Annual Report 2017

Mahindra Gujarat Tractor Limited

Contents

Board of Directors

Mr. K. Chandrasekar
Mr. Harish Chavan
Mr. Nikhil Madgavkar
Mr. Viren Popli
Mr. Sanjay Prasad
Mr. C. J. Mecwan
Mr. Chhabildas Patel
(Independent Director)
Mr. S. Nagarajan
(Independent Director)

Statutory Auditors

Bipin & Company
412-302, Center Point,
R.C Dutt Road, Alkapuri, Baroda,
Gujarat, INDIA - 390007

Bankers

State Bank of India
Specialised Commercial Branch
2nd Floor, Trident complex,
Race Course Circle,
Vadodara - 390 007.

Registered Office

Near Vishwamitri Railway
Overbridge, Vishwamitri,
Vadodara - 390011.

Committees of Board

1. Audit Committee

Mr. K. Chandrasekar (Chairman)
Mr. Chhabildas Patel
Mr. S. Nagarajan

2. Nomination & Remuneration Committee

Mr. C. J. Mecwan (Chairman)
Mr. Chhabildas Patel
Mr. S. Nagarajan
Mr. Nikhil Madgavkar

3. Corporate Social Responsibility Committee

Mr. K. Chandrasekar (Chairman)
Mr. C. J. Mecwan
Mr. S. Nagarajan

DIRECTORS' REPORT

Your Directors present their Thirty-Eighth Report, together with the Audited Financial Statement of your Company for the financial year ended on 31st March, 2017.

Financial Highlights and State of Company's Affairs

	(Rs. in Lakhs) For the year ended 31st March	
	2017	2016
Income	7538.95	9065.49
Profit/(Loss) before depreciation, interest, exceptional item and tax	(350.77)	407.43
Finance costs..	97.00	175.36
Depreciation/Amortization..	73.37	77.89
Profit/(Loss) for the year before exceptional/prior period item and taxation..	(521.14)	154.17
Exceptional/prior period item - (income)/expense................................	-	-
Profit/(Loss) before taxation..	(521.14)	154.17
Provision for taxation…………………………………........................…..		
- Current tax..	-	80.00
Profit/(Loss) after taxation..	(521.14)	74.17
Other Comprehensive Income/(loss)……………………..................………	(11.86)	5.79
Balance of loss brought forward from earlier years.............................	2494.14	2574.10
Balance of loss carried to Balance Sheet	3027.14	2494.14
Net Worth………………………………………....................................	2620.19	(746.81)

The audited financial statements of your Company for the year ended 31st March, 2017 are prepared in accordance with the Accounting Standards ("IND AS") as notified under Section 133 of the Companies Act, 2013 being your Company's first IND AS financial statements. The figures for the corresponding year ended on 31st March, 2016 have been restated under IND AS to make them comparable with the figures for the current year.

No material changes and commitments have occurred after the close of the year till the date of this Report which would affect the financial position of your Company.

OPERATIONS

Your Company sold 1535 tractors as compared to 1831 tractors in the previous year, registering a de-growth of 16.16% . Out of total tractors sold, your Company exported 261 tractors to Nepal as compared to 143 tractors in the previous year, registering a growth of 82.52%.

The loss before depreciation, interest, exceptional/prior period item and tax for the year is Rs. 350.77 lakhs as against profit of Rs. 407.43 lakhs in the previous year. The loss after tax for the year stood at Rs. 521.14 lakhs as against profit of Rs. 74.17 lakhs of the previous year.

During the year, your Company achieved further improvement in the product quality, productivity, product awareness and implemented various low cost initiatives in the areas of operations.

Looking at the industry potential, your Company is working on aggressive growth plan by up grading existing models in terms of power and fuel efficiency and developing price competitive variants. With focused market approach, your Company is also in the process of further strengthening distribution network as well as enhancing retail finance support through financial institution tie ups.

DIVIDEND

In view of losses, Directors have not recommended any dividend for the year under review.

Further the Directors decided not to transfer any amount to General Reserves.

SHARE CAPITAL

The Authorised Share Capital of your Company as on 31st March, 2017 stood at Rs. 60 crore divided into 5,50,00,000 equity shares of Rs. 10 each and 50,00,000 cumulative redeemable preference shares of Rs. 10 each.

During the year, 3,90,00,000 (Three Crore Ninety Lakhs) equity shares of Rs.10 each aggregating to Rs. 39,00,00,000 (Rupees Thirty Nine Crores Only) were issued and allotted to the existing shareholders of the Company in the ratio of their shareholding by way of Rights Issue.

As on 31st March, 2017 the paid up equity share capital of your Company stood at Rs. 54,30,19,790 divided into 5,43,01,979 equity shares of Rs. 10 each and the paid up preference Share Capital stood at Rs. 5,00,00,000 divided into 50,00,000 cumulative redeemable preference shares of Rs. 10 each.

BOARD OF DIRECTORS

Composition:

Presently the Board comprises of the following directors:

Sr. No.	Director (DIN)	Designation	Executive /Non-Executive Director	Independent/ Non-Independent Director
1	Mr. K. Chandrasekar (01084215)	Director	Non-Executive Director	Non-Independent Director
2	Mr. Nikhil Madgavkar (05163088)	Additional Director	Non-Executive Director	Non-Independent Director
3	Mr. Harish Chavan (06890989)	Director	Non-Executive Director	Non-Independent Director
4	Mr. Sanjay Prasad (05245631)	Additional Director	Non-Executive Director	Non-Independent Director
5	Mr. C. J. Mecwan (03596652)	Director	Non-Executive Director	Non-Independent Director
6	Mr. Chhabildas N Patel (01190815)	Director	Non-Executive Director	Independent Director
7	Mr. S. Nagarajan (03060429)	Additional Director	Non-Executive Director	Independent Director
8	Mr. Viren Popli (07811022)	Additional Director	Non-Executive Director	Non-Independent Director

Mr. Arunkumar Solanki, Director resigned from the Company with effect from 7th July, 2016.

Subsequently, pursuant to recommendation of the Nomination and Remuneration Committee ('NRC'), Mr. Sanjay Prasad, Principal Secretary, Department of Agriculture and Cooperation was appointed as an Additional Director of the Company with effect from 1st August, 2016.

Mr. Roopwant Singh resigned from the Company with effect from 5th August, 2016.

Mr. Ravindra Dhariwal, Independent Director resigned from the Company with effect from 21st October, 2016 and pursuant to recommendation of the NRC Mr. S. Nagarajan was appointed as an Additional as well as Independent Director with effect from 4th November, 2016 for a period of five consecutive years and he would not be liable to retire by rotation. Mr. S. Nagarajan had given a declaration to the effect that he meets the criteria of independence as laid down under section 149 of the Companies Act, 2013.

The Company has also received a declaration from Mr. Chhabildas Patel to the effect that he meets the criteria of independence as laid down under section 149 of the Companies Act, 2013.

Mr. P.C. Vaidya, Director resigned from the Company with effect from 4th November, 2016.

Further, pursuant to recommendation of the NRC, Mr. Nikhil Madgavkar and Mr. S.M. Khatana were appointed as Additional Directors of the Company with effect from 14th November 2016 and 13th December, 2016 respectively.

Mr. S. M. Khatana and Mr. Rajesh Jejurikar resigned from the Board with effect from 25th April, 2017 and 11th May, 2017 respectively.

Further, pursuant to recommendation of the NRC, Mr. Viren Popli was appointed as Additional Director of the Company with effect from 11th May, 2017.

The Company has received notice pursuant to Section 160 of the Companies Act, 2013, from a shareholder along with the necessary deposit, proposing the candidatures of Mr. Sanjay Prasad, Mr. S. Nagarajan, Mr. Nikhil Madgavkar and Mr. Viren Popli for their appointment as Directors at the ensuing Annual General Meeting.

The Board places its sincere appreciation on record and acknowledges the valuable contribution and guidance provided by Mr. Arunkumar Solanki, Mr. Roopwant Singh, Mr. P.C. Vaidya, Mr. S. M. Khatana and Mr. Rajesh Jejurikar during their stint as Directors of the Company.

Mr. C. J. Mecwan and Mr. K. Chandrasekar are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

Meetings:

The Board met four times during the year under review on 5th May, 2016, 30th July, 2016, 4th November, 2016 and 25th February, 2017. The maximum interval between any two meetings did not exceed 120 days.

The attendance at the meetings of the Board was as follows:

Name of Director	Number of Board Meetings Attended
Mr. K. Chandrasekar	4
Mr. Chhabildas N Patel	4
Mr. C. J. Mecwan	3
Mr. Harish Chavan	4
Mr. Arunkumar Solanki *(resigned with effect from 7th July, 2016)*	-
Mr. Sanjay Prasad *(appointed with effect from 1st August, 2016)*	-
Mr. Roopwant Singh *(resigned with effect from 5th August, 2016)*	1
Mr. Ravindra Dhariwal *(resigned with effect from 21st October, 2016)*	2
Mr. P. C. Vaidya *(resigned with effect from 4th November, 2016)*	3
Mr. S. Nagarajan *(appointed with effect from 4th November, 2016)*	2
Mr. Nikhil Madgavkar *(appointed with effect from 14th November, 2016)*	1
Mr. S. M. Khatana *(appointed with effect from 13th December, 2016 and resigned with effect from 25th April, 2017)*	-
Mr. Rajesh Jejurikar *(resigned with effect from 11th May, 2017)*	3*
Mr. Viren Popli *(appointed with effect from 11th May, 2017)*	-

**Out of the three meetings in which he was present, he participated in two meetings through video conferencing*

Evaluation of performance of Directors:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an Annual Evaluation of its own performance and that of its Committees, performance of the Directors individually (including Independent Directors). Feedback were sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The Nomination and Remuneration Committee has also carried out an Evaluation of the performance of the Directors individually.

Meeting of Independent Directors:

The Independent Directors of the Company met on 4th November, 2016 without the presence of the Manager or other Non-Independent Directors or Chief Financial Of?cer or any other Management Personnel. The Meeting was conducted in an informal and ?exible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of ?ow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

COMMITTEES OF THE BOARD

Audit Committee:

The Audit Committee comprises of Mr. K. Chandrasekar (Chairman), Mr. S. Nagarajan (Member) and Mr. Chhabildas Patel (Member).

