.39)	(14.39)
Balance As at 31.03.2017	35.36	24.20	21873.96	21933.52
Utilisation for buy back of equity shares (Refer Note No. 16.2.1)			(3,298.89)	(3,298.89)
Transferred to Capital Redemption Reserve (Refer Note No. 16.2.1)		109.97	(109.97)	-
Profit for the year			3,265.30	3,265.30
Other Comprehensive Income for the year arising from Re-measurement of defined benefit obligation (net of income tax)			(32.24)	(32.24)
Balance As at 31.03.2018	35.36	134.17	21698.16	21867.89

Refer Note no. 17 for nature and purpose of reserves

Summary of significant accounting policies 1

Notes on Financial Statements 2-48

These notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Regn No. 301051E

P K Daga (DIN: 00040692)
Chairman-Cum-Managing Director

Y K Daga (DIN: 00040632)
Vice Chairman-Cum-Joint Managing Director

H K Verma
Partner
Membership No. 055104

S Chakravorti
(DIN: 00066344)
(DIRECTOR)

A P Agarwalla
(DIN: 00312652)
(DIRECTOR)

Meera Dokania
(DIN: 07094376)
(DIRECTOR)

Kolkata
May 30, 2018

Maneesh Khanna
Chief Financial Officer

V D Mall
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount ₹ In lakhs)

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT/(LOSS)BEFORE TAX		5,054.77		2,548.64
ADJUSTMENTS FOR -				
Depreciation	2,235.63		2,173.59	
(Profit)/Loss on sale/ discard of Property, Plant and Equipment	(152.03)		(18.08)	
Liabilities no longer required written back	(117.60)		(6.37)	
Bad Debts	-		2.58	
Finance costs	1,118.45		1,240.13	
Amortisation of Deferred financial instruments	46.74		46.52	
		3,131.19		3,438.37
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		8,185.96		5,987.01
ADJUSTMENTS FOR -				
Trade and other receivables	(2,075.32)		(245.40)	
Inventories	(421.81)		16.54	
Loans and advances	(331.93)		470.52	
Trade Payables and other liabilities	1,809.36	(1,019.70)	535.22	776.88
CASH GENERATED FROM OPERATIONS		7,166.26		6,763.89
Direct Taxes Paid		(1,629.30)		(479.48)
NET CASH FLOW FROM OPERATING ACTIVITIES		5,536.96		6,284.41
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Deposits with Bank (original maturity more than three months)	(8,100.97)		(3,303.07)	
Purchase of Property, Plant and Equipment	(2,104.71)		(1,586.80)	
Sale of Property, Plant and Equipment	186.48	(10,019.20)	20.17	(4,869.70)
NET CASH USED IN INVESTING ACTIVITIES		(10,019.20)		(4,869.70)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest Paid	(1,123.39)		(1,261.43)	
Payment for Buy back of Equity Shares	(3,408.85)		-	
Proceeds from Long Term Borrowings from Bank	-		1,123.00	
Repayment of Long term Borrowings from Bank	(897.54)		(1,080.96)	
Repayment of Sales Tax Deferment Loan	(23.11)		(23.13)	
Proceeds from Short Term Borrowings from Bank	3,359.84		1,164.33	
Proceeds from Short Term Borrowings from Bodies Corporate	80.00		-	
		(2,013.05)		(78.19)
NET CASH USED IN FINANCING ACTIVITIES		(2,013.05)		(78.19)
Net Increase in CASH & CASH EQUIVALENTS (A+B+C)		(6,495.29)		1,336.52
Cash & Cash Equivalents as at beginning of the Year		6,690.64		5,354.12
Cash & Cash Equivalents as at the end of the year (Refer Note 12)		195.32		6,690.64

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(Amount ₹ In lakhs)

Reconciliation of Liabilities arising from Financing activities

Particulars	As at 31st March 2017	Proceeds raised/ Adjustments	Repayment/ adjustments	As at 31st March 2018
Long Term Borrowings from Bank	4,964.98	-	(897.54)	4,067.44
Sales Tax Deferment Loan	115.54	-	(23.11)	92.43
Long Term maturities of finance lease	1.74	-	-	1.74
Short Term Borrowings from Bank	8,006.53	3,359.84	-	11,366.37
Short Term Borrowings from Bodies Corporate	-	80.00	-	80.00
Total	13,088.79	3,439.84	(920.65)	15,607.98

Summary of significant accounting policies 1

Notes on Financial Statements 2-48

These notes are an integral part of the Financial Statements.

Notes :

- 1) The above Cash Flow Statement has been compiled/prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants

Firm Regn No. 301051E

H K Verma

Partner

Membership No. 055104

Kolkata

May 30, 2018

P K Daga (DIN: 00040692)

Chairman-Cum-Managing Director

S Chakravorti

(DIN: 00066344)

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Chief Financial Officer

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A P Agarwalla

(DIN: 00312652)

(DIRECTOR)

V D Mall

Company Secretary

Meera Dokania

(DIN: 07094376)

(DIRECTOR)

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

1 Corporate Information

Deepak Industries Limited ('the company') is a public limited company incorporated and domiciled in India having its registered office in Kolkata in the State of West Bengal. The company is engaged in the business of manufacturing and selling of Industrial and Automobile gears of various capacities and generation of solar power. The Company's shares are listed on The Calcutta Stock Exchange Limited.

2 Statement of compliance and Recent Pronouncement

2.1 Statement of compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore IND ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period's figures in the Financial Statements have been recasted/restated to make it comparable with current year's figures.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented in Note No. 46 a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No. 46 of the financial statement.

2.2 Recent Pronouncements

Standards issued but not yet effective:

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards/ Ind AS) Amendment Rules, 2018 on March 28, 2018, whereby Ind AS-115 relating to "Revenue from Contracts with Customers" and Appendix B to Ind AS 21 relating to "Foreign Currency Transactions and advance considerations" has been made applicable from financial year 2018-19 (i.e. April 1, 2018 onwards).

Ind AS-115 - Revenue from Contracts with Customers

The Standard replaces the existing Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". Ind AS 115 establishes the principles that an entity shall apply to recognize revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and to disclose useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Ind AS 21 – Appendix B - Foreign currency transactions and advance consideration

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

The Company is evaluating the requirements of the above standards and its effect on the Financial Statements.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

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

Fair Value Measurement

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

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements and regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

3.2 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Interest on Borrowings utilised to finance the construction of qualifying assets are capitalised as part of cost of the asset until such time that the asset is ready for its intended use.

Parts of an item of Property, Plant and Equipment having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period of more than twelve months and meet the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of servicing and repairs and maintenance of property, plant and equipment are recognised in the statement of profit and loss when incurred.

Capital work in progress includes purchase price, import duty and any directly attributable cost of bringing the assets to their working condition, trial run expenses and interest attributable up to the date of installation. Such items are classified to the appropriate categories of Property, Plant and Equipment when gets completed and are ready for intended use.

Depreciation and Amortization

Depreciation on Property, Plant and equipment commences when the assets are ready for their intended use.

Depreciation on Property, Plant and Equipment is provided as per the useful life specified under Schedule II of the Companies Act, 2013 on straight line method except at Rudrapur unit where depreciation is provided on written down value method. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

Leasehold Land held under finance lease are depreciated over their lease terms.

No depreciation is charged on Freehold land.

The estimated useful life of the tangible assets considered for providing depreciation are as follows:

Catogory	Useful Life in years
Factory Buildings	30
Other than factory Building	60
Plant and Equipment	15
Furniture and Fittings	10
Motor Vehicles	8-10
Office Equipment	5

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages are amortized over a period of 5 years on a straight line basis.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible and Intangible assets

An item of Property, Plant and Equipment and Other Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial Assets and Financial Liabilities

Financial Assets and Financial Liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial Liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

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

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business 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 dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the Financial instruments or, where appropriate, a shorter period.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which do not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

(vi) Impairment of financial assets

A financial asset is assessed for impairment at each Balance Sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(vii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.8 Inventories

Inventories are valued at lower of the cost or estimated net realisable value. Cost of Inventories is ascertained on weighted average/FIFO basis. Materials and other supplies held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

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

Inventories of scrap are valued at their respective net realisable value.

3.9 Foreign Currency Transactions

Presentation currency

These financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the company.

Transactions and Balances:

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss.

3.10 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.12 Employee Benefits

Short term Employee benefits are accrued in the year services are rendered by the employees.

Provident and Family Pension Fund: In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme the Central Government/Trust at a determined rate. The Company's contribution is charged off to the Statement of Profit and Loss.

Gratuity: Employee benefits under defined benefit plans are determined at the close of each year at the present value of the amount payable by actuarial valuation techniques using the projected unit credit method. Contributions under the scheme for defined benefit under the Payment of Gratuity Act, 1972, is determined on the basis of actuarial valuation and are funded to Deepak Industries Gratuity Fund and are recognized as year's expenditure. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Remeasurements are not classified to the statement of Profit and Loss in subsequent periods. Other costs are recognized in the Statement of Profit or Loss. Bifurcation of liabilities into Current and Non current are done based on actuarial valuation report.

Leave Encashment Benefits: Leave encashment benefits are payable to employees while in service, retirement and on death while in service or on termination of employment. With respect to accumulated leaves outstanding at the year-end, liability for leave are accounted for on the basis of actuarial valuation at the balance sheet date. The present value of such obligation is determined by the projected unit credit method as at the Balance Sheet date through which the obligations are settled. The resultant actuarial gains or losses on change in present value of defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss. Bifurcation of liabilities into Current and Non-current are done based on actuarial valuation report.

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

3.13 Revenue

Sale of goods :

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes and duties collected on behalf of third parties and is inclusive of taxes and duties which the company pays as principal.

Sale of electricity is accounted for on delivery of electricity to grid/ Customers .

Interest, Dividend and Claims :

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted for as and when admitted or realised. Interest on overdue bills are accounted for on certainty of realisation.

Export Benefits :

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate realisability of such benefits are established.

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets.

A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.15 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

3.16 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.17 Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

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

4 Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Depreciation / Amortization and Impairment on Property, Plant and Equipment / Intangible assets.

Property, Plant and Equipment and Intangible assets are depreciated/ amortized on Straight Line Basis/Written Down Value Basis over the estimated useful lives (or lease term, if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

4.2 Arrangements containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.3 Impairment allowances on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

4.5 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.6 Provisions and Contingencies

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 and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

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

(Amount ₹ In lakhs)

5 Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land (also Refer Note No. 35)	Factory Building	Plant and Equip-ment	Furni-ture and Fixtures	Vehicles (also Refer Note No. 5.3)	Office Equip-ment	Total
(A) Gross Carrying Value/Deemed Cost								
As at April 1, 2016	1,994.51	119.24	1,111.03	11,081.98	58.93	127.35	54.19	14,547.23
Addition	-	-	-	1,826.56	4.65	23.36	53.62	1,908.19
Other Adjustments (Refer Note 5.5)	-	-	-	41.15	-	-	-	41.15
Disposals/Adjustments	-	-	-	5.92	-	1.07	-	6.99
As at March 31, 2017	1,994.51	119.24	1,111.03	12,943.77	63.58	149.64	107.81	16,489.58
Addition	-	-	-	1,700.23	3.20	37.94	63.91	1,805.28
Disposals/Adjustments	-	-	-	102.07	-	4.79	-	106.86
As at March 31, 2018	1,994.51	119.24	1,111.03	14,541.93	66.78	182.79	171.72	18,188.00
(B) Accumulated Depreciation								
As at April 1, 2016	-	-	-	-	-	-	-	-
Charge for the period	-	1.49	56.75	2,035.28	9.96	24.18	25.39	2,153.05
Disposals/Adjustments	-	-	-	4.55	-	0.35	-	4.90
As at March 31, 2017	-	1.49	56.75	2,030.73	9.96	23.83	25.39	2,148.15
Charge for the period	-	1.49	54.15	2,079.35	9.19	25.09	29.89	2,199.16
Disposals/Adjustments	-	-	-	71.08	-	1.33	-	72.41
As at March 31, 2018	-	2.98	110.90	4,039.00	19.15	47.59	55.28	4,274.90
(C) Net Carrying Amount (A-B)								
As at April 1, 2016 (Deemed Cost)	1,994.51	119.24	1,111.03	11,081.98	58.93	127.35	54.19	14,547.23
As at March 31, 2017	1,994.51	117.75	1,054.28	10,913.04	53.62	125.81	82.42	14,341.43
As at March 31, 2018	1,994.51	116.26	1,000.13	10,502.93	47.63	135.20	116.44	13,913.10

Note

- 5.1 The Gross block as on the transition date i.e. April 1, 2016 given herein above represents previous GAAP written down value of Property, plant and Equipment (other than leasehold land) considered as "Deemed Costs" as per the provision of Ind AS 101 "First Time Adoption of Indian Accounting Standards". In case of Leasehold Land the Company has recognized the present value of minimum lease payment to the carrying value of leasehold land. Further the written down value of previous GAAP includes ₹ 77.42 Lakhs (March 31, 2017: ₹ 77.42 Lakhs and April 1, 2016: ₹ 77.42 Lakhs) on account of revaluation of assets carried out in earlier years.- Refer Note No. 46(c)(i)
- 5.2 Depreciation with respect to Leasehold Land represent proportionate amount of leasehold land amortised over the period of lease.
- 5.3 Includes ₹ 132.49 Lakhs (March 31, 2017: ₹ 122.13 lakhs and April 1, 2016 ₹ 101.69 lakhs) acquired on Hire Purchase basis and under continued hire purchase agreement. Present liability for the same is ₹ 61.55 Lakhs (March 31, 2017: ₹ 63.05 lakhs and April 1, 2016 ₹ 64.14 lakhs) out of which ₹ 28.70 Lakhs (March 31, 2017: ₹ 20.39 lakhs and April 1, 2016 ₹ 17.61 lakhs) is payable within one year.
- 5.4 Refer Note No. 18.1 and 23.1 to financial statement in respect of charge created against borrowings
- 5.5 Represents Borrowing costs capitalised during the year ₹ Nil (March 31, 2017 ₹ 41.15 Lakhs and April 1, 2016 ₹ 16.80 Lakhs)

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

(Amount ₹ In lakhs)

6 Intangible Assets

Particulars	Computer Software	Total
(A) Gross carrying value/Deemed Cost		
As at 1st April 2016	75.13	75.13
Addition	21.03	21.03
Disposals/Adjustments	-	-
As at March 31, 2017	96.16	96.16
Addition	59.61	59.61
Disposals/Adjustments	-	-
As at March 31, 2018	155.77	155.77
(B) Accumulated Amortisation		
As at 1st April 2016	-	-
Charge for the period	20.54	20.54
Disposals/Adjustments	-	-
As at March 31, 2017	20.54	20.54
Charge for the period	36.47	36.47
Disposals/Adjustments	-	-
As at March 31, 2018	57.01	57.01
(C) Net Block (A-B)		
As at 1st April 2016 (Deemed Cost)	75.13	75.13
As at 31st March 2017	75.62	75.62
As at 31st March 2018	98.76	98.76

Note:

6.1 The Gross block as on the transition date i.e. April 1, 2016 given herein above represents previous GAAP written down value of Intangible Asset considered as "Deemed Costs" as per the provision of Ind AS 101 "First Time Adoption of Indian Accounting Standards".

7. Non-current Investment

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment designated at Amortised Cost				
Unquoted Non-Convertible Non-cumulative Redeemable Preference Instruments				
5000000 Nos (March 31, 2017: 5000000 Nos and April 1, 2016: 5000000 Nos) 3% Redeemable Preference Share of ₹ 10/- each fully paid up of M/s. Bruva Hydrowatt Private Limited		91.04	82.19	74.19
		91.04	82.19	74.19
7.1 Aggregate amount of unquoted Investment		91.04	82.19	74.19

7.2 These Preference shares will have the maximum term of 20 years from the date of allotment. However, these shares can be redeemed earlier at the option of the Company but not before 3 years from the date of allotment.

7.3 Refer Note 45 for information about Fair Value Measurement.

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

(Amount ₹ In lakhs)

8. Other Non Current Financial Assets

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At Amortised Cost				
Unsecured				
Security Deposits				
Considered Good		109.33	102.69	93.15
Considered Doubtful		1.41	1.41	1.41
Less : Impairment allowances for doubtful deposits	8.1	1.41	1.41	1.41
		109.33	102.69	93.15

8.1 Movement of Impairment allowances for doubtful deposits

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance as at the beginning of the year		1.41	1.41	1.41
Recognised/Reversed during the year		-	-	-
Balance at the end of the year		1.41	1.41	1.41

9. Other Non-current Assets

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advance		1,005.55	462.90	837.07
Advance Tax including Tax Deducted at Source (Net of provisions)		181.56	177.01	240.97
Balances with Government Authorities		1.56	-	-
Deferred loss on fair valuation of financial instruments	45	364.62	387.06	409.63
		1,553.29	1,026.97	1,487.67

10. Inventories (Valued at lower of cost or Net Realisable Value)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	10.1	2,839.41	3,005.79	3,192.38
Work in Progress	10.3	1,237.24	950.11	1,104.12
Finished Goods	10.3	1,509.80	1,298.39	1,167.50
Stores and Spares		1,320.90	1,230.35	1,036.27
Scraps		1.95	2.85	3.76
		6,909.30	6,487.49	6,504.03

Notes:

- 10.1 includes goods-in-transit ₹ 16.59 lakhs (March 31, 2017 : ₹ 9.78 lakhs and April 1, 2016 : ₹ 2.31 lakhs)
- 10.2 Cost of inventory recognised as expense during the year amounted to ₹ 33660.12 Lakhs(March 31,2017- ₹28282.93 Lakhs).

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

(Amount ₹ In lakhs)

10.3 Details of inventories

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Finished Goods				
Tractor and Automobile Gear/Parts		645.34	385.08	371.99
Spur Helical, Double Helical and Bevel Reduction Gear Boxes		545.87	650.53	506.33
Rear Axles and Spline Shaft for Tractor and Automobile		150.16	134.16	158.58
Worm Reduction Gear		122.43	76.30	82.62
Geared Motors/Coupling		36.73	38.89	31.56
Others		9.27	13.43	16.42
Total		1,509.80	1,298.39	1,167.50
B. Work-in-Progress				
Tractor and Automobile Gear/Parts		572.59	370.14	488.69
Spur Helical, Double Helical and Bevel Reduction Gear Boxes		264.41	244.09	250.15
Rear Axles and Spline Shaft for Tractor and Automobile		184.51	186.79	188.73
Worm Reduction Gear		66.93	62.94	70.42
Geared Motors/Coupling		4.85	4.19	0.34
Others		143.95	81.96	105.79
Total		1,237.24	950.11	1,104.12

10.4 Refer Note No. 18.1 and 23.1 to financial statement in respect of charge created on inventories against borrowings.

11. Current- Trade Receivables

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured				
Considered good		9,505.34	7,430.02	7,187.20
Considered doubtful		153.13	153.13	153.13
Less : Impairment allowances for doubtful receivables	11.2	153.13	153.13	153.13
		9,505.34	7,430.02	7,187.20

11.1 Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days. The ageing of receivables are as follows:

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within Credit Period		6,643.45	4,570.84	3,228.29
1-180 days past due		1,507.74	1,746.60	2,817.89
More than 180 days past due		1,507.28	1,265.71	1,294.15
Total		9,658.47	7,583.15	7,340.33

11.2 Movement of Impairment allowances for doubtful debts

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance as at the beginning of the year		153.13	153.13	153.13
Recognised/Reversed during the year		-	-	-
Balance at the end of the year		153.13	153.13	153.13

11.3 Refer Note No. 18.1 and 23.1 to financial statement in respect of charge created on trade receivable against borrowings.