The Audit Committee was re-constituted during the year with effect from 4th November, 2016 by inducting Mr. S. Nagarajan in place of Mr. Ravindra Dhariwal who ceased to be a Director of the Company w.e.f 21st October, 2016.

Audit Committee met thrice during year, i.e., on 5th May, 2016, 4th November, 2016 and 25th February, 2017.

The attendance at the Meetings of the Audit Committee was as follows:

Director	Designation	No. of meetings attended
Mr. K. Chandrasekar	Chairman	3
Mr. Chhabildas N Patel	Member	3
Mr. Ravindra Dhariwal*	Member	1
Mr. S. Nagarajan**	Member	1

**Ceased to be a Director and thereby member of the Committee w.e.f 21st October, 2016*
***Appointed as a member of the Committee w.e.f 4th November, 2016*

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. C.J. Mecwan (Chairman), Mr. S. Nagarajan (Member), Mr. Chhabildas Patel (Member) and Mr. Nikhil Madgavkar (Member w.e.f 11th May, 2017).

Nomination and Remuneration Committee was re-constituted during the year with effect from 4th November, 2016 by induction of Mr. S. Nagarajan as its member pursuant to resignation of Mr. Ravindra Dhariwal as a Director with effect from 21st October, 2016.

The Committee was further re-constituted by induction of Mr. Nikhil Madgavkar as its member pursuant resignation of Mr.Rajesh Jejurikar as a Director with effect from 11th May, 2017.

Nomination and Remuneration Committee met thrice during year, i.e., on 5th May, 2016, 30th July, 2016 and 4th November, 2016 and the attendance at the Meetings of the Nomination and Remuneration Committee was as follows:

Director	Designation	No. of meetings attended
Mr. C.J. Mecwan	Chairman	2
Mr. Rajesh Jejurikar#	Member	3@
Mr. Ravindra Dhariwal*	Member	2
S. Nagarajan**	Member	-
Mr. Chhabildas N Patel	Member	3
Mr. Nikhil Madgavkar##	Member	-

**Ceased to be a Director and thereby member of the Committee w.e.f 21st October, 2016*

***Appointed as a member of the Committee w.e.f 4th November, 2016*

 # Ceased to be a Director and thereby member of the Committee w.e.f 11th May, 2017

##Appointed as a member of the Committee w.e.f 11th May, 2017

@Out of the three meetings in which he was present, he participated in two meetings through video conferencing

Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility Committee comprises of Mr. K. Chandrasekar (Chairman), Mr. C.J. Mecwan (Member) and Mr. S. Nagarajan (Member).

The CSR Committee was re-constituted during the year w.e.f 4th November, 2016 by induction of Mr. S. Nagarajan as its member pursuant to resignation of Mr. Ravindra Dhariwal as a Director with effect from 21st October, 2016.

The CSR Committee met once during year, i.e., on 5th May, 2016 and the attendance at the Meetings of the CSR Committee was as follows:

Director	Designation	No. of meetings attended
Mr. K. Chandrashekar	Chairman	1
Mr. C. J. Mecwan	Member	1
Mr. Ravindra Dhariwal*	Member	1
S. Nagarajan**	Member	-

**Ceased to be a Director and thereby member of the Committee w.e.f 21st October, 2016*

***Appointed as a member of the Committee w.e.f 4th November, 2016*

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, your Company continued its CSR initiatives in the area of sanitation and promoting girl child education. Your Company constructed 15 fully equipped toilets at, Rayantalavdi village, near Vadodara (Gujarat State) and contributed to K.C. Mahindra Education Trust under their 'Nanhi Kali' program that promotes girl child education.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Board has approved a Corporate Social Responsibility policy in accordance with the relevant provisions of Companies Act, 2013. The same may be accessed on the Company's website: http://www.mahindragujarat.com/wp-content/uploads/2017/06/CSR-Policy-MGTL-21052015.pdf.

An Annual Report on Corporate Social Responsibility is attached as Annexure I and forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors, based on representation from operating management, and after due enquiry, state that :

(a) in the preparation of the annual financial statement for the year ended 31st March 2017 the applicable accounting standards have been followed;

(b) the Directors had in consultation with Statutory auditors 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 on 31st March, 2017 and of the Loss of the Company for the financial year ended on that date;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared annual accounts on a going concern basis; and,

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

CODES OF CONDUCT

Your Company has adopted Codes of Conduct for its Directors, and senior management and employees (“the Codes”). These Codes enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of your Company's ethos. Your Company has, for the year, received declarations from Directors, and senior management and employees, affirming compliance with the respective Codes.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Your Board has, on the recommendation of the Nomination and Remuneration Committee approved policies for the appointment/removal of Directors and Senior Management Personnel together with the criteria for determining qualifications, positive attributes and Independence of Directors, and Remuneration of Directors, Key Managerial Personnel and other Employees.

These policies are provided as Annexure II and form part of this Report.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of your Company are as below:

1. Mr. Sandeep Jaiswal as Manager;
2. Mr. Ashok Panara as Chief Financial Officer; and
3. Mr. Sumeet Maheshwari as Company Secretary

Mr. Shri Om Tyagi resigned as Manager of the Company with effect from 1st October, 2016. Consequently, Mr. Sandeep Jaiswal was appointed as Manager of your Company with effect from 4th November, 2016.

SECRETARIAL AUDITORS

Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, states that every public company having a paid-up share capital of Rupees Fifty Crore or more; or every public company having a turnover of Rupees Two Hundred Fifty Crore or more shall annex with its Board's report, a secretarial audit report, given by a company secretary in practice. Post the issue and allotment of Equity shares on rights basis, the paid up share capital of the Company had crossed the threshold limit of Rupees fifty crore and accordingly your Board had approved the appointment of M/s. Samdani Shah & Asso., Company Secretaries, Vadodara to conduct secretarial audit for the financial year 2016-17.

In terms of provisions of sub section 1 of Section 204 of Companies Act, 2013, the Company has annexed with this Report as Annexure III, a Secretarial Audit Report in prescribed Form MR 3 given by M/s. Samdani Shah & Kabra (Erstwhile M/s. Samdani Shah & Asso.).

The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

Further, your Board has also approved the appointment of M/s. Samdani Shah & Kabra (Erstwhile M/s. Samdani Shah & Asso.), Company Secretaries, Vadodara to conduct secretarial audit for the financial year 2017-18.

STATUTORY AUDITORS

At the Thirty-Fifth Annual General Meeting, M/s. Bipin & Co., Chartered Accountants, Vadodara (Firm Registration No. 101509W) were appointed as the Statutory Auditors of your Company to hold office up to the conclusion of Fortieth Annual General Meeting.

Pursuant to the first proviso of Section 139(1) of Companies Act, 2013, the Members are requested to ratify appointment of Statutory Auditors at the ensuing Annual General Meeting and fix their remuneration.

As required under the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your Company has obtained a written consent and certificate from the Statutory Auditors to the effect that their appointment, if ratified, would be in conformity with the conditions, limits and criteria specified therein.

Your Directors confirm that the Auditors' Report does not contain any qualification, reservation or adverse remark.

REPORTING OF FRAUDS

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under section 143 (12) of the Companies Act 2013, details of which needs to be mentioned in this Report.

INDUSTRIAL RELATIONS

Industrial relations have generally remained cordial throughout the year.

INTERNAL CONTROLS

Your Company has implemented a system of internal controls and monitoring procedures as well as internal financial controls on financial statement and the same is, in the opinion of the Board, commensurate with the Company's size and operations. Your Company regularly conducts reviews to assess the adequacy of financial and operating controls. Significant issues, if any, are brought to the attention of the Audit Committee. Statutory Auditors and Internal Auditor are invited to attend Audit Committee meetings.

RISK MANAGEMENT POLICY

Your Company is exposed to a variety of risks which may impact its operations. These risks are mitigated by using an integrated risk management approach.

Your Company has formulated a risk management policy which provides for evaluation of risks which may threaten the existence of the Company, and facilitates development of a suitable plan to mitigate the same.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public, or its employees, during the year.

Your Company has not, whether directly or indirectly, given loans, made investments, and/or provided guarantees/ securities which are required to be reported under Section 186 of the Companies Act, 2013.

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V, applicable to the parent Company, Mahindra & Mahindra Limited.

PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

All transactions entered into by your Company with its related parties during the year were in the ordinary course of business and at arm's length.

Particulars of material contracts or arrangements or transactions with related parties, referred to under Section 188(1) of the Companies Act, 2013, are furnished in Form AOC-2 as Annexure IV and forms part of this Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2017 in form MGT-9 is annexed as Annexure V and forms part of this Report.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review no complaints were received under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company pursues various safety improvement measures. The safety measures have been on focus throughout the year resulting in an increase in Safety Activity Ratio (S.A.R.) and achieved Zero accident during the year. During the year, operating systems in your Company were certified with Integrated Management System (IMS-ISO 9001:2015 & OHSAS 18001-2007) and awarded certificate from TUV-NORD. All statutory requirements have been adhered to & fully complied with.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in Annexure VI and form part of this report.

GENERAL DISCLOSURE

Your Directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year:

(a) Issue of equity shares with differential rights as to dividend, voting or otherwise.

(b) Issue of shares (including sweat equity shares) to employees of the Company under any ESOP scheme, etc.

(c) Disclosure of remuneration of employees under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, since your Company is an unlisted Company.

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

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank the bankers, customers, vendors and all other stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board

Place : Mumbai,
Date : 11th May, 2017

K.Chandrasekar
Director

C.J. Mecwan
Director

ANNEXURE I TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES OF MAHINDRA GUJARAT TRACTOR LIMITED

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

Weblink: http://mahindragujarat.com/wp-content/uploads/2017/06/CSR-Policy-MGTL-21052015.pdf

The objective of the Company's CSR policy is to-

- Promote a unified and strategic approach to CSR by incorporating under the 'Rise for Good' umbrella the diverse range of its philanthropic initiatives and causes to work for thereby ensuring high social impact.

- Encourage employees to participate actively in the Company's CSR activities and give back to society in an organized manner through the employee volunteering programme called ESOPs (Employee Social Options).

The Company has pledged to contribute 2% of its average net profits earned during the three immediately preceding financial years towards CSR initiatives to meet the needs of the local communities where it operates.