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

(Amount ₹ In lakhs)

12. Cash and Cash Equivalents

(As certified by the management)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks				
In current account	12.1	34.99	481.77	245.24
In Dividend account		145.77	-	-
In Fixed Deposits (having original maturity of less than 3 months)		-	6,199.38	5,096.29
Cash on hand		14.56	9.49	12.59
		195.32	6,690.64	5,354.12

12.1 Represents amount credited by Bank during the year with respect to cancelled/unencashed demand draft issued to shareholders for payment of dividend declared in earlier years.

13. Other Bank Balances

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposits with Banks(having original maturity of more than 3 months)	13.1	14,307.02	6,206.05	2,902.98
		14,307.02	6,206.05	2,902.98

Note:

13.1 includes amount kept as lien against:

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings		3,200.00	-	-
Bank Guarantee/Letter of credit		4.46	3.68	7.71
Sales Tax/ VAT Authorities		0.50	0.50	0.50

14. Current- Other Financial Assets

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At Amortised cost				
Unsecured, considered good				
Interest accrued on deposits		562.00	706.96	600.93
Duty Drawback Receivable		-	1.71	0.96
Security Deposit		45.19	30.43	32.53
Advance to Employees		22.15	5.49	7.31
		629.34	744.59	641.73

Note:

15. Other Current Assets

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances against goods and services		434.67	128.85	412.84
Balances with government authorities		130.66	564.91	540.55
Prepaid expenses		40.48	48.86	29.94
		605.81	742.62	983.33

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

(Amount ₹ In lakhs)

16. Equity Share Capital

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised				
5300000 Equity Shares of ₹ 10/- each (March 31, 2017: 5300000 and April 1, 2016: 5300000)		530.00	530.00	530.00
20000 Redeemable Cumulative Preference Shares of ₹100/- each (March 31, 2017: 20000 and April 1, 2016: 20000)		20.00	20.00	20.00
Issued, Subscribed and Paid-up:				
3956433 Equity Shares of ₹ 10/- each (March 31, 2017: 5056063 and April 1, 2016: 5056063)		395.64	505.61	505.61
		395.64	505.61	505.61

Note:

16.1 The Company has only one class of issued shares i.e. Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

16.2 The reconciliation of the number of shares and the amount of share capital outstanding:

Particulars	Note No.	Number of shares held	Share Capital (Amount ₹ In lakhs)
Balance as at April 1, 2016		50,56,063	505.61
Changes during the year		-	-
Balance as at March 31, 2017		50,56,063	505.61
Buyback of shares during the year	16.2.1	(10,99,630)	(109.97)
Balance as at March 31, 2018		39,56,433	395.64

16.2.1 The Board of Directors of the Company at its meeting held on 3rd November 2017 approved buy-back of upto 1100000 equity shares of the Company, through the "Tender Offer" route using the Stock Exchange Mechanism, for an aggregate amount of upto ₹ 3410 Lakhs (being 15.18% of the total Paid-up Equity Share Capital and Free Reserves of the Company as on 31st March, 2017), at a price of ₹ 310/- per Equity Share on a proportionate basis in accordance with the provisions of Companies Act, 2013 (as amended), rules made thereunder, the SEBI (Buy Back of Securities) Regulations, 1998 and other applicable circulars, clarifications and notifications. The settlement in respect of shares bought back have been completed on 16th March, 2018. Formalities pertaining to extinguishment of the shares bought back have been completed on 19th March, 2018.

Consequent to the said buy-back, the equity share capital has been reduced by ₹ 109.97 Lakhs and Capital Redemption Reserve of an equivalent amount has therefore been created.

16.3 The Company does not have any Holding Company/ultimate Holding Company.

16.4 Details of Shareholders holding more than 5% equity shares:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Nandini Daga	8,70,625	10,26,625	7,74,625
Jalpaiguri Holdings Private Limited	6,18,312	6,18,312	6,18,312
Asha Devi Daga	6,04,806	8,70,806	8,70,806
Coplama Products Private Limited	5,24,600	5,54,531	5,54,531
Yashwant Kumar Daga	5,24,313	7,63,313	5,66,088
Pradip Kumar Daga	2,07,700	4,84,964	4,84,964
Navin Agro Industries Limited	2,00,525	2,00,525	2,00,525

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

(Amount ₹ In lakhs)

17. Other Equity

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve	17.2	35.36	35.36	35.36
Capital Redemption Reserve	17.3	134.17	24.20	24.20
Retained earnings	17.4	21,698.16	21,873.96	20,111.62
		21,867.69	21,933.52	20,171.18

Note

17.1 Refer Statement of Changes in Equity for movement in balances of reserve.

17.2 Capital Reserve represents Government Grant received in earlier years.

17.3 Capital Redemption Reserve is created consequent to buy back of equity shares. This reserve shall be utilised in accordance with the provisions of the Act.

17.4 Retained Earnings

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the company and includes remeasurement gain/losses on defined benefit obligations. This includes ₹ 77.42 Lakhs (March 31, 2017: ₹ 77.42 Lakhs and April 1, 2016 : ₹ 77.42 Lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipment being measured at fair value in earlier years.

18. Borrowings

Particulars	Note No.	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Non Current	Current	Non Current	Current	Non Current	Current
At Amortised Cost							
Secured							
Term Loan							
From Banks	18.1	2,989.24	1,078.20	4,061.78	903.20	3,837.27	1,085.70
Unsecured							
Sales Tax soft loan	18.2	69.32	23.11	92.43	23.11	115.54	23.11
Finance Lease Obligation							
Liability for Lease	18.3	1.74	-	1.74	-	1.74	-
		3,060.30	1,101.31	4,155.95	926.31	3,954.55	1,108.81

18.1 Term loan / Corporate Loan is secured by way of 1st hypothecation charge of plant and machinery ,freehold Industrial property ,building and Factory shed and movable fixed assets of the company and is collaterally secured by 2nd hypothecation charge on current assets of the company. Rate of interest being 1.50% to 1.75% above base rate and is repayable at unamortised cost as follows:

Financial Year	Amount ₹ In lakhs
2018-2019	1,078.20
2019-2020	793.20
2020-2021	1,003.20
2021-2022	804.00
2022-2023	403.00
Total	4,081.60

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

(Amount ₹ In lakhs)

18.2 Unsecured Sales tax soft loan at unamortised cost outstanding as on March 31, 2018 carries interest rate 9.25% with a rebate of 2% on timely repayment and is repayable as follows::

Financial Year	Amount ₹ In lakhs
2018-2019	23.11
2019-2020	23.11
2020-2021	23.11
2021-2022	23.10
Total	92.43

18.3 As per the lease agreement, the Company is required to pay annual lease rental of ₹ 0.19 Lakhs till the lease period which is 90 years and contains renewal option. The finance lease obligation represents the present value of annualized lease payment over the lease period amounting to ₹ 1.74 lakhs.

19. Other Non-Current Financial Liabilities

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At Amortised Cost				
External Development Charges		400.28	400.29	400.29
Hire Purchase/lease Finance Liability		32.85	42.66	46.53
		433.13	442.95	446.82

20. Non Current Provision

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	44	164.55	152.13	108.27
		164.55	152.13	108.27

21. DEFERRED TAX LIABILITIES

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets		177.81	458.68	905.97
Deferred tax liabilities		1,260.60	1,393.80	1,620.23
Net Deferred Tax Assets/(Liabilities)		(1,082.79)	(935.12)	(714.26)

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

(Amount ₹ In lakhs)

21.1 Components of Deferred tax Assets/ (Liabilities) as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in P/L	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2018
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	(6.29)	7.40		(13.69)
Expense allowed on payment basis	189.47	(2.03)	-	191.50
MAT Credit Entitlement	275.50	275.50	-	-
Total Deferred Tax Assets	458.68	280.87	-	177.81
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant & Equipment and Intangible assets	1,374.96	(115.69)	-	1,259.27
Remeasurement of defined benefit obligations	17.68	-	(17.06)	0.62
Others	1.16	(0.45)		0.71
Total Deferred Tax Liabilities	1,393.80	(116.14)	(17.06)	1,260.60
NET DEFERRED TAX (ASSETS)/ LIABILITIES	(935.12)	164.73	(17.06)	(1,082.79)

21.2 Components of Deferred tax Assets/ (Liabilities) as at March 31, 2017 are given below:

Particulars	As at April 1, 2016	Charge/ (Credit) recognised in P/L	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2017
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	1.60	7.89		(6.29)
Expense allowed on payment basis	150.36	(39.11)	-	189.47
MAT Credit Entitlement	754.01	478.51	-	275.50
Total Deferred Tax Assets	905.97	447.29	-	458.68
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant & Equipment and Intangible assets	1,593.64	(218.68)	-	1,374.96
Remeasurement of defined benefit obligations	25.29	-	(7.61)	17.68
Others	1.30	(0.14)		1.16
Total Deferred Tax Liabilities	1,620.23	(218.82)	(7.61)	1,393.80
NET DEFERRED TAX ASSETS/ (LIABILITIES)	(714.26)	228.47	7.61	(935.12)

22. Other Non-current Liabilities

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Liability for Operating Lease		1.83	3.14	3.56
		1.83	3.14	3.56

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

(Amount ₹ In lakhs)

23. Current Borrowings

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan repayable on Demand				
Working Capital- From Bank (Secured)	23.1	8,166.37	8,006.53	6,842.20
Loan from Bodies Corporate(Unsecured)		80.00	-	-
Other Short Term Borrowings (Secured) (*)		3,200.00	-	-
		11,446.37	8,006.53	6,842.20

Note:

23.1 Secured on pari-passu basis by way of hypothecation of stocks, book debts and other current assets present and future of the company and extension of equitable mortgage of immovable Property, Plant and Machinery of the Company .

(*) From a Bank (secured against pledge of fixed deposit receipts) which has since been repaid.