Our commitment to CSR will be manifested by investing resources in the following thrust areas:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation, including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation, and making available safe drinking water;

2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects;

3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water, including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;

5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;

6. Measures for the benefit of armed forces veterans, war widows and their dependents;

7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;

8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

9. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

10. Rural development projects;

11. Slum area development.

The Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for monitoring implementation of the CSR Policy. CSR Committee shall approve and recommend to the Board projects or programmes to be undertaken, the modalities of execution, and implementation schedule thereof.

(2) The Composition of the CSR Committee: K. Chandrasekar (Chairman),
C. J. Mecwan, and
S. Nagarajan

(3) Average net profit of the Company for last three financial years : Rs. 455/- Lakhs

(4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 9.10/- Lakhs

(5) Details of CSR spent during the financial year.

(a) Total amount spent for the financial year: Rs. 9.92 Lakhs (Includes Rs. 0.18 Lakhs which was unspent in the previous year and was carried forward and spent in construction of toilets for the financial year 2016-17)

(b) Amount unspent, if any: NIL

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

Sr. No.	Particulars	CSR Expenditure
(1)	CSR project or activity identified	Construction of Toilets and Girl Child Education
(2)	Sector in which the project is covered	Sanitation and Education
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	1. Local Area for Toilets Construction at Rayantalavdi Village near Vadodara, Gujarat 2. Girl Child Education in Nasik, Maharashtra
(4)	Amount outlay (budget project or programme wise	Construction of Toilets Rs. 4.55 Lakhs and Girl Child Education Rs.4.55 Lakhs

Sr. No.	Particulars	CSR Expenditure
(5)	Amount spent on the project or programme Sub Heads: (1) Direct Expenditure on projects or programmes (2) Overheads	 Direct Expenditure of Rs. 9.92 Lakhs NIL
(6)	Cumulative expenditure up to the reporting period	Rs. 9.9 2Lakhs
(7)	Amount Spent direct or through implementing agency - Through K.C. Mahindra Education Trust - Directly by the Company	 Rs. 4.55 Lakhs Rs. 5.37 Lakhs

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: NIL

7. Your Company's CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

Place : Mumbai,
Date : 11th May, 2017

K.Chandrasekar
Director & Chairman of the CSR Committee

C.J. Mecwan
Director

ANNEXURE II TO THE DIRECTORS' REPORT

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Gujarat Tractor Limited (MGTL).

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

a. Managing Director (MD) or Chief Executive Officer (CEO) or Manager or Whole time Director (WTD)
b. Chief Financial Officer (CFO), and
c. Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including functional heads.

I. APPOINTMENT OF DIRECTORS

NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of an individual Board member, NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of a Director as applicable:

1. All Board appointments will be based on merit, in the context of skills, experience, independence and knowledge required for the Board as a whole to be effective.

2. Ability of the candidate to devote sufficient time and attention to professional obligations as an Independent Director for balanced decision making.

3. Adherence to the Code of Conduct and ensuring the highest level of corporate governance, in letter and in sprit, by Directors.

Based on NRC's recommendation, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board, through any member of the Board, will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made there under.

REMOVAL OF DIRECTORS

If a Director is disqualified as per any applicable Act, or rules and regulations thereunder, or due to non-adherence to the applicable policies of the Company, NRC may recommend to the Board, with reasons recorded in writing, removal of a Director subject to compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

NRC shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down above.

For administrative convenience, senior management personnel will be appointed or promoted and removed/relieved with the authority of the Managing Director/CEO/Manager based on business needs and suitability of the candidate.

Managing Director/CEO/Manager shall report details of such appointments to NRC at least twice in a year.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure implementation of the strategic business plans of the Company.

Board:

Successors for Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor(s) will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

Successors for Executive Director(s) shall be identified by the NRC from Senior Management or through external sources as the Board may deem fit.

The Board may also decide at its discretion not to fill a vacancy on the Board.

Senior Management Personnel:

The Company's succession planning program aims to identify high growth individuals, and groom them in order to maintain a robust talent pipeline.

The Company has a process of identifying individuals with high potential and having abilities to hold critical positions. Successors are mapped for such positions in order to ensure talent readiness.

The Company participates in the Mahindra Group's Talent Management process which is driven by a collaborative network of Talent Councils across the Group's various Sectors.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra Gujarat Tractor Limited (MGTL).

Policy Statement

Our compensation philosophy strives to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in business.

In order to effectively implement this, our compensation structure is developed through external benchmarking as appropriate, with relevant players across the industry we operate in.

Non-Executive Including Independent Directors

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to Non-Executive Directors, including Independent Directors, whether as commission or otherwise. NRC shall take into consideration various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may deem fit for determining compensation.

The Board shall determine compensation to Non-Executive Directors within the overall limits specified in the Shareholders' resolution.

Executive Director/Managing Director/Manager

The remuneration to Executive Director(s)/Managing Director/ Manager shall be recommended by NRC to the Board. Remuneration will consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' resolution. While fixed compensation is determined at the time of their appointment, variable compensation will be determined annually by NRC based on their performance.

Key Managerial Personnel (KMPs)

The remuneration to Manager shall be recommended by NRC to the Board. Remuneration will consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' resolution. While fixed compensation is determined at the time of their appointment, variable compensation will be determined annually by NRC based on their performance.

The terms of remuneration of the Chief Financial Officer (CFO) and the Company Secretary shall be determined either by any Director or such other person as may be authorised by the NRC.

The above remuneration shall be competitively benchmarked for similar positions in the industry and aligned with their qualifications, experience, and responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013, the Board shall approve remuneration of the above KMPs at the time of their appointment.

The remuneration to Directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Employees

We follow a position and level based approach for compensation benchmarking with companies in the tractor and related industries.

We have a CTC (Cost to Company) concept which includes a fixed component (guaranteed pay) and a variable component (performance pay). The percentage of the variable component increases with increasing hierarchy levels as employees at higher positions have a greater impact and influence on the Company's overall business result. CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality

Remuneration for new employees other than KMPs and senior management will be decided by HR, and approved by the Managing Director/Chief Executive Officer/Manager, based on factors such as relevant job experience, last compensation drawn, skill-set of the selected candidate, internal equity and related parameters.

For and on behalf of the Board

Place : Mumbai
Date : 11th May, 2017

K.Chandrasekar
Director

C.J. Mecwan
Director

ANNEXURE III TO THE DIRECTORS' REPORT

FORM NO. MR.3
Secretarial Audit Report
for the Financial Year ended March 31st, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra Gujarat Tractor Limited
Vishwamitri,
Nr. Railway Overbridge,
Vadodara – 390011,
Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ***Mahindra Gujarat Tractor Limited*** (hereinafter referred to as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31st, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31st, 2017, according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder; Not Applicable

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable to the company being Unlisted Public Company:-

(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;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(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;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India. Being Unlisted Public Company, clauses / regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company.

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 and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all the 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 clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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 all the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

S. Samdani
Partner
Samdani Shah & Kabra
(Erstwhile Samdani Shah & Asso.)
Company Secretaries
FCS No. 3677
CP No. 2863

Place : Vadodara
Date: May 01st, 2017

This Report is to be read with our letter of even date annexed as Appendix A and forms part of this report

Appendix A

To,
The Members,
Mahindra Gujarat Tractor Limited
Vishwamitri,
Nr. Railway Overbridge,
Vadodara – 390011,
Gujarat.

Our Secretarial Audit report of even date is to be read along with this letter, that:

- Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.

- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of 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.

- Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.

- 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.

S. Samdani
Partner
Samdani Shah & Kabra
(Erstwhile Samdani Shah & Asso.)
Company Secretaries
FCS No. 3677
CP No. 2863

Place : Vadodara
Date: May 01st, 2017

ANNEXURE IV TO THE DIRECTORS' REPORT

FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
-	-	-	-	-	-	-	-	-

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. Lakhs)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Mahindra & Mahindra Limited. (Holding Company)	Purchase of Tractors	Financial year ended 31st March, 2017	581	Not Applicable	-
2	Mahindra & Mahindra Limited. (Holding Company)	Purchase of Components of Tractors	Financial year ended 31st March, 2017	1531	Not Applicable	-
3	Mahindra & Mahindra Limited. (Holding Company)	Sale of Tractors and its Components	Financial year ended 31st March, 2017	75	Not Applicable	-
4	Mahindra & Mahindra Limited. (Holding Company)	Services Received for Employees on Deputation	Financial year ended 31st March, 2017	227	Not Applicable	-
5	Mahindra & Mahindra Limited. (Holding Company)	Expenses Reimbursed	Financial year ended 31st March, 2017	57	Not Applicable	-
6	Mahindra Logistics Limited. (Fellow Subsidiary)	Logistics Services Received	Financial year ended 31st March, 2017	323	Not Applicable	-
7	Mahindra & Mahindra Limited. (Holding Company)	Purchase of Assets	Financial year ended 31st March, 2017	7	Not Applicable	-

Note: for the purpose of materiality, the following criteria have been considered.

10% of Turnover of the Company or Rs. One hundred crore, whichever is lower is considered material for the purpose of disclosure in respect of contracts/transactions/arrangements for sale, purchase, or supply of any goods or materials.

10% of Net-worth of the Company or Rs. One hundred crore, whichever is lower is considered material for the purpose of disclosure in respect of Contracts/transactions/arrangements for selling or otherwise disposing of or buying property of any kind.

10% of the Net-worth of the Company or 10% of turnover of the Company or Rs. One hundred crore, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for leasing of property of any kind.

10% of Turnover of the Company or Rs. Fifty crores, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts /transactions/ arrangements for rendering of services.

For and on behalf of the Board

Place : Mumbai	**K.Chandrasekar**	**C.J. Mecwan**
Date : 11th May, 2017	Director	Director

ANNEXURE V TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as 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.	Corporate Identification Number (CIN)	:	U34100GJ1978PLC003127
ii.	Registration Date	:	31st March, 1978
iii.	Name of the Company	:	Mahindra Gujarat Tractor Limited
iv.	Category/Sub-Category of the Company	:	Indian Non-Government Company Limited by shares
v.	Address of the Registered office and contact details	:	Vishwamitri, Near Railway Overbridge Vadodara – 390011, Gujarat Tel.: +91-265-2311617/2339547 Fax: +91-265-2338015/2338156 Contact: maheshwari.sumeet@mahindra.com
vi	Whether listed Company Yes / No	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NSDL Database Management Limited 4th Floor A wing Trade World, Kamala Mills Compound, Senapati Bapat Marg. Lower Parel, Mumbai- 400013. Tel: 022 - 4914 2700 ; Fax: 022 - 49142503

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:

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacturing of Tractors	28211	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mahindra & Mahindra Limited	L65990MH1945PLC004558	Holding Company	60%	2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	6,120,791	6,120,791	40	-	21,720,791	21,720,791	40	-
d) Bodies Corp.	-	9,181,188	9,181,188	60	-	32,581,188	32,581,188	60	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**-**	**15,301,979**	**15,301,979**	**100**	**-**	**54,301,979**	**54,301,979**	**100**	**-**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)	**-**	**15,301,979**	**15,301,979**	**100**	**-**	**54,301,979**	**54,301,979**	**100**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp./Corporate incorporated outside India									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-total (B)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**-**	**15,301,979**	**15,301,979**	**100**	**-**	**54,301,979**	**54,301,979**	**100**	**-**

(ii) Shareholding of Promoters (equity):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Mahindra & Mahindra Limited	1,683,211	11	-	5,973,211	11	-	-
2	Mahindra & Mahindra Limited jointly with Mr. Ashutosh Vidwans	1	-	-	1	-	-	-
3	Mahindra & Mahindra Limited jointly with Mr. Rajeev Goel	1	-	-	1	-	-	-
4	Mahindra & Mahindra Limited jointly with Mr. Bishwambar Mishra	1	-	-	-	-	-	-
5	Mahindra & Mahindra Limited jointly with Mr. Nikhil Madgavkar	-	-	-	1	-	-	-
6	Mahindra & Mahindra Limited jointly with Mr. Harish Chavan	1	-	-	1	-	-	-
7	Mahindra & Mahindra Limited jointly with Mr. S. Durgashankar	1	-	-	1	-	-	-
8	Mahindra & Mahindra Limited jointly with Mr. Ashok Kumar Panara	1	-	-	1	-	-	-
9	Mahindra & Mahindra Limited jointly with Mr. Shri Om Tyagi	1	-	-	-	-	-	-
10	Mahindra & Mahindra Limited jointly with Mr. Sandeep Jaiswal	-	-	-	1	-	-	-
11	Mahindra Holdings Limited	7,497,970	49	-	26,607,970	49	-	-
12	Governor of Gujarat	6,120,784	40	-	21,720,784	40	-	-
13	Governor of Gujarat jointly with Mr. M.B.Soni	1	-	-	-	-	-	-
14	Governor of Gujarat jointly with Mr. J.D.Dave	-	-	-	1	-	-	-
15	Governor of Gujarat jointly with Mr. A. M. Choudhary	1	-	-	-	-	-	-
16	Governor of Gujarat jointly with Ms. Bhavita Rathod	-	-	-	1	-	-	-
17	Governor of Gujarat jointly with Mr. R. T. Christian	1	-	-	-	-	-	-
18	Governor of Gujarat jointly with Mrs. B. R. Thakkar	-	-	-	1	-	-	-

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
19	Governor of Gujarat jointly with Mr. S. R. Choudhary	1	-	-	-	-	-	-
20	Governor of Gujarat jointly with Mr. B. M. Modi	-	-	-	1	-	-	-
21	Governor of Gujarat jointly with Mr. K. D. Panchal	1	-	-	-	-	-	-
22	Governor of Gujarat jointly with Mr. M. K Qureshi	-	-	-	1	-	-	-
23	Governor of Gujarat jointly with Mr. B. M. Jadhav	1	-	-	1	-	-	-
24	Governor of Gujarat jointly with Mr. G. K. Thakor	1	-	-	1	-	-	-
Total		**15,301,979**	**100**	**-**	**54,301,979**	**100**	**-**	**-**

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

Sr. No.		Shareholding at the beginning of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1.	**Mahindra and Mahindra Limited**					
	At the beginning of the year	1,683,211	11		-	-
	Increase - Allotment of Equity shares under Rights issue on 27th June, 2016	-	-	4,290,000	5,973,211	11
	At the End of the year	-	-		5,973,211	11
2.	**Mahindra & Mahindra Limited jointly with Mr. Bishwambar Mishra**					
	At the beginning of the year	1	-	-	-	-
	Decrease - Transfer of share to Mahindra & Mahindra Limited jointly with Mr. Nikhil Madgavkar on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	-	-
3.	**Mahindra & Mahindra Limited jointly with Mr. Nikhil Madgavkar**					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Mahindra & Mahindra Limited jointly with Mr. Bishwambar Mishra on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	1	-

Sr. No.		Shareholding at the beginning of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
4.	**Mahindra & Mahindra Limited jointly with Mr. Shri Om Tyagi**					
	At the beginning of the year	1	-	-	-	-
	Decrease-Transfer of share to Mahindra & Mahindra Limited jointly with Mr. Sandeep Jaiswal on 25th February, 2017	-	-	1	-	-
	At the End of the year	-	-	-	-	-
5.	**Mahindra & Mahindra Limited jointly with Mr. Sandeep Jaiswal**					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Mahindra & Mahindra Limited jointly with Mr. Shri Om Tyagi on 25th February, 2017	-	-	1	-	-
	At the End of the year	-	-	-	1	-
6.	**Mahindra Holdings Limited**					
	At the beginning of the year	7,497,970	49	-	-	-
	Increase-Allotment of Equity shares under Rights issue on 27th June, 2016	-	-	19,110,000	26,607,970	49
	At the End of the year	-	-	-	26,607,970	49
7.	**Governor of Gujarat**					
	At the beginning of the year	6,120,784	40	-	-	-
	Increase-Allotment of Equity shares under Rights issue on 27th June, 2016	-	-	15,600,000	21,720,784	40
	At the End of the year	-	-		21,720,784	40
8.	**Governor of Gujarat jointly with Mr. M. B. Soni**					
	At the beginning of the year	1	-	-	-	-
	Decrease-Transfer of share to Governor of Gujarat jointly with Mr. J. D. Dave on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	-	-
9.	**Governor of Gujarat jointly with Mr. J.D. Dave**					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Governor of Gujarat jointly with Mr. M.B. Soni on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	1	-

Sr. No.		Shareholding at the beginning of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
10.	**Governor of Gujarat jointly with Mr. R. T. Christian**					
	At the beginning of the year	1	-	-	-	-
	Decrease-Transfer of share to Governor of Gujarat jointly with Mr. B. R. Thakkar on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	-	-
11.	**Governor of Gujarat jointly with Mrs. B.R. Thakkar**					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Governor of Gujarat jointly with Mr. R. T. Christian on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	1	-
12.	**Governor of Gujarat jointly with Mr. S. R. Choudhary**					
	At the beginning of the year	1	-	-	-	-
	Decrease-Transfer of share to Governor of Gujarat jointly with Mr. B. R. Shah on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	-	-
13.	**Governor of Gujarat jointly with Mr. B.R. Shah**					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Governor of Gujarat jointly with Mr. S. R. Choudhary on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	1	-
14.	**Governor of Gujarat jointly with Mr. K. D. Panchal**					
	At the beginning of the year	1	-	-	-	-
	Decrease-Transfer of share to Governor of Gujarat jointly with Mr. M. K. Qureshi on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	-	-
15.	**Governor of Gujarat jointly with Mr. M. K. Qureshi**					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Governor of Gujarat jointly with Mr. K. D. Panchal on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	1	-

Sr. No.		Shareholding at the beginning of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
16.	**Governor of Gujarat jointly with Mr. A.M. Choudhary**					
	At the beginning of the year	1	-	-	-	-
	Decrease-Transfer of share to Governor of Gujarat jointly with Ms. Bhavita Rathod on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	-	-
17.	**Governor of Gujarat jointly with Ms. Bhavita Rathod**					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Governor of Gujarat jointly with Mr. A. M. Choudhary on 30th July, 2016	-	-	1	-	-
	At the End of the year	-	-	-	1	-

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

Sr. No.	Name of the Shareholder:	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	-	-	-	-
	Change	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	**Mr. Shri Om Tyagi** (Jointly with Mahindra & Mahindra Limited)					
	At the beginning of the year	1	-	-	-	-
	Decrease-Share transferred to Mr. Sandeep Jaiswal (Jointly with Mahindra & Mahindra Limited) on 25th February, 2017	-	-	1	-	-
	At the End of the year	-	-	-	-	-
2	**Mr. Sandeep Jaiswal** (Jointly with Mahindra & Mahindra Limited)					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Mr. Shri Om Tyagi (Jointly with Mahindra & Mahindra Limited) on 25th February, 2017	-	-	1	-	-
	At the End of the year	-	-	-	1	-

DIRECTORS' REPORT

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
3	**Mr. Ashok Kumar Panara** (Jointly with Mahindra & Mahindra Limited)					
	At the beginning of the year	1	-	-	1	-
	Change	-	-	-	-	-
	At the End of the year	1	-	-	1	-
4	**Mr. Harish Chavan** (Jointly with Mahindra & Mahindra Limited)					
	At the beginning of the year	1	-	-	1	-
	Change	-	-	-	-	-
	At the End of the year	1	-	-	1	-
5	**Mr. Nikhil Madgavkar** (Jointly with Mahindra & Mahindra Limited)					
	At the beginning of the year	-	-	-	-	-
	Increase-Share transferred from Mr. Bishwambar Mishra (Jointly with Mahindra & Mahindra Limited) on 30th July, 2016	-	-	1	1	-
	At the End of the year	-	-	-	1	-

V. INDEBTEDNESS

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

(Rupees In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	901.83	-	901.83
ii) Interest due but not paid	-	806.71	-	806.71
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1708.54	-	1708.54
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	(1708.54)	-	(1708.54)
Net Change	-	(1708.54)	-	(1708.54)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rupees In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Manager		Total Amount
		S. O. Tyagi (upto 1st October, 2016)	Sandeep Jaiswal (w.e.f 4th November, 2016)	
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.75	25	41.75
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify... Fees	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**16.75**	**25**	**41.75**
	Ceiling as per the Act	As per Schedule V of Companies Act, 2013		

B. *Remuneration to other directors:*

(Rupees In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Ravindra Dhariwal (upto 21st October, 2016)	Mr. S. Nagarajan (from 4th November, 2016)	Mr. Chhabildas Patel	
1	Independent Directors				
	• Fee for attending board/committee meetings	0.80	0.50	1.40	2.70
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	**0.80**	**0.50**	**1.40**	**2.70**
2	Other Non- Executive Directors	-	-	-	-
	• Fee for attending board/committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	0.80	0.50	1.40	2.70
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

DIRECTORS' REPORT

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

(Rupees In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	a) Salary as per provisions	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify... Fees	-	-	-	-
5.	Others, please specify	-	1.72	22.86	24.58
	Total	**-**	**1.72**	**22.86**	**24.58**

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	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

For and on behalf of the Board

Place : Mumbai
Date : 11th May, 2017

K.Chandrasekar
Director

C.J. Mecwan
Director

ANNEXURE VI TO THE DIRECTORS' REPORT
PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF DIRECTORS REPORT OF THE YEAR ENDED ON 31st MARCH 2017

A. CONSERVATION OF ENERGY

(a) the steps taken or impact on conservation of energy:
During the year, your Company has taken following initiatives for conservation of energy:
- Optimum utilization of the plant & machinery.
- Maintain power factor at unity (0.999)
- Energy saver engine testing dynamometer.
- Acoustic enclosure for Tractor PTO Testing - reduces noise.