24. Trade Payables

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
For goods and services				
Dues to Micro and Small Enterprises	24.1	-	-	-
Others	24.2	5,407.90	4,411.82	4,189.75
		5,407.90	4,411.82	4,189.75

24.1 To the extent of information available to the Company, there are no outstanding balances with supplier as defined under "Micro, Small and Medium Enterprise Development Act, 2006" (the Act).

24.2 Payment towards trade payables is made as per the terms and conditions of the contract of purchase orders. The average credit period on purchases is 30 to 45 days.

25. Current- Other Financial Liabilities

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Liabilities at amortised cost				
Current maturities of Long-term debt	18	1,078.20	903.20	1,085.70
Current maturities of Hire Purchase/Lease Finance Liability		28.70	20.39	17.61
Current maturities of Sales Tax Soft Loan	18	23.11	23.11	23.11
Other Payables				
Interest Accrued and due		38.54	43.64	64.87
Interest Accrued but not due		0.53	0.37	0.44
Liability for capital goods		434.87	376.85	432.57
Liability relating to employees		144.37	179.39	147.95
		1,748.32	1,546.95	1,772.25

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

(Amount ₹ In lakhs)

26. Current- Other Liabilities

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory dues (includes Goods and Services Tax, PF, ESI, Sales Tax/ VAT, CST Etc.)		1,049.54	569.06	573.76
Advance from Customers		1,140.73	1,085.23	927.13
Unpaid Dividend	12.1 and 26.1	145.77	-	-
Others		155.68	168.36	145.90
		2,491.72	1,822.65	1,646.79

26.1 There is no due for payment to Investor Education and Protection Fund.

27. Provisions

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	44	272.78	171.47	92.34
		272.78	171.47	92.34

28. Revenue From Operations

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products			
Automobile Gear		33,493.70	28,595.69
Industrial Gear		6,996.64	6,664.46
Solar Power		286.13	616.87
Other Operating Revenue			
Sale of Scrap		440.86	319.68
Sale of Service		15.45	14.33
		41,232.78	36,211.04

28.1 Goods and Service Tax ("GST") has been implemented with effect from 1st July, 2017 and therefore, revenue from operations for the period July 1, 2017 to 31st March 2018 are net of GST. Revenue from Operations and expenses for the year ended 31st March 2017 being inclusive of Excise Duty are not comparable with corresponding figures of year ended 31st March 2018.

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

(Amount ₹ In lakhs)

29. Other Income

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income			
On Bank Deposits and Others		1,051.49	1,053.89
On Financial assets measured at amortised costs		10.63	9.45
Profit on sale of Property, Plant and Equipment		152.03	18.12
Excess Liabilities and Unclaimed Balances written back		117.60	6.37
Insurance and Other Claims (Net)		-	1.14
Net gain / (loss) on Foreign Currency transactions and translations		3.91	-
Cash Discount received		237.56	196.93
Miscellaneous Income		61.85	81.57
		1,635.07	1,367.47

30. Cost of Materials Consumed

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Inventories		3,005.79	3,192.38
Add : Purchase		17,915.63	13,956.16
Less: Closing Inventories		2,839.41	3,005.79
		18,082.01	14,142.75

31. Changes in Inventories of finished goods, Stock-in-Trade and work-in progress

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock			
Finished Goods		1,298.39	1,167.50
Work in Progress		950.11	1,104.12
Scrap		2.85	3.76
		2,251.35	2,275.38
Less: Closing Stock			
Finished Goods		1,509.80	1,298.39
Work in Progress		1,237.24	950.11
Scrap		1.95	2.85
		2,748.99	2,251.35
(Increase)/ Decrease in Inventories of Finished goods, Stock-in - Trade and Work-in-Progress		(497.64)	24.03

32. Employee Benefits Expense

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Wages		4,716.40	4,184.98
Contribution to Provident and Other Funds	44	329.94	322.02
Staff Welfare Expenses		188.84	194.31
		5,235.18	4,701.31

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

(Amount ₹ In lakhs)

33. Finance Costs

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		1,079.41	1,218.95
Interest Expense on Finance Lease		0.19	0.19
Other Borrowing Costs		38.85	20.99
		1,118.44	1,240.13

34. Other Expenses

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of Stores, Spare Parts & Packing Materials		3,186.64	2,642.29
Power & Fuel		1,797.19	1,524.80
Job Charges		2,034.31	1,658.89
Repairs to Buildings		66.23	74.05
Repairs to Machinery		1,274.32	1,192.78
Repairs to Other Assets		186.00	129.51
Solar Power		48.87	49.50
Excise Duty paid and on stock		907.78	3,700.42
Brokerage and Commission on Sales		46.99	59.96
Transport and Forwarding Expenses		601.57	477.32
Rent	36	93.75	85.50
Insurance		23.49	22.89
Rates and Taxes		139.04	116.04
Legal and Professional Expenses		492.31	434.10
Travelling Expenses		314.67	279.95
Bank Charges		48.23	28.87
Postage, Telephone, Telex		34.37	34.84
Printing and Stationery		44.65	39.80
Director Fees and Commission		10.11	10.12
Payment to auditors	34.1	14.59	14.18
Bad Debt		-	2.58
Exchange Difference (Net)		-	0.60
Loss on sale/discard of Property, Plant and Equipment		-	0.04
Amortisation of deferred portion of Financial instruments		23.37	23.26
Miscellaneous Expenses	34.2	250.97	145.77
		11,639.45	12,748.06

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

(Amount ₹ In lakhs)

34.1 Payment to auditors

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fees		10.50	7.81
Tax Audit Fees		1.34	1.35
Certification and other expenses		2.75	5.02
	34.1.1	14.59	14.18

34.1.1 Includes Payment to Previous Auditors

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fees		0.50	7.81
Tax Audit Fees		-	1.35
Certification and other expenses		-	5.02
		0.50	14.18

34.2 Includes ₹ 1.40 lakhs (March 31, 2017 : NIL) on account of Corporate Social Responsibility (CSR). Gross amount required to be spent by the company during the year ₹ 47.09 Lakhs (March 31, 2017 : ₹ 53.21 lakhs)

34.2.1 Amount spent during the year on:

Particulars	In cash	Total Yet to be paid in cash	Total
Construction/acquisition of any assets	Nil	Nil	Nil
For purpose other than (i) above	1.40		1.40

35. Finance Lease disclosures

The leasehold land is located at Rudrapur, Uttar Pradesh and has been classified under finance lease having lease term for a period of 90 years and contains renewal option. The net carrying amount of the leasehold land is ₹116.26 lakhs as at March 31, 2018 (March 31, 2017 : ₹ 117.75 lakhs and April 1, 2016 : ₹ 119.24 lakhs).

Finance Lease Liabilities	Minimum Lease payments		Present Value of Minimum Lease Payments	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Not later than one year	0.19	0.19	0.17	0.17
Later than one year and not later than five years	0.94	0.94	0.63	0.63
Later than five years	13.54	13.92	0.94	1.05

36. Operating Lease disclosures

The Company has certain operating lease arrangements for office accommodations etc. with tenure ranging from 11 months to 6 years etc.. Term of certain lease arrangements include escalation clause for rent on expiry of 36 months from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year has been recognized in the Statement Profit and Loss amounting to ₹ 93.75 lakhs (March 31, 2017 : ₹ 85.50 lakhs).

37. Tax Expenses-Current Tax

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for current tax		1,624.74	543.44
		1,624.74	543.44

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

(Amount ₹ In lakhs)

37.1 Components of Tax Expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax	1,624.74	543.44
Deferred Tax	164.73	228.47
Total Tax expense recognised in the current year in the Statement of Profit and Loss	1,789.47	771.91

37.2 Reconciliation of Income tax expense for the year with accounting profit is as follows :

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Details in this respect are as follows :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	5,054.77	2,548.64
Income tax expense calculated at 34.608%	1,749.35	882.03
Add: Effect of Expenses that are not deductible in determining taxable profit		
Effect of temporary differences on account of tax of earlier periods	68.85	6.33
Certain expenses to be allowed on payment basis	27.98	12.76
Effect of fair valuation of Financial assets and Financial Liabilities	7.40	7.89
Less : Effect of Expense/income that are deductible/not taxable in determining taxable profit		
Expenses not allowed for tax purpose	52.86	15.09
Deduction of Profit under Tax Holiday period	-	119.63
Utilisation of MAT Credit Entitlement		
Effect of other adjustments	11.25	2.38
Income tax expense recognised in the statement of profit and loss	1,789.48	771.91

The tax rate used for reconciliations above is 30% as applicable for corporate entities on taxable profits under the Indian tax laws.

37.3 Income tax recognized in Other Comprehensive income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred tax charge on		
Remeasurement gains of defined benefit obligation	17.06	7.61
Income tax recognized in Other Comprehensive income	17.06	7.61
Bifurcation of the income tax recognized in Other comprehensive income into :		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	17.06	7.61

37.4 Components of Other Comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Items that will not be reclassified to statement of profit or loss		
Remeasurement of defined benefit obligation (net of tax)	(32.24)	(14.39)
	(32.24)	(14.39)

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

(Amount ₹ In lakhs)

38. Contingent Liabilities and Contingent Assets

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Claims against the Company not acknowledged as Debt				
Central Excise/Service Tax/Sales tax matter under appeal		352.90	213.49	268.71
Income Tax matters under appeal		279.28	120.59	39.93
Proportionate value of duty saved vide Letter of Undertaking given to Jt. Director General of Foreign Trade under EPCG Scheme, where export obligation can be completed in future years. The export made by Faridabad unit has been considered to fulfill the EPCG obligation in respect of machine installed at Rudrapur unit.		862.76	183.37	222.41
Interest on External Development Charges		18.98	15.93	12.86
Other Claims not acknowledged as debt		23.06	23.06	23.06

38.1 The Company's pending litigation comprises of claim against the Company and proceeding pending tax/statutory/ Government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its Financial Statements. The Company does not expects the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above are dependent upon the outcome of judgments / decisions.

38.2 A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

39. Capital and Other Commitments

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for: net of advance of ₹ 965.55 lakhs (March 31, 2017: ₹ 459.28 lakhs and April 1, 2016 ₹ 837.07 lakhs)		3,243.55	811.71	1396.76

40. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows :

(A) Names of related parties and nature of relationship

(i) Key Managerial Personnel and their relatives

- (a) Mr. Pradip Kumar Daga, Chairman cum Managing Director
- (b) Mr.Yashwant Kumar Daga,Vice-Chairman cum Joint Managing Director
- (c) Mr. Kumar Santosh Dev – Chief Executive(Operations),
- (d) Mr. Sunil Ghiya – Chief Operating Officer.
- (e) Mr. Maneesh Khanna – Chief Financial Officer
- (f) Mr. Vithal Das Mall- Company Secretary
- (g) Smt. Asha Devi Daga-Relative of the Director
- (h) Smt. Nandini Daga-Relative of the Director
- (i) Anand Prasad Agarwala-Independent Director
- (j) Meera Dokania-Independent Director
- (k) Sujit Chakraborty-Independent Director
- (l) Suresh Chand Mohta (upto 23rd August 2016)-Independent Director

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

(Amount ₹ In lakhs)

(ii) Enterprises over which any person decribed in (i) above is able to exercise significant influence and with whom the Company has transaction during the year.

- (a) Deepak Spinners Limited
- (b) Brua Hydrowatts Private Limited
- (c) Longview Tea Company Limited
- (d) Coplama Products Private Limited
- (e) Yashwant Kumar Daga (HUF)
- (f) Pradip Kumar Daga (HUF)

(iii) Aggregate amount of transactions with related parties:

Nature of Transaction	Note No.	Name of Related Parties	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Amount paid upon buyback of Equity shares		Longview Tea Company Limited	111.00	-
		Coplama Products Private Limited	92.79	-
		Asha Devi Daga	824.60	-
		Nandini Daga	623.10	-
		Yashwant Kumar Daga (HUF)	77.50	-
		Pradip Kumar Daga (HUF)	860.63	-
(b) Remuneration (included in Employee Benefits Expense)		Pradip Kumar Daga	-	17.47
		Yashwant kumar Daga	69.89	64.51
		Kumar Santosh Dev	16.56	15.47
		Sunil Ghiya	49.77	48.19
		Vithal Das Mall	6.50	6.50
		Maneesh Khanna	13.45	13.40
(c) Sitting Fees		Anand Prasad Agarwala	0.66	0.68
		Meera Dokania	0.62	0.58
		Sujit Chakraborty	0.58	0.60
		Suresh Chand Mohta	-	0.26
(d) Commission		Anand Prasad Agarwala	2.75	2.35
		Meera Dokania	2.75	2.35
		Sujit Chakraborty	2.75	2.35
		Suresh Chand Mohta	-	0.94
(e) Professional Fees		Anand Prasad Agarwala	0.17	0.04
(f) Advance given and subsequently Recovered		Sunil Ghiya	7.75	4.58
(g) Sales of Solar Power		Deepak Spinners Limited	265.92	402.12

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

(Amount ₹ In lakhs)

(iv) Balance of related parties are as follows

Nature of Transaction	Note No.	Name of Related Parties	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Salary Payable		Kumar Santosh Dev	0.59	0.53	0.51
		Maneesh Khanna	0.70	0.59	0.69
		Vithal Das Mall	0.40	0.40	0.40
(b) Closing value of Investment in Non Cumulative non Convertible Redeemable Preference Share		Brua Hydrowatts Private Limited	91.04	82.19	74.19
(c) Balance Receivable		Deepak Spinners Limited	21.09	42.67	40.17

(v) The remuneration of directors and other members of key management personnel during the year as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	149.67	159.04
Post-employment benefits*	-	-

*Excluding contribution to gratuity fund

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not provided any guarantee to related parties towards their borrowing facilities. For the year ended March 31, 2018, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2017 ₹ NIL and April 1, 2016 NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

vi) The above related parties information is as identified by the management and relied upon by the auditor.

41. Segment Information**41.1 Basis for segmentation**

The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the business segment of the Company.

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The Company has identified three business segments viz. Automobile Gears, Industrial Gears and Solar Power and presented the same in the Financial Statements on a consistent basis. Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represents assets and liabilities of respective segments. Investments, Tax related assets/liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Reportable Segment	Description of products/services
Automobile Gear	The segment is engaged in manufacturing of tractor and Automobile gears and Shaft, Moped/Motor Cycle parts.
Industrial Gears	The segment is engaged in manufacturing of helical gears, worm gear boxes, geared motors.
Solar Power	The segment is engaged in generation and distribution of electricity.

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

(Amount ₹ In lakhs)

41.2 Information about reportable segments

The following is an analysis of revenue and results from operations by reportable segments:

Particulars	Automobile Gear		Industrial Gears		Solar Power		Unallocated Corporate		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue										
Sale and services to external customer	33,923.45	28,903.88	7,023.20	6,690.30	286.13	616.86	-	-	41,232.78	36,211.04
Revenue from Operations (Gross)	33,923.45	28,903.88	7,023.20	6,690.30	286.13	616.86	-	-	41,232.78	36,211.04
Segment Results										
Unallocated Corporate Expenses(Net of unallocable income)	5,678.00	3,029.19	(969.64)	(760.40)	(158.69)	164.63	-	-	4,549.67	2,433.42
Finance Costs	-	-	-	-	-	-	(1,623.55)	(1,355.35)	(1,623.55)	(1,355.35)
Profit Before Tax	5,678.00	3,029.19	(969.64)	(760.40)	(158.69)	164.63	505.10	115.22	5,054.77	2,548.64
Tax Expenses	-	-	-	-	-	-	1,789.47	771.91	1,789.47	771.91
Profit After Tax	5,678.00	3,029.19	(969.64)	(760.40)	(158.69)	164.63	(1,284.37)	(656.69)	3,265.30	1,776.73
Segment Assets	36,034.28	30,399.22	9,032.03	10,055.84	2,505.25	2,972.28	-	-	47,571.56	43,427.34
Unallocated Corporate Assets	-	-	-	-	-	-	801.46	660.50	801.46	660.50
Total Assets	36,034.28	30,399.22	9,032.03	10,055.84	2,505.25	2,972.28	801.46	660.50	48,373.02	44,087.84
Segment Liabilities	10,183.56	5,876.91	14,293.29	14,495.74	292.95	293.31	-	-	24,769.80	20,665.96
Unallocated Corporate Liabilities	-	-	-	-	-	-	1,339.89	982.75	1,339.89	982.75
Total Liabilities	10,183.56	5,876.91	14,293.29	14,495.74	292.95	293.31	1,339.89	982.75	26,109.69	21,648.71
Capital Expenditure	2065.24	825.25	96.98	705.13	-	-	0.51	0.70	2,162.73	1,531.08
Depreciation/Amortisation	999.92	1008.61	845.23	774.43	389.04	389.04	1.44	1.51	2,235.63	2,173.59
Non Cash Expenses other than amortisation	-	-	-	-	-	-	-	-	-	-

Finance income and costs and fair value gains and losses on financial instruments are not allocated to individual segments as the underlying instruments are managed at company level. Current Taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at company level.

Capital Expenditure consists of addition to Property, Plant and Equipment, Capital Work In Progress and Intangible assets.

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

(Amount ₹ In lakhs)

41.3 Geographical Information

Particulars	2017-18	2016-17
Revenue by Geographical market		
Sale of Products and Services		
- Domestic	40,577.72	35,664.31
- Export	655.06	546.73
Total	41,232.78	36,211.04
Assets		
Trade Receivable(Net of Impairment allowances for doubtful debts)		
- Within India	9288.46	7164.15
- Outside India	216.88	265.87
Total	9,505.34	7,430.02

41.4 Information about major customers

Revenue in respect of automobile gear include sale to three public companies pertaining to the automobile sector which account for more than 10% in each case and ₹ 25806.64 Lakhs (March 31,2017-₹ 21003.46 Lakhs) in aggregate of the total revenue of the company.

42. Calculation of Earning Per Share is as follows :

Particulars	31st March, 2018	31st March, 2017
Net profit for basic and diluted earnings per share as per Statement of Profit and Loss (₹ In Lakhs)	3,265.30	1,776.73
Net profit for basic and diluted earnings per share (₹ In Lakhs) (a)	3,265.30	1,776.73
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value ₹ 10/- per share)		
No of equity shares outstanding as on	39,56,433	50,56,063
Weighted average number of equity shares considered in calculating basic and diluted EPS (b)	39,56,433	50,56,063
Earnings per share (EPS) of Equity Share of ₹ 10 each :		
Basic and Diluted (a/b) (₹)	82.53	35.14

43. In the opinion of the management and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The debit/credit balances of parties are however, subject to confirmation and adjustment, if any.

44 Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" (Ind AS - 19) are given below:

(a) Defined Contribution Scheme

Particulars	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Contribution to Defined Contribution Plan recognised as expense for the year are as under:		
Employer's Contribution to Provident Fund	83.51	78.73
Employer's Contribution to Family Pension Fund	104.25	108.08
Employer's Contribution to Employee State Insurance	51.00	46.52

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

(b) Defined Benefit Plan

The company has a defined benefit Gratuity plan. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The Company makes annual contribution of Gratuity to Gratuity Fund maintained by Trust created by the company for the scheme.

The Company also extends benefit of compensated absences to the employee, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The Company has a separate Provident Fund Trust (Funded), whereby all the employees covered under the said Trust are entitled to benefits as per Provident Fund Act/Trust Deed. Any shortfall for the Trust is borne by Company, hence the same is treated as a defined benefit scheme. Contribution to those provident funds amounting to ₹10.62 Lakhs (March 31, 2017 : ₹ 11.88 Lakhs) is recognised as expenses and included in "Employee Benefits Expense". Shortfall in the funds of ₹ 0.92 Lakhs (Previous Year ₹ Nil) towards such trustee funds to the extent of the information available with the company has been provided.