(b) the steps taken by the Company for utilizing alternate sources of energy:
- Replacement of asbestos roof sheets in select portion with transparent sheets to use natural light resulted to improve lux level
- Provision of Air circulator to improve air changeover.

(c) the capital investment on energy conservation equipments:
- New Transmission line and storage system.
- Roof ventilators with Natural lighting,
- Introduction of LED lights/ Solar lamps.

B. TECHNOLOGY ABSORPTION

i) the efforts made towards technology absorption:
Areas in which Research & Development is carried out:
- Keeping in view the future requirements of technological up- gradation, your Company has undertaken various programs like development of tractor to meet future regulatory norms in India and also upgrade some models with improved aesthetics.

ii) the benefits derived like product improvement, cost reduction, product development or import substitution:
- During the year under review, pursuant to R&D efforts on development of new features, Company introduced Oil brakes in 35 hp, Power steering in Orchard model.

iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – NIL
(a) the details of technology imported: N.A.
(b) the year of import: N.A.
(c) whether the technology been fully absorbed: N.A.
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

iv) the expenditure incurred on Research and Development :

	(Rupees in Lakhs)
(a) Capital Expenditure	Rs. NIL
(b) Recurring Expenditure	Rs. 11.46

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(in terms of actual inflow and outflow)
Total Foreign Exchange Earned and Used: **(Rupees in Lakhs)**

	For the Financial Year Ended 31st March, 2017	**For the Financial Year ended 31st March, 2016**
Total Foreign Exchange Earned	**NIL**	NIL
Total Foreign Exchange Used	**Rs. 16.17 Lakhs (EURO:21986)**	NIL

For and on behalf of the Board

Place : Mumbai
Date : 11th May, 2017

K.Chandrasekar
Director

C.J. Mecwan
Director

INDEPENDENT AUDITORS' REPORT

To,
The Member,
MAHINDRA GUJARAT TRACTOR LIMITED.

We have audited the accompanying standalone financial statements of MAHINDRA GUJARAT TRACTOR LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the central Government in terms of Section 143(11) of the Act, We give in the "Annexure-A" a statement on the matter specified in paragraph 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 it appears from our examination of those books ,

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B"; and

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

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note: 32 to the financial statements;

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

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

IV. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and those are in accordance with the books of accounts maintained by the Company. Refer Note No:34 to the financial statements;

***For* BIPIN & COMPANY**
Chartered Accountants
Firm No: 101509W
PRADEEP K AGRAWAL
PARTNER
M .NO: 116612

PLACE : MUMBAI
DATE : 11.05.2017

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the account of Mahindra Gujarat Tractor Limited for the year ended on 31st March, 2017)

I.

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

(b) The fixed assets were physically verified by the Management in accordance with a regular programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The company hold title of all immovable property held by the company.

II.

(a) As explained to us, inventories were physically verified by the Management during once in a year and any discrepancy had been noticed during physical verification were properly dealt with in books of Account.

III. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the period under perusal.

IV. According to information and explanation provided to us, Section 185 and 186 of the Companies Act, 2013 had been complied in respect of Loans, Investments, guarantees and securities.

V. According to information and explanation provided to us, the company had not accepted any deposits during the year under review, accordingly the provision of clause 3(v) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.

VI. As per the Notification No: 1/40/2013 dated 31st December,2014, the Central Government exempt automobile industries from the preview of Cost Audit, hence it is not applicable to company, under section 148 (1) of the Companies Act, 2013.

VII.

(a) According to information and explanation given to us, no undisputed amount payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess were in arrears as at 31st March, 2017 for a period of more than six month from the day they become payable.

(b) Details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, and cess which have not been deposited as on 31st March, 2017 on account of dispute are given below.

Name of Statue	Nature of Dues	Amount in Lakhs	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1962	Income Tax	24.17	AY 2013-14	ITAT
The Income Tax Act, 1962	Income Tax	66.73	AY 2014-15	CIT-Appeals

VIII. According to information and explanation given to us the company had not defaulted in repayment of dues to financial institution or bank.

XI. According to information and explanation given to us, no money has been raised by way of initial public offer (including debt instrument) and term loan during the year under review hence clause 3(ix) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.

X. According to information and explanation given to us no fraud on or by the company has been noticed or reported during the year.

XI. According to information and explanation provided to us, managerial remuneration has been paid and provided in accordance with the requisite approval mandate by the provision of section 197 read with Schedule V of the Companies Act, 2013

XII. According to information and explanation provided to us, clause 3(xii) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.

XIII. According to information and explanation provided to us, all transaction with the related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and all applicable details have been disclosed in the Financial Statement as required by the applicable accounting standard.

XIV. According to information and explanation provided to us, Company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year under review hence clause 3(xiv) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.

XV. According to information and explanation provided to us, Company has not entered into any non cash transaction with directors or person connected with him hence, clause 3(xv) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.

XVI. According to information and explanation provided to us, Company is not required to register under section 45IA of the Reserve Bank of India Act, 1934 hence, clause 3(xvi) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.

For **BIPIN & COMPANY**
Chartered Accountants
Firm No: 101509W
PRADEEP K AGRAWAL
PARTNER
M .NO: 116612

PLACE: MUMBAI
DATE: 11.05.2017

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

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 Mahindra Gujarat Tractor Limited (“the Company”) as of 31st March 2017 in conjunction with our audit of the standalone 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 o n the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **BIPIN & COMPANY**
Chartered Accountants
Firm No: 101509W
PRADEEP K AGRAWAL
PARTNER
M .NO: 116612

PLACE: MUMBAI
DATE: 11.05.2017

Balance Sheet as at 31st March , 2017

Rupees in Lakhs

Particulars		Notes No.	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
I. ASSETS					
NON-CURRENT ASSETS					
(a)	Property, Plant and Equipment	3	1,105.69	659.22	682.44
(b)	Capital Work-in-Progress		158.01	-	-
(c)	Other Intangible Assets	4	0.19	0.91	5.53
(d)	Financial Assets:				
	(i) Investment	5	-	-	-
	(ii) Loans	7	62.69	22.29	20.44
(e)	Non-Current Tax Assets (Net)	9	58.06	-	-
(f)	Other Non-current Assets	10	25.92	8.03	23.83
SUB - TOTAL			**1,410.56**	**690.45**	**732.24**
CURRENT ASSETS					
(a)	Inventories	11	1,115.38	1,040.52	1,701.17
(b)	Financial Assets:				
	(i) Trade Receivables	6	2,656.41	4,146.31	3,434.52
	(ii) Cash and Cash Equivalents	12a	382.10	308.35	258.28
	(iii) Other Bank Balances	12b	1,612.73	10.59	10.68
(v)	Loans	7	51.81	86.32	65.77
(vi)	Other Financial Assets	8	42.21	1.96	2.08
(c)	Current Tax Assets (Net)	9	-	-	-
(d)	Other Current Assets	10	136.33	83.17	98.11
SUB - TOTAL			**5,996.97**	**5,677.22**	**5,570.60**
TOTAL ASSETS			**7,407.53**	**6,367.67**	**6,302.84**
II EQUITY AND LIABILITIES					
EQUITY					
(a)	Equity Share Capital	13	5,430.20	1,530.20	1,530.20
(b)	Other Equity	14	(2,810.01)	(2,277.01)	(2,356.97)
SUB - TOTAL			**2,620.19**	**(746.81)**	**(826.77)**
LIABILITIES					
1. NON-CURRENT LIBILITIES					
(a)	Provisions	17	282.82	270.67	309.75
(b)	Non-Current Tax Liabilities (Net)	9	-	-	-
SUB - TOTAL			**282.82**	**270.67**	**309.75**
2. CURRENT LIBILITIES					
(a)	Financial Liabilities				
	(i) Borrowings	19	-	901.83	1,022.32
	(ii) Trade Payables	15	2,115.61	2,892.67	2,538.37
	(iii) Other Financial Liabilities	16	2,235.61	2,826.77	3,084.15
(b)	Provisions	17	104.25	113.94	139.04
(c)	Current Tax Liabilities	9	-	38.00	5.04
(d)	Other Current Liabilities	18	49.05	70.61	30.95
SUB - TOTAL			**4,504.52**	**6,843.81**	**6,819.87**
TOTAL LIABILITIES			**7,407.53**	**6,367.67**	**6,302.84**

See Accompanying notes to the Financial Statements 1 & 2

In terms of our report attached
For **Bipin & Company**
Chartered Accountants
Firm Regn.no : 101509W

CA. Pradeep K Agrawal
Membership No.: 116612
Partner

Place : Mumbai
Date : 11th May 2017

For and on behalf of the Board of Directors

K. Chandrasekar	Director
C. J. Mecwan	Director
Sandeep Jaiswal	Manager
Ashok Panara	Chief Financial Officer
Sumeet Maheshwari	Company Secretary

Place : Mumbai
Date : 11th May 2017

Statement of Profit and Loss for the year ended 31st March, 2017

Rupees in Lakhs

	Particulars	Note No	Year ended on 31-Mar-17	Year ended on 31-Mar-16
I.	Revenue from operations	20	7,357.00	8,603.62
II.	Other income	21	181.95	461.87
III.	**Total revenue (I+II)**		**7,538.95**	**9,065.49**
IV.	**Expenses**			
	(a) Cost of materials consumed	22(a)	4,615.94	3,907.76
	(b) Purchases of Stock-in-trade		580.61	1,925.62
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	22(b)	68.17	489.04
	(d) Excise duty on sale of goods		37.98	33.63
	(e) Employee benefit expense	23	1,279.15	1,135.34
	(f) Finance costs	24	97.00	175.36
	(g) Depreciation and amortisation expense	3 & 4	73.37	77.89
	(h) Other expenses	25	1,307.87	1,166.65
	Total Expenses (V)		**8,060.09**	**8,911.31**
	Profit/(loss) before exceptional items and tax (I - IV)		(521.14)	154.17
	Exceptional Items		-	-
V	**Profit/(loss) before tax**		**(521.14)**	**154.17**
VI	**Tax Expense**			
	(1) Current Tax	9	-	80.00
	(2) Deferred Tax	9	-	-
	Total Tax expense		-	80.00
VII	**Profit/(loss) after tax (V-VI)**		**(521.14)**	**74.17**
IX.	**Other comprehensive income**			
	Acturial Gain/(Loss) of as per Acturial Valuation		(11.86)	5.79
X.	**Total comprehensive income for the period (IX + VIII)**		**(533.00)**	**79.96**
XI	**Earnings per equity share**			
	(1) Basic	26	(0.98)	0.52
	(2) Diluted	26	(0.98)	0.52

See Accompanying notes to the Financial Statements 1 & 2

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For and on behalf of the Board of Directors

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Ashok Panara	Chief Financial Officer
Sumeet Maheshwari	Company Secretary

Place : Mumbai
Date : 11th May 2017

Statement of Cash Flows for the year ended on 31st March , 2017

Rupees in Lakhs

Sr. No	Particulars	Note No	Year ended on 31-Mar-17	Year ended on 31-Mar-16
I	CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit/(Loss) before tax for the year		(533.00)	159.96
	Finance costs recognised in profit or loss	24	83.90	166.55
	Gain on disposal of property, plant and equipment	21	(16.55)	(148.67)
	Depreciation and amortisation of non-current assets	3 & 4	73.37	77.89
	Provision for Doubtful debts and advances	25	130.39	45.87
	Write back of unclaimed security deposits of Dealers	21	-	(104.73)
	Provisions written back	21	(41.45)	(83.96)
			(303.35)	112.91
	Movements in working capital:			
	(Increase)/decrease in trade and other receivables		1,242.31	(749.19)
	(Increase)/decrease in inventories		(74.86)	660.65
	(Decrease)/increase in other liabilities		(581.63)	218.31
	Cash generated from operations		282.47	242.68
	Income taxes paid	9	(96.06)	(47.05)
	Net cash generated by operating activities		186.41	195.63
II	CASH FLOWS FROM INVESTING ACTIVITIES			
	Payments for property, plant and equipment	3 & 4	(685.47)	(69.31)
	Proceeds from disposal of property, plant and equipment	3 & 4	24.88	167.93
	Net cash (used in)/generated by investing activities		(660.59)	98.62
III	CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from Equity Issue	13	3,900.00	-
	Repayment of borrowings	19	(901.83)	(120.49)
	Interest paid	16	(848.11)	(124.05)
	Net cash used in financing activities		2,150.06	(244.54)
IV	NET INCREASE IN CASH AND CASH EQUIVALENTS			
	Cash and cash equivalents at the beginning of the year	12a	1,675.85	49.71
	Effects of exchange rate changes on the balance of cash		318.95	269.24
	held in foreign currencies		-	-
V	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,994.80	318.95

See Accompanying notes to the Financial Statements 1 & 2

In terms of our report attached
For **Bipin & Company**
Chartered Accountants
Firm Regn.no : 101509W

CA. Pradeep K Agrawal
Membership No.: 116612
Partner

Place : Mumbai
Date : 11th May 2017

For and on behalf of the Board of Directors

K. Chandrasekar	Director
C. J. Mecwan	Director
Sandeep Jaiswal	Manager
Ashok Panara	Chief Financial Officer
Sumeet Maheshwari	Company Secretary

Place : Mumbai
Date : 11th May 2017

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

1 Corporate Information

Gujarat Tractor Corporation Limited (GTCL) a Public Limited Company domiciled in India and incorporated on 31st March, 1978 under the provisions of the Companies Act, 1956 (CIN : U34100GJ1978PLC003127) and a Government of Gujarat Undertaking. As a part of Disinvestment by Government of Gujarat, the Mahindra & Mahindra Ltd. acquired 60% stake in Equity Shares of the Company in 1999-2000. The name of the Company changed to Mahindra Gujarat Tractor Limited (MGTL / the Company) in the year 2000. Currently Mahindra Group hold 60% and Government of Gujarat hold 40% Equity in the Company. The Company is engaged in the Manufacture and Sale of Tractors under the brand name "Shaktimaan", "Hindustan", "Farm Plus" and spares of the same. The Company carries out its business activities in India and Nepal. The Factory and Registered Office of the Company is located at Vishwamitri, Vadodara, Gujarat and Sales & Distribution Offices and Yards in major States of India.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31st March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April 2015. Refer Note 2.14 For the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Revenue is including Excise Duty and after deducting various Dealer Incentives and Discounts.

2.3.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3.2 Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

2.3.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Employee benefits

2.5.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.5.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.5.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).

If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

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

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit 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. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 asset to be recovered.

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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any 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 profit or loss.

Under IND AS First time adoption Exemptions company has adopted historical cost as carrying amount for various tangible assets.

2.7.1 Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Building -Non Factory 60 years
Building - Factory 30 years
Plant & Machineries, Jig& Fixtures and Pattern & Moulds 15 Years
Furniture & Fixtures, Electrical Installation 10 Years
Motor Vehicles- Cars & Tractors 8 Years
Computer-Servers and Network 6 Years
Office Equipments 5Yeras
Computer-Enduse devices (Desktop, Laptop, Printer etc.) 3 Years
Assets Value < Rs.5000 1 Year

2.8 Intangible assets

2.8.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Under IND AS First time adoption Exemptions company has adopted historical cost as carrying amount for various tangible asset.

2.8.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.8.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Development Expenditure 5 years

Softwares 3 Years

2.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of raw material and traded goods comprises sort of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of Inventories also include all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebates and discounts.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.11.2 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

2.11.3 Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a entity 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 profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.13.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument 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. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.14 First-time adoption – mandatory exceptions, optional exemptions

2.14.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1st April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

2.14.2 Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

2.14.3 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment, Investment Property, and Intangible Assets recognised as of 1st April 2015 (transition date) as deemed cost.

2.15.4 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

2.16 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2.1 to 2.15, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Statement Of Changes In Equity for the year ended 31st March, 2017

A. Equity Share Capital

Rupees in Lakhs

Particulars	Amount
As at 1st April, 2015	1,530.20
Changes in equity share capital during the year	-
As at 31st March, 2016	1,530.20
Changes in equity share capital during the year	3,900.00
As at 31st March, 2017	5,430.20

Notes :

During the year, Company has raised fund through right issue of equity shares 3,90,00,000 of Rs.10 each to existing equity shareholders in their shareholding ratio.

Out of Rs.3900 lakhs equity infusion, Rs.1749 lakhs is used for repayment of Loan Liabilities of the promoters, Rs.685 lakhs spent in Capex for new facilities in the Company and balance fund will be used for enhancement of capacity of the plant, new product development etc.

Surplus fund of Rs.1600 lakhs is invested in the fixed deposit with Banks.

B. Other Equity

Rupees in Lakhs

Particulars	Reserves and Surplus		
	Capital Reserve	Retained Earnings	Total
As at 1st April, 2015	217.13	(1,894.35)	(1,677.22)
Profit / (Loss) for the period	-	74.17	74.17
Other Comprehensive Income / (Loss)	-	5.79	5.79
Total Comprehensive Income for the year	-	79.96	79.96
Accrued Dividend on 8.5% Cumulative Redeemable Preference Shares of Rs.10 each	-	(631.46)	(631.46)
Additional Provision for Doubtful Debts as per ECL method	-	(48.29)	(48.29)
As at 31st March, 2016	217.13	(2,494.14)	(2,277.01)
Profit / (Loss) for the period	-	(521.14)	(521.14)
Other Comprehensive Income / (Loss)	-	(11.86)	(11.86)
Total Comprehensive Income for the year	-	(533.00)	(533.00)
Any other changes	-	-	-
As at 31st March, 2017	217.13	(3,027.14)	(2,810.01)

Notes :

Considering book losses the Board of Directors had not declared dividend on preference share since allotment. Thus no provision had been made for 8.5% dividend, amounting to Rs.631.46 lakhs on preference shares for the period from 23rd May, 2000 (being the date of allotment) to the preceding year ended 31st March, 2015 and Rs.42.50 lakhs for the current year, and additional tax thereon as per the accounting treatment under IGAAP.

Now as per IND As the accrued Dividend on Preference Shares has to be identified as Other Current Financial Liabilities under Unpaid Dividends.

Earlier it was shown as contingent liability, So Accrued Dividend upto 31.03.2015 of Rs. 631.46 has been identified as Unpaid dividends and continue to be represented so.