The employee's gratuity fund scheme managed by Deepak Industries Gratuity Fund is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Gratuity (Funded)

(Amount ₹ In lakhs)

	Particulars	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
A.	Change in fair value of Defined Benefit Obligation :		
	Present Value of Defined Benefit Obligations as at the beginning of the year	735.54	699.03
	Current Service Cost	65.44	58.55
	Interest Cost	52.56	53.80
	Benefit Paid	(114.81)	(103.53)
	Actuarial (Gain) / Losses	-	-
	Remeasurements- Due to Financial Assumptions	(10.46)	25.59
	Remeasurements- Due to Experience Adjustments	53.35	2.10
	Liability at the end of the year	781.62	735.54
B.	Change in Fair Value of plan Assets :		
	Fair value of Plan Assets at the beginning of the year	600.46	637.94
	Interest Income	46.54	46.44
	Contributions by the Employers	42.64	13.91
	Benefit paid	(114.81)	(103.53)
	Remeasurements- Return on Assets (excluding Interest Income)	(6.42)	5.69
	Fair value of plan Assets at the end of the year	568.41	600.45
C.	Amount Recognized in Balance Sheet:		
	Present Value of Defined Benefit Obligations as at the end of the year	781.62	735.54
	Fair value of Plan Assets at the end of the year	568.41	600.45
		213.21	135.09
D.	Components of Defined Benefit Cost		
	Current Service Cost	65.44	58.55
	Interest Cost	52.56	53.80
	Expected Return on Plan Assets	(46.54)	(46.44)
	Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	-	-
	Total Defined Benefit Cost recognized in the Statement of Profit and Loss	71.46	65.91

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

(Amount ₹ In lakhs)

	Particulars	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
E .	Remeasurements Recognized in Other Comprehensive Income		
	Remeasurements- Due to Financial Assumptions	(10.46)	25.59
	Remeasurements- Due to Experience Adjustments	53.35	2.10
	Remeasurements- Return on Assets (excluding Interest Income)	6.42	(5.69)
	Remeasurements Recognized in Other Comprehensive Income	49.31	22.00
F .	Balance Sheet Reconciliation		
	Opening Net Liability	135.08	61.09
	Defined Benefit Cost included in Profit and Loss	71.46	65.91
	Remeasurements Recognized in Other Comprehensive Income	49.31	22.00
	Employers Contribution	(42.64)	(13.91)
	Amount Recognised in Balance Sheet	213.21	135.09

G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:				
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Equity	-	-	-
	Bonds	94.40%	95.69%	97.85%
	Other Current Assets	5.60%	4.31%	2.15%
	Insurance policies	-	-	-
H .	The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:			
	Summary of Financial Assumption			
	Discount Rate		7.75%	7.50%
	Salary Escalation- First Five Years		6.00%	6.00%
	Salary Escalation- After Five Years		6.00%	6.00%
	Expected Return on Plan Assets		7.75%	7.50%
	Summary of Demographic Assumptions			
	Mortality Rate		IALM (2006-08) Table	
	Disability Rate(a % of above mortality rate)		5.00%	5.00%
	Withdrawal Rate		1% to 8%	1% to 8%
	Retirement Age		58 Years	58 Years
	Average future service		19.64	19.50

I. Sensitivity analysis

Particulars	Change in Assumptions	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Salary Escalation	1%	836.13	790.75
Salary Escalation	-1%	733.01	686.25
Withdrawal Rates	1%	786.93	743.63
Withdrawal Rates	-1%	775.64	728.92
Discount Rate	1%	734.39	685.96
Discount Rate	-1%	835.10	792.08

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit

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

(Amount ₹ In lakhs)

method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
01 Apr 2017 to 31 Mar 2018	164.52
01 Apr 2018 to 31 Mar 2019	45.23
01 Apr 2019 to 31 Mar 2020	36.19
01 Apr 2020 to 31 Mar 2021	67.35
01 Apr 2021 to 31 Mar 2022	62.48
01 Apr 2022 Onwards	453.20

Other Long Term Employee Benefit

Compensated absences(Unfunded)

	Particulars	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
A .	Change in fair value of Defined Benefit Obligation :		
	Present Value of Defined Benefit Obligations as at the beginning of the year	168.95	139.53
	Current Service Cost	23.82	21.43
	Interest Cost	12.66	11.57
	Benefit Paid	(11.07)	(9.94)
	Remeasurements- Due to Financial Assumptions	(2.92)	6.61
	Remeasurements- Due to Experience Adjustments	(4.14)	(0.25)
	Liability at the end of the year	187.30	168.95
B .	Change in Fair Value of plan Assets :		
	Contributions by the Employers	11.07	9.94
	Benefit paid	(11.07)	(9.94)
	Fair value of plan Assets at the end of the year	-	-
C .	Amount Recognized in Balance Sheet:		
	Present Value of Defined Benefit Obligations as at the end of the year	187.30	168.95
	Fair value of Plan Assets at the end of the year	-	-
		187.30	168.95
D .	Components of Defined Benefit Cost		
	Current Service Cost	23.82	21.43
	Interest Cost	12.66	11.57
	Total Defined Benefit Cost recognized in the Statement of Profit and Loss	36.48	33.00
E .	Remeasurements Recognized in Other Comprehensive Income		
	Remeasurements- Due to Financial Assumptions	(2.92)	6.61
	Remeasurements- Due to Experience Adjustments	(4.14)	(0.25)
	Remeasurements Recognized in Other Comprehensive Income	(7.06)	6.36
F .	Balance Sheet Reconciliation		
	Opening Net Liability	168.95	139.53
	Defined Benefit Cost included in Profit and Loss	36.48	33.00
	Remeasurements Recognized in Other Comprehensive Income	(7.06)	6.36
	Employers Contribution	(11.07)	(9.94)
	Amount Recognised in Balance Sheet	187.30	168.95

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

(Amount ₹ In lakhs)

G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity	N.A.	N.A.	N.A.
Bonds	N.A.	N.A.	N.A.
Other Current Assets	N.A.	N.A.	N.A.
Insurance policies	N.A.	N.A.	N.A.
H . The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:			
Summary of Financial Assumption			
Discount Rate	7.75%	7.50%	8.00%
Salary Escalation- First Five Years	6.00%	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%	6.00%
Expected Return on Plan Assets	N.A.	N.A.	N.A.
Summary of Demographic Assumptions			
Mortality Rate	IALM (2006-08) Table		
Disability Rate(a % of above mortality rate)		5.00%	5.00%
Withdrawl Rate	1% to 8%	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years	58 Years
Average future service	19.64	19.50	21.08

I. Sensitivity analysis

Particulars	Change in Assumptions	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Salary Escalation	1%	200.46	183.79
Salary Escalation	-1%	175.74	155.90
Withdrawl Rates	1%	188.92	170.80
Withdrawl Rates	-1%	185.49	167.42
Discount Rate	1%	175.94	156.19
Discount Rate	-1%	200.33	183.72

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Leave
01 Apr 2017 to 31 Mar 2018	54.30
01 Apr 2018 to 31 Mar 2019	4.65
01 Apr 2019 to 31 Mar 2020	4.77
01 Apr 2020 to 31 Mar 2021	17.45
01 Apr 2021 to 31 Mar 2022	6.59
01 Apr 2022 Onwards	46.81

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

(Amount ₹ In lakhs)

45. FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)						
Financial Assets measured at Amortised Cost						
Trade receivables	9,505.34	9,505.34	7,430.02	7,430.02	7,187.20	7,187.20
Cash and cash equivalents	195.32	195.32	6,690.64	6,690.64	5,354.12	5,354.12
Other Bank Balances	14,307.02	14,307.02	6,206.05	6,206.05	2,902.98	2,902.98
Other Financial Assets	738.67	738.67	847.28	847.28	734.88	734.88
Unquoted Non-Convertible Non-cumulative Redeemable Preference Instruments	91.04	91.04	82.19	82.19	74.19	74.19
Financial Liabilities (Current and Non-Current)						
Financial Liabilities measured at Amortised Cost						
Borrowings	15,607.98	15,607.98	13,088.79	13,088.79	11,905.56	11,905.56
Trade Payables	5,407.90	5,407.90	4,411.82	4,411.82	4,189.75	4,189.75
Other Financial Liabilities	1,080.14	1,080.14	1,063.59	1,063.59	1,110.26	1,110.26

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, other bank balances, current trade receivables and payables, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.

Fair value of Investment in unquoted Non Cumulative Non Convertible Redeemable Preference Share and security deposit which can not be measured based on quoted prices in active market have been determined on Effective interest Rate method(EIR) and differential thereof has been recognised as deferred loss/gain and to be recognised to profit and loss over the tenure of the instrument .

FINANCIAL RISK FACTORS

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks including Fixed Deposits with Banks, trade receivables and other receivables, Deposits and Investments.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company's senior management oversees the management of these risks. The Board of Director reviews and agrees policies for managing each of these risks, which are summarised below:

MARKET RISK

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

Interest rate risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing

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

(Amount ₹ In lakhs)

with banks and financial institutions. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the company's cash flows as well as costs. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

Further there are deposits with banks which are for short term period and are exposed to interest rate risk, falling due for renewal.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on the Profit or Loss with respect to floating rate portion of loans and borrowings

Nature of Borrowing	Increase in basis points	As at March 31, 2018	As at March 31, 2017
Rupee Loan	+0.5	50.07	56.54

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade receivables and trade payables.