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

Note no. 3 Property, Plant and Equipment

Rupees in Lakhs

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1st April 2016	1.03	147.97	1,125.11	53.26	43.11	61.77	1,432.25
Additions	-	59.58	443.25	6.68	5.23	12.59	527.33
Disposals	-	-	(89.20)	(14.68)	(15.97)	(3.42)	(123.27)
Balance as at 31st March 2017	1.03	207.55	1,479.16	45.26	32.37	70.94	1,836.31
II. Accumulated depreciation and impairment							
Balance as at 1st April 2016	-	76.52	602.00	35.22	25.65	33.64	773.03
Depreciation expense for the year	-	2.41	56.60	6.17	2.66	4.69	72.53
Eliminated on disposal of assets	-	-	(82.58)	(13.93)	(15.18)	(3.25)	(114.94)
Balance as at 31st March 2017	-	78.93	576.02	27.46	13.13	35.08	730.62
III. Net carrying amount (I-II)	**1.03**	**128.62**	**903.14**	**17.80**	**19.24**	**35.86**	**1,105.69**

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1st April 2015	1.03	142.96	1,394.89	51.00	41.79	114.78	1,746.45
Additions	-	5.01	60.44	2.26	1.32	-	69.03
Disposals	-	-	(330.22)	-	-	(53.01)	(383.23)
Balance as at 31st March 2016	1.03	147.97	1,125.11	53.26	43.11	61.77	1,432.25
II. Accumulated depreciation and impairment							
Balance as at 1st April 2015	-	74.27	859.36	29.26	23.03	78.09	1,064.01
Depreciation expense for the year	-	2.25	56.34	5.96	2.62	5.82	72.99
Eliminated on disposal of assets	-	-	(313.70)	-	-	(50.27)	(363.97)
Balance as at 31st March 2016	-	76.52	602.00	35.22	25.65	33.64	773.03
III. Net carrying amount (I-II)	**1.03**	**71.45**	**523.11**	**18.04**	**17.46**	**28.13**	**659.22**

Notes:

Impairment losses not recognised in the year:

During the year ended on 31st March 2017, there were no impairment indicators. So impairment loss not recognised.

Depreciation Method and Useful Life:

The depreciation methods used and the useful lives or the depreciation rates used mentioned in Note on Accounting Policies

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

Note no. 3 Property, Plant and Equipment

Notes:

Tangible Asset given to Co-op Society on Hire Purchase:

Certain fixed assets were transferred to various Industrial Co-operative Societies on hire purchase basis, had been reduced from the Gross Block of Fixed Assets of the Company in the year of actual transactions in past, but they still remain the property of this Company till the last installment is paid.

Secured Loans repayable on demand from Bank:

Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery and mortgage of Ten acres of land.

Note No. 4 Other Intangible Assets

Rupees in Lakhs

Description of Assets	Development Expenditure	Computer Software	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2016	55.51	47.74	103.25
Additions from separate acquisitions	-	0.13	0.13
Balance as at 31st March, 2017	55.51	47.87	103.38
II. Accumulated depreciation and impairment			
Balance as at 1st April, 2016	55.51	46.83	102.34
Amortisation expense for the year	-	0.85	0.85
Balance as at 31st March, 2017	55.51	47.68	103.19
III. Net carrying amount (I-II)	**-**	**0.19**	**0.19**

Description of Assets	Development Expenditure	Computer Software	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2015	55.51	47.46	102.97
Additions from separate acquisitions	-	0.28	0.28
Balance as at 31st March, 2016	55.51	47.74	103.25
II. Accumulated depreciation and impairment			
Balance as at 1st April, 2015	51.40	46.04	97.44
Amortisation expense for the year	4.11	0.79	4.90
Balance as at 31st March, 2016	55.51	46.83	102.34
III. Net carrying amount (I-II)	**-**	**0.91**	**0.91**

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

Note No. 5 Investments(Non Current)

Rupees in Lakhs

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	QTY	Amount Rs.	QTY	Amount Rs.	QTY	Amount Rs.
Investments Carried at:						
Designated as Fair Value Through Profit and Loss						
I. Unquoted Investments (all fully paid)						
Other Non-Current Investments	-	4.45	-	4.45	-	4.61
Total Unquoted Investments	-	4.45	-	4.45	-	4.61
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	-	4.45	-	4.45	-	4.61
TOTAL INVESTMENTS	-	4.45	-	4.45	-	4.61
Total Impairment value for investment carried at FVTPL	-	(4.45)	-	(4.45)	-	(4.61)
TOTAL INVESTMENTS CARRYING VALUE	**-**	**-**	**-**	**-**	**-**	**-**

Notes:

Details of Investments in the Shares of Industrial Co-Operative Societies within MGTL Premises

Sr. No.	Name of Industrial Co-Operative Societies	% of Holding of Company	No. of shares held by Company	As at 31st March, 2017	As at 31st April 2016
1	Pragati Ind. Co-Op.Soc. Ltd.	41.61%	228	1.14	1.14
2	Sarvoday Ind. Co-Op.Soc. Ltd.	40.00%	140	0.70	0.70
3	Parishram Ind. Co-Op.Soc. Ltd.	37.93%	154	0.77	0.77
4	Adarsh Ind. Co-Op.Soc. Ltd.	36.84%	140	0.70	0.70
5	Ajay Ind. Co-Op.Soc. Ltd.	0.50%	1	0.01	0.01
6	Akshay Ind. Co-Op.Soc. Ltd.	40.04%	227	1.14	1.14
	TOTAL			**4.45**	**4.45**

Note No. 6 Trade Receivables

Rupees in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivables			
1) Secured, considered good	358.46	512.55	669.13
2) Unsecured, considered good	2,297.95	3,633.76	2,765.39
3) Doubtful	300.00	169.61	128.49
Less: Provision for Doubtful Debts	(300.00)	(169.61)	(80.20)
Less: ECL Provision	-	-	(48.29)
TOTAL	**2,656.41**	**4,146.31**	**3,434.52**

Notes:

The Company has Bank Guarantees as security as on 31st March 2017: INR 304 Lakhs, (31st March 2016: INR. 444 Lakhs, 01st April 2015: INR 753 Lakhs Bank Guarantee), where appropriate, as a means of mitigating the risk of financial loss from defaults. Other than these company also have Security Deposits of various dealers as necessary.

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

Note No. 7 Loans

Rupees in Lakhs

Particular	As at 31st March, 2017		As at 31st March 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
a) Security Deposits						
Utility Deposits	5.76	62.69	52.16	22.29	34.83	20.44
TOTAL (a)	5.76	62.69	52.16	22.29	34.83	20.44
b) Other Loans						
Other Advances	39.77	-	29.14	-	24.39	-
Advances to Employees	6.28	-	5.02	-	6.55	-
TOTAL (b)	46.05	-	34.16	-	30.94	-
GRAND TOTAL	**51.81**	**62.69**	**86.32**	**22.29**	**65.77**	**20.44**

Note No. 8 Other Financial assets

Rupees in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest accrued on Deposits	42.21	1.96	2.08
TOTAL	**42.21**	**1.96**	**2.08**

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

Note No. 9 Current Tex and Deferred Tax

Rupees in Lakhs

a) Income Tax recognised in profit or loss

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Current Tax:		
In respect of current year	-	80.00
In respect of prior years	-	-
Total income tax expense on continuing operations	**-**	**80.00**

For the financial year 2016-17 there is Loss as per Income Tax so Advance Tax as well Tax deducted source of Rs. 58.06 Lakhs will due for refund from Income Tax.

b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before tax from continuing operations	(533.00)	154.17
Income tax expense calculated at 33.06%	(176.21)	50.97
Effect of expenses that is non-deductible in determining taxable profit	3.33	3.63
Effect of Expenses on which deferred tax asset is not created	46.94	25.40
Effect of current year losses for which no deferred tax asset is recognised	125.95	-
Income tax expense recognised In profit or loss from continuing operations	**(0.00)**	**80.00**

The tax rate used for the 31st March 2017 and 31st March 2016 reconciliations above is the corporate tax rate of 33.06% payable by company on taxable profits under Indian Income Tax Laws.

c) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit there from.

Particulars	As at 31st, March 2017	As at 31st, March 2016	As at 1st April 2015
Deferred Tax Asset			
Gratuity & Leave Encashment	72.86	77.05	116.13
Bonus	-	0.66	6.49
Provision for Doubtful Debts and Advances	99.18	56.07	27.17
Current Tax Loss FY 2016-17	125.95	-	-
Deferred Tax Liability			
Deprecaition	(110.15)	(68.06)	(79.06)
Total DTA/(DTL)	**187.83**	**65.72**	**70.73**

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

Note No. 10 Other Assets

Rupees in Lakhs

	Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Current	Non-Current	Current	Non-Current	Current	Non-Current
1	Capital advances						
	(i) For Capital work in progress	-	25.92	-	8.03	-	23.83
2	Advances other than capital advances						
	(i) Balances with government authorities (other than income taxes)	127.08	-	71.34	-	86.25	-
	(ii) Other advances	9.25	-	11.83	-	11.26	-
	Total	**136.33**	**25.92**	**83.17**	**8.03**	**98.11**	**23.83**

Note : Details of Balances with Government Authorities(other than Income Tax) by Category

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Balances with VAT Authorities	86.63	53.22	45.73
2	Balances with Excise Authorities	40.45	18.12	40.52
	Total	**127.08**	**71.34**	**86.25**

Note No. 11 Inventories

Rupees in Lakhs

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Raw materials	682.61	540.30	713.42
2	Work-in-progress	68.15	86.19	109.58
3	Finished and semi-finished goods	327.37	337.83	697.85
4	Stock-in-trade of goods acquired for trading	5.82	45.49	151.12
5	Stores and spares	5.29	5.29	5.32
6	Loose Tools	26.14	25.43	23.87
	Total Inventories (at lower of cost and net realisable value)	**1,115.38**	**1,040.52**	**1,701.17**

Notes:
The inventory of Raw Material includes Raw Material Goods in Transit amounting Rs. 0.83 Lakhs.

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 5360.83 Lakhs (31st March 2016: Rs.6429.70 Lakhs).

The carrying amount of inventories pledged as security for Cash Credit Facility from the Bank is Rs. 1115.38 Lakhs as on 31st March 2017 (31st March 2016: Rs.1040.52 Lakhs, 1st April 2015: Rs.1701.17 Lakhs).

Mode of valuation of inventories is at lower of cost and net realisable value.

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

Note No. 12a - Cash and cash equivalents

Rupees in Lakhs

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Cash and cash equivalents			
1	Balances with banks	0.40	0.40	0.41
2	Cheques, drafts on hand	322.13	227.04	256.15
3	Cash on hand	0.76	0.76	1.72
4	Cash Credit Account	58.81	80.15	-
	Total Cash and cash equivalent	**382.10**	308.35	258.28

Note No. 12b - Other Bank Balances

Rupees in Lakhs

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Other Bank Balances			
1	Balances with Banks:			
	(i) On Margin Accounts	12.37	10.00	10.00
	(ii) Fixed Deposits with maturity greater than 3 months	1,600.36	0.59	0.68
	Total Other Bank balances	**1,612.73**	**10.59**	**10.68**

Notes:

Margin Money Deposits are against the company's Letter of Credit and Bank Guarantee issued.