The Company evaluates the impact of foreign exchange rate fluctuation by assessing its exposure to exchange rate risks. The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows :

Particulars	As at March 31, 2018			
	Trade Receivables	Trade Payables	Other Current Liabilities	Net Assets / (liabilities)
SGD	32.03	-	-	32.03
STP	7.88	-	-	7.88
USD	175.77	7.68	0.38	167.71
GBP	-	1.91	-	(1.91)
EURO	1.20	28.49	59.66	(86.95)
Total	216.88	38.08	60.04	118.76

Particulars	As at March 31, 2017			
	Trade Receivables	Trade Payables	Other Current Liabilities	Net Assets / (liabilities)
SGD	79.78	-	-	79.78
STP	6.97	-	-	6.97
USD	157.18	4.83	9.63	142.72
EURO	21.94	16.85	55.33	(50.24)
JPY	-	6.23	-	(6.23)
Total	265.87	27.91	64.96	173.00

Particulars	As at April 1, 2016			
	Trade Receivables	Trade Payables	Other Current Liabilities	Net Assets / (liabilities)
SGD	90.60	-	-	90.60
STP	8.14	-	-	8.14
USD	115.15	2.15	17.42	95.58
EURO	-	106.54	63.10	(169.64)
Total	213.89	108.69	80.52	24.68

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

(Amount ₹ In lakhs)

Sensitivity analysis resulting in profit or loss mainly from SGD, STP, USD and EURO denominated receivables and payables are as follows

Particulars	For The Year Ended	For The Year Ended
	31st March, 2018	31st March, 2017
RECEIVABLES (Weaking of INR by 5%)		
SGD	1.60	3.99
STP	0.39	0.35
USD	8.79	7.86
EURO	0.06	1.10
Payables (Weaking of INR by 5%)		
SGD	-	-
STP	-	-
USD	(0.38)	(0.24)
GBP	(0.10)	-
EURO	(1.42)	(0.84)
JPY	-	(0.31)

Figures in bracket represent Loss.

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Company's exposure of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses), represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being well established, large and unrelated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise except those which are impaired.

LIQUIDITY RISK

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital loans from banks. The Company invests its surplus funds in bank fixed deposit which carry no market risk. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

Liquidity table

The following tables detail the Company's contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

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

(Amount ₹ In lakhs)

Interest rate and currency of borrowings

As at March 31, 2018

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	15,620.40	15,447.97	172.43	8.55%

Interest rate and currency of borrowings

As at March 31, 2017

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	13,106.87	12,991.33	115.54	9.30%

Maturity Analysis of unamortised Financial Liabilities

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
As at March 31, 2018						
Borrowings	15,620.40	11,446.37	291.11	810.20	3,072.72	15,620.40
Other Liabilities	1,080.14	-	632.33	14.68	433.13	1,080.14
Trade and other payables	5,407.93	-	5,407.93	-	-	5,407.93
As at March 31, 2017						
Borrowings	13,106.87	8,006.53	236.41	689.90	4,174.03	13,106.87
Other Liabilities	1,063.59	-	610.78	9.86	442.95	1,063.59
Trade and other payables	4,411.82	-	4,411.82	-	-	4,411.82
As at April 1, 2016						
Borrowings	11,929.94	6,842.20	318.91	789.90	3,978.93	11,929.94
Other Liabilities	1,110.26	-	655.50	7.94	446.82	1,110.26
Trade and other payables	4,189.75	-	4,189.75	-	-	4,189.75

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The company relies on operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Company.

The gearing ratio are as follows :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	15,607.98	13,088.79	11,905.56
Less: Cash and Cash Equivalents	195.32	6,690.64	5,354.12
Net Debt	15,412.66	6,398.15	6,551.44
Equity	22,263.33	22,439.13	20,676.79
Equity and Net Debt	37,675.99	28,837.28	27,228.23
Gearing Ratio	0.41	0.22	0.24

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

(Amount ₹ In lakhs)

46. FIRST TIME ADOPTION OF Ind AS- Disclosures, Reconciliation etc.

a) Reconciliation in terms of Ind AS 101 "First time adoption of Indian Accounting Standards"

i) Reconciliation of Equity as at March 31, 2017 and April 1, 2016

PARTICULARS	Note No. (Under 46 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016 (Transition Date)		
		As per Ind AS	Effect of transition to Ind AS	As per Previous GAAP	As per Ind AS	Effect of transition to Ind AS	As per Previous GAAP
ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment	(i)	14,341.43	1.53	14,339.90	14,547.23	1.55	14,545.68
(b) Capital work-in-progress		157.53	-	157.53	596.82	-	596.82
(d) Intangible Assets		75.62	-	75.62	75.13	-	75.13
(e) Financial Assets							
(i) Investments	(ii)	82.19	(417.81)	500.00	74.19	(425.81)	500.00
(ii) Other Financial Assets	(ii)	102.69	(4.58)	107.27	93.15	(5.34)	98.49
(d) Other non-current assets	(ii) & (v)	1,026.97	111.55	915.42	1,487.67	(344.38)	1,832.05
Total Non Current Assets		15,786.43	(309.31)	16,095.74	16,874.19	(773.98)	17,648.17
(2) Current assets							
(a) Inventories		6,487.49	-	6,487.49	6,504.03	-	6,504.03
(b) Financial Assets							
(i) Trade receivables		7,430.02	-	7,430.02	7,187.20	-	7,187.20
(ii) Cash and cash equivalents		6,690.64	-	6,690.64	5,354.12	-	5,354.12
(iii) Other Bank Balances		6,206.05	-	6,206.05	2,902.98	-	2,902.98
(iv) Other financial assets		744.59	-	744.59	641.73	-	641.73
(c) Other current assets		742.62	-	742.62	983.33	-	983.33
Total Current Assets		28,301.41	-	28,301.41	23,573.39	-	23,573.39
Total assets		44,087.84	(309.31)	44,397.15	40,447.58	(773.98)	41,221.56
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		505.61	-	505.61	505.61	-	505.61
(b) Other Equity	46(a)(ii)	21,933.52	(156.93)	22,090.45	20,171.18	(281.20)	20,452.38
Total Equity		22,439.13	(156.93)	22,596.06	20,676.79	(281.20)	20,957.99
Liabilities							
(1) Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	(i) & (iii)	4,155.95	(18.08)	4,174.03	3,954.55	(24.38)	3,978.93
(ii) Other financial liabilities		442.95	-	442.95	446.82	-	446.82
(b) Provisions		152.13	-	152.13	108.27	-	108.27
(c) Deferred Tax Liabilities (Net)	(v)	935.12	(137.44)	1,072.56	714.26	(471.96)	1,186.22
(d) Other Non-current Liabilities	(iv)	3.14	3.14	-	3.56	3.56	-
Total Non Current Liabilities		5,689.29	(152.38)	5,841.67	5,227.46	(492.78)	5,720.24
(2) Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		8,006.53	-	8,006.53	6,842.20	-	6,842.20
(ii) Trade payables		4,411.82	-	4,411.82	4,189.75	-	4,189.75
(iii) Other financial liabilities		1,546.95	-	1,546.95	1,772.25	-	1,772.25
(b) Other current liabilities		1,822.65	-	1,822.65	1,646.79	-	1,646.79
(c) Provisions		171.47	-	171.47	92.34	-	92.34
Total Current Liabilities		15,959.42	-	15,959.42	14,543.33	-	14,543.33
Total Liabilities		21,648.71	(152.38)	21,801.09	19,770.79	(492.78)	20,263.57
Total Equity and Liabilities		44,087.84	(309.31)	44,397.15	40,447.58	(773.98)	41,221.56

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

(Amount ₹ In lakhs)

ii) Reconciliation of Total Equity as given above:

Particulars	Note No. (Under 46 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 01, 2016 (Date of transition)
Total equity (shareholders' funds) under Previous GAAP		22,596.06	20,957.99
Ind AS Adjustment			
Effect of Fair valuation of Financial Instruments		(15.51)	4.60
Effect of adjustment of Lease rentals		(3.35)	(3.75)
Recognition of deferred tax on asset base of Property, Plant and others		(138.07)	(282.05)
Total adjustment to equity		(156.93)	(281.20)
Total equity under Ind AS		22,439.13	20,676.79

iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No. (Under 46 (c))	As per Ind As for the year ended March 31, 2017	Ind AS Adjustments	As per Previous GAAP for the year ended March 31, 2017
Revenue from operations		36,211.04		32,534.28
Other Income	(ii)	1,367.47	9.45	1,358.02
Total revenue		37,578.51	9.45	33,892.30
EXPENSES				
Cost of material consumed		14,142.75	-	14,142.75
Changes in Inventories of finished goods, Stock-in-Trade and work-in progress		24.03	-	24.03
Employee benefits expense	(vi)	4,701.31	(22.00)	4,723.31
Finance costs	(i) & (iii)	1,240.13	6.50	1,233.63
Depreciation and Amortisation	(i)	2,173.59	0.02	2,173.57
Other expenses	(i) (ii) & (iv)	12,748.06	22.65	9,048.65
Total expenses		35,029.87	7.17	31,345.94
Profit before tax		2,548.64	2.28	2,546.36
Tax expense:				
Current tax	(v)	543.44	(478.51)	1,021.95
Deferred tax	(v)	228.47	342.13	(113.66)
Profit/(loss) for the year		1,776.73	138.66	1,638.07
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss	(vi)	(22.00)	(22.00)	-
(ii) Income tax related to items that will not be reclassified to profit and loss	(vi)	7.61	7.61	-
Total Comprehensive Income for the year, net of tax		1,762.34	124.27	1,638.07

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

(Amount ₹ In lakhs)

iv) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017:

Particulars	For the Year ended March 31, 2017
Net profit / Other Equity under previous GAAP	1,638.07
Increase in Finance Costs as per Effective Interest Method	(6.31)
Effect of fair valuation of financial instruments	(12.31)
Gain on adjustment for gratuity amount recognized in other comprehensive income	22.00
Others	(1.10)
Recognition of deferred tax on asset base of Property, Plant & Equipment and others	136.38
Net Profit for the period / Other Equity as at March 31, 2017 under Ind AS	1,776.73
Other Comprehensive Income (net of taxes)	
Actuarial gain/(loss) on Employee Benefit Expense(net of tax)	(14.39)
Total Comprehensive Income for the period / Other Equity as at March 31, 2017 under Ind AS	1,762.34

v) Reconciliation of statement of cash flows for the year ended March 31, 2017

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

b) FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions

These financial statements are covered by Ind AS 101, “First Time Adoption of Indian Accounting Standards”, as they are the Company’s first Ind AS financial statements for the year ended March 31, 2018.

i) Overall principle:

a) The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arising from events and transactions occurring before the date of transition to Ind-AS has been recognized directly in Equity as on the date of transition (i.e, April 1, 2016).

b) However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

i) Deemed cost for Property, Plant and Equipment

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment other than Lease hold Land recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

ii) Deemed cost for Intangible assets

The Company has elected to continue with the carrying value of all of its intangible assets recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

iii) Impairment of financial assets

Ind AS 109 “Financial Instruments” requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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

iv) **Determining whether an arrangement contains a lease**

The Company as on the date of transition complied with Ind AS 17 "Leases" to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS

v) **Fair Valuation of Investments**

The Company has designated unquoted preference instrument held at April 1, 2016 at amortised cost.

vi) **Derecognition of Financial Assets and Financial Liabilities**

The Company has applied the derecognition requirement of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date)

c) **Explanatory Notes to reconciliation between Previous GAAP and Ind AS**

(i) **Accounting of Leasehold Land as Finance lease**

Under the previous GAAP, leasehold land situated at Rudrapur was shown as a part of Property, Plant and Equipment at a carrying value consisting of the initial costs incurred and was amortised over the period of lease. Each Lease payments of every year were charged to the statement of Profit and Loss as Lease Rent.

Under Ind AS, the Company has recognized the present value of minimum lease payments to its carrying value consisting of the initial costs incurred with corresponding recognition of lease liability and each Lease payments are then apportioned between Finance Charge and reduction of Lease liability.

On transition, this has resulted in capitalization of ₹ 1.55 lakhs in Property Plant and Equipment with corresponding recognition of lease liability as finance lease obligation under Non current borrowings of ₹ 1.74 lakhs as on April 1, 2016. This has resulted in decrease in total equity by ₹ 0.19 lakhs as on April 1, 2016 and subsequent changes for the year ended March 31, 2017 amounting to ₹ 0.02 Lakhs shown under Depreciation and Amortisation Expenses, ₹ 0.19 Lakhs shown under Finance Costs and ₹(0.19 Lakhs) shown under Other Expenses has been recognised in the Statement of Profit and Loss.

(ii) **Fair Valuation of financial assets and liabilities**

Under previous GAAP, receivables and payables were measured at transaction cost less allowances for recoverability, if any.

Under Ind AS, financial assets and liabilities are recognised at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of profit and loss.

On transition, the company has fair valued certain financial assets including investment in Non-Cumulative Non-Convertible Redeemable Preference Shares and Security Deposits. This has resulted in decrease in Investment and Security Deposits by Rs.425.81 Lakhs and ₹ 5.34 Lakhs respectively, recognition of Deferred Gains/ Losses on fair valuation of Financial Instrument ₹ 409.63 Lakhs and decrease in total Equity ₹ 21.52 lakhs as on April 1, 2016. Subsequent changes for the year ended March 31, 2017 amounting to ₹ 9.45 Lakhs shown under Other Income and ₹ 23.26 Lakhs shown under Other Expenses has been recognised in the Statement of Profit and Loss. The Company had further made security deposits to the parties during the year March 31, 2017 which has been carried at Amortised costs based on Effective Interest Rate (EIR) Method and accordingly the value of security deposits have been reduced by ₹ 0.69 Lakhs with corresponding increase in deferred gains/Losses on fair valuation of financial instruments.

(iii) **Borrowings**

Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Statement of Profit or Loss in the year in which such costs were incurred Under Ind AS, financial liability consisting of long term borrowings are fair valued and designated and measured at amortised costs based on Effective Interest Rate (EIR) method. the transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying EIR.

On transition date, the Company has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by ₹ 26.12 lakhs as on April 1, 2016 respectively

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

with corresponding increase in total equity and subsequent changes for the year ended March 31, 2017 amounting to ₹ 6.31 Lakhs shown under Finance Costs has been recognised in the Statement of Profit and Loss.

(iv) **Operating Lease**

Ind AS requires expense relating to operating leases to be accounted for on straight line basis where the escalation vary because of factors other than general inflation. this has resulted in increase in deferred lease by ₹ 3.56 lakhs with corresponding decrease in Equity as on the date of transition and Subsequent changes for the year ended March 31, 2017 amounting to ₹ (0.42) Lakhs shown under Other Expenses has been recognised in the Statement of Profit and Loss.

(v) **Deferred Tax**

(a) In terms of Ind AS 12 "Income Taxes", "Deferred Tax" includes Minimum Alternate Tax (MAT). Accordingly the carrying value of Minimum Alternate Tax credit entitlement amounting to ₹754.01 Lakhs as on April 1, 2016 , i.e, transition date (₹ 275.51 Lakhs as on March 31, 2017) shown under Other Non Current Assets as per previous GAAP have been shown under Deferred Tax under Ind AS. Consequently, reversal of MAT Credit entitlement of ₹ 478.51 Lakhs shown under Income Tax expenses for the year March 31, 2017 under previous GAAP have been reclassified as Deferred Tax Charges for the year ended March 3, 2017 under Ind AS.

(b) Deferred tax has been recognized in respect of differences between carrying value of assets and liabilities and it tax base. These adjustments have resulted increase in deferred tax liability and decrease in equity by ₹ 282.05 lakhs as on April 1, 2016 and subsequent changes for the year ended March 31, 2017 amounting to ₹ (143.99) Lakhs shown under Deferred Tax charges has been recognised in the Statement of Profit and Loss.

(vi) **Remeasurement of Defined Benefit Plan**

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Under Ind AS, the actuarial gain and losses from part of remeasurements net defined benefit liability/ asset is recognised in OCI. Consequently, the tax effect on the same has also been recognised in OCI instead of statement of profit and loss.

This has resulted in reclassification of re-measurement gains on defined benefit plans (net of tax) of ₹14.39 lakhs for the year ended March 31, 2017 from Statement of profit and loss to OCI.

47. Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

48. These financial statements have been approved by the Board of Directors of the Company on May 30, 2018 for issue to the shareholders for their adoption.

As per our report of even date

For and on behalf of the Board of Directors

For **Lodha & Co**

Chartered Accountants

Firm Regn No. 301051E

P K Daga (DIN: 00040692)
Chairman-Cum-Managing Director

Y K Daga (DIN: 00040632)
Vice Chairman-Cum-Joint Managing Director

H K Verma
Partner
Membership No. 055104

S Chakravorti
(DIN: 00066344)
(DIRECTOR)

A P Agarwalla
(DIN: 00312652)
(DIRECTOR)

Meera Dokania
(DIN: 07094376)
(DIRECTOR)

Kolkata
May 30, 2018

Maneesh Khanna
Chief Financial Officer

V D Mall
Company Secretary

DEEPAK INDUSTRIES LIMITED
CIN No.L63022WB1954PLC021638

Registered office:

16, Hare Street, Kolkata-700 001

Email: secretary@dil-india.com

Phone No.033-2248-2391/2/3 Fax No. 033-2243-9382

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting.

D.P.ID*		L.F.No.	
Client ID*		No. of Shares held	

I/ We hereby record my/our presence at the 63rd Annual General meeting of the Company being held on Friday, the 14th September, 2018 at 2.00 P.M.at 16, Hare Street, Kolkata-700 001

Signature of Shareholder(s)

1. 2. 3.

Signature of the Proxy holder

*Applicable for investors holding shares in electronic form.

Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the venue of the meeting

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **L63022WB1954PLC021638**

Name of the Company : DEEPAK INDUSTRIES LIMITED

Registered office : 16, Hare Street, Kolkata-700 001

Name of the member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint.

- (1) Name..... Address.....
E-mail IDSignature or failing him.
- (2) Name..... Address.....
E-mail IDSignature or failing him.
- (3) Name..... Address.....
E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/ our behalf at the 63rd Annual General Meeting of the Company, to be held on Friday, the 14th September, 2018 Kolkata-700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolu- tion No	RESOLUTIONS	No. of Shares	I/We assent to the Resolution (FOR)	I /We dissent to the Resolution (AGAINST)
	ORDINARY BUSINESS			
1.	Ordinary Resolution to Consider and adopt Audited Balance Sheet as at 31st March, 2018 and statement of the Profit & Loss Account, together with Reports of the Board of Directors and Auditors of the Company thereon.			
2	Ordinary Resolution for re-appointment of Shri Yashwant Kumar Daga who retires by rotation.			
	SPECIAL BUSINESS			
3	Ordinary Resolution under Section 148(3) of the Companies Act, 2013 for approval of the remuneration of the Cost Auditors.			
4	Special Resolution under section under section 180(1)(c) for borrowings by the company for limits specified in the resolution			
5	Special Resolution under section under section 180(1)(a) for creation of charge for borrowings by the company for limits specified in the resolution			
6	Special Resolution for removal of the name of M/s. Contransys Private Limited and Shantanu Daga and Longview Tea Company Limited and Pradip Kumar Daga, HUF and Yashwant Kumar Daga, HUF from the list of the Promoter and Promoter group of the Company in the shareholding pattern of the Company under regulation 31A of the SEBI(LODR) Regulations, 2015.			
7	Special Resolution for re-appointment of Shri Pradip Kumar Daga as Managing Director for a period of five year from 16/12/2018 to 15/12/2023 on the terms set out in the explanatory statement.			

Signed this day of 2018

Signature of Shareholder:

Signature of Proxy holder(s):

Affix
15 Paise
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. It is optional to put a 'x' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

If undelivered, please return to :
DEEPAK INDUSTRIES LIMITED
16, HARE STREET, KOLKATA - 700 001