Cash and cash equivalents include cash in hand and in banks, net of overdraft.

Details of Specified Bank Notes is mentioned in Note No. 34.

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

Note No. 13 Equity Share Capital

Rupees in Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity Shares of Rs.10 each	55,000,000	5,500.00	55,000,000	5,500.00	55,000,000	5,500.00
8.5% Cumulative Redeemable Preference Shares of Rs.10 each	-	-	-	-	-	-
Issued, Subscribed and Fully Paid:						
Equity Shares of Rs.10 each	54,301,979	5,430.20	15,301,979	1,530.20	15,301,979	1,530.20
8.5% Cumulative Redeemable Preference Shares of Rs.10 each	-	-	-	-	-	-
Total	**54,301,979**	**5,430.20**	**15,301,979**	**1,530.20**	**15,301,979**	**1,530.20**

Notes:

(i) Issued and Subscribed Capital includes- Equity Share Capital:-

a. 1,500,000 Equity Shares of Rs.10 each issued to Government of Gujarat as fully paid up, without receiving payment in cash, being the consideration for transfer of the undertaking of Hindustan Tractors Limited to the Company.

b. 11,979 Equity Shares of Rs.10 each issued to Government of Gujarat as fully paid up, being the reimbursement of preliminary expenses incurred by them on the formation of the Company.

c. 13,790,000 Equity Shares of Rs.10 each issued to Government of Gujarat consequent upon conversion of loan of Rs.137,900,000 into Equity Share Capital.

d. Out of 15,301,979 Equity Shares, as stated above held by the Government of Gujarat, 9,181,188 Equity Shares were divested by sale to Mahindra Group. The holding by Mahindra Group is as follows 1,683,218 Equity Shares are held by Mahindra & Mahindra Limited, the holding Company, including 7 Equity Shares jointly with its nominees & 7,497,970 Equity shares are held by Mahindra Holdings Limited.

e. During the year FY 2016-17, Company has raised fund through right issue of equity shares 39,000,000 of Rs.10 each to existing equity shareholders in their shareholding ratio.

(ii) Preference Share Capital

a. As per IND AS preference share capital is excluded from Share Capital of the company and disclosed as Other Financial Liability as "Unpaid Matured Preference Shares".

(iii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particular		Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares of Rs.10 each Year Ended 31st March 2017	No. of Shares	15,301,979	39,000,000	54,301,979
	Amount	1,530.20	3,900.00	5,430.20
Year Ended 31st March 2016	No. of Shares	15,301,979	-	15,301,979
	Amount	1,530.20	-	1,530.20
Year Ended 1st April 2015	No. of Shares	15,301,979	-	15,301,979
	Amount	1,530.20	-	1,530.20

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

Note No. 13 Equity Share Capital

Rupees in Lakhs

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares
As at 31st March 2017	
Mahindra Holdings Limited, the Holding Company	26,607.970
Mahindra & Mahindra Ltd, the Ultimate Holding Company	5,973,218
As at 31st March 2016	
Mahindra Holdings Limited, the Holding Company	7,497,970
Mahindra & Mahindra Ltd, the Ultimate Holding Company	1,683,218
As at 1st April 2015	
Mahindra Holdings Limited, the Holding Company	7,497,970
Mahindra & Mahindra Ltd, the Ultimate Holding Company	1,683,218

(v) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Equity Shares of Rs.10 each						
Mahindra Holdings Limited, the Holding Company	26,607,970	49%	7,497,970	49%	7,497,970	49%
Mahindra & Mahindra Ltd, the Ultimate Holding Company	5,973,218	11%	1,683,218	11%	1,683,218	11%
Government of Gujarat	21,720,791	40%	6,120,791	40%	6,120,791	40%

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

Note No. 14 Other Equity

Rupees in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Reserve	217.13	217.13	217.13
Retained Earning	(3,027.14)	(2,494.14)	(2,574.10)
Total	**(2,810.01)**	**(2,277.01)**	**(2,356.97)**

Movement in Reserves

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(I) Capital Reserve			
Balance as at the beginning of the year	217.13	217.13	217.13
Add / Less: Additions/ Utilised during the year	-	-	-
Balance as at the end of the year	**217.13**	**217.13**	**217.13**
(II) Retained Earnings			
Balance as at the beginning of the year	(2,494.14)	(2,574.10)	(1,894.35)
Add :			
Profit / (Loss) for the period	(521.14)	74.17	-
Other Comprehensive Income / (Loss)	(11.86)	5.79	-
Accrued Dividend on 8.5% Cumulative Redeemable Preference Shares of Rs.10 each	-	-	(631.46)
Additional Provision for Doubtful Debts as per ECL method	-	-	(48.29)
Balance as at the end of the year	**(3,027.14)**	**(2,494.14)**	**(2,574.10)**

Notes:

Considering book losses the Board of Directors had not declared dividend on preference share since allotment. Thus no provision had been made for 8.5% dividend, amounting to Rs.631.46 lakhs on preference shares for the period from 23rd May, 2000 (being the date of allotment) to the preceding year ended 31st March, 2015 and Rs.42.50 lakhs for the current year, and additional tax thereon as per the accounting treatment under IGAAP.

Now as per IND As the accrued Dividend on Preference Shares has to be identified as Other Current Financial Liabilities under Unpaid Dividends.

Earlier it was shown as contingent liability, So Accrued Dividend upto 31.03.2015 of Rs. 631.46 Lakhs has been identified as Unpaid dividends and continue to be represented so.

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

Note No. 15 Trade Payables

Rupees in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payable - Micro and small enterprises	13.12	29.13	5.59
Trade payable - Other than micro and small enterprises	2,102.49	2,863.54	2,532.78
Total trade payables	**2,115.61**	**2,892.67**	**2,538.37**

Notes:

1. Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
2. There are some Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than the stipulated period. The information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. The disclosures required to be made as per Micro, Small, and Medium Enterprise Development Act 2006 are as follows:

	Particulars	31.03.2017	31.03.2016	31.03.2015
I.	Dues remaining unpaid			
	Principal	13.12	29.63	5.59
	Interest	0.15	0.50	1.60
II.	Interest paid in terms of Section 16 of the Act (actual)	0.15	0.50	1.52
III.	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	0.15	0.50	1.05
IV.	Amount of interest accrued and remaining unpaid	0.15	0.50	1.05
V.	Amount of interest due and payable on previous year's outstanding amount	-	-	-

VI. The names of the small scale industrial undertaking(s) to whom the Company owes any sum exceeding Rs. 1,00,000/- together with interest which is outstanding for more than 45 days are A.J.Industries, Ddhya Engineers,Alfa Industrial Corporation, Chamunda Engineering Works, Craftsmen Graphics, Esspal Sheet Metal India Pvt.Ltd., Inducto Cast,, Mateshwari Engineers, Mehta Automobiles, Musafir Brothers, Power Drives, Pramukh Industries, Pratik Hytech Works Pvt. Ltd., Qualimax Industries, Shaktiwan Manufacturers

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

Note No. 16 Other Financial Liabilities

Rupees in Lakhs

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Other Financial Liabilities Measured at Amortised Cost			
A	**Current**			
1	Interest accrued	-	806.71	806.71
2	Unpaid dividends (Preference dividend, considered as interest)	716.45	673.96	631.46
3	Trade and Security Deposits	524.92	498.99	640.03
4	Unpaid matured preference shares	500.00	500.00	500.00
5	Other liabilities			
	a) Payables on purchase of fixed assets	90.84	3.90	6.71
	b) Advances from Customers	241.98	206.79	343.54
	c) Dealers Incentives	68.21	29.49	43.09
	d) Expenses accruals	82.69	92.90	102.39
	e) Others	10.52	14.03	10.22
	Total Other Financial Liabilities	**2,235.61**	**2,826.77**	**3,084.15**

Notes:

5,000,000 8.5% Cumulative Redeemable Preference Shares of Rs.10 each issued solely to Government of Gujarat (GOG) as fully paid up on 23rd May, 2000 consequent upon conversion of loan of Rs.50,000,000.

These Share were redeemable at par at the end of four years from the date of allotment i.e. 22nd May, 2004. and the terms of the Issue of the Shares can be varied with the express consent of the Company and the holders of the Shares at any time during the period the Shares are outstanding .

The Preference Shares issued have right to receive dividend from year to year as decided by terms of Issue i.e. 8.5% per annum from the date of allotment.

The Preference share holders will not be entitled to any of the rights and privileges available to the members of the company including right to receive notice of or to attend and vote at General Meeting or to receive Annual Reports of the Company. If, however any resolution affecting the rights attached to the Share is placed before the member of the Company, such resolution will first be placed before the Preference shareholders for their consideration.

Considering book losses the Board of Directors had not declared dividend on preference share since allotment. Thus no provision had been made for 8.5% dividend, amounting to Rs.631.46 Lakhs on preference shares for the period from 23rd May, 2000 (being the date of allotment) to the preceding year ended 31st March, 2015 and Rs.42.50 Lakhs for the current year, and additional tax thereon as per the accounting treatment under IGAAP.

Now as per IND As the accrued Dividend on Preference Shares has to be identified as Other Current Financial Liabilities under Unpaid Dividends.

Earlier it was shown as contingent liability, So Accrued Dividend upto 31.03.2015 of Rs. 631.46 Lakhs has been identified as Unpaid dividends and continue to be represented so.

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

Note No. 17 Provisions

Rupees in Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
1 Provision for employee benefits						
a) Employee Benefits	42.03	282.82	42.39	270.67	48.11	309.75
2 Other Provisions						
a) Provision for Warranty	18.34	-	21.45	-	27.04	-
b) Provision for Service Coupon	43.88	-	50.10	-	63.89	-
Total Provisions	**104.25**	**282.82**	**113.94**	**270.67**	**139.04**	**309.75**

Notes :

Movement of Warranty Provision- For FY 17

Provision for Warranties	Balance at the beginning of the year	Provision made during the period	Provision used during the period	Provision written back during the period	Balance at the end of the period
FY 2016-17	21.45	18.17	21.28	-	18.34
FY 2015-16	27.04	13.68	17.37	1.90	21.45

Provision for warranty has been recognised for expected warranty claims on products sold during the last two financial years. It is expected that the majority of this expenditure will be incurred in the next financial year.

Movement of Service coupon Provision- For FY 17

Provision for Service Coupon	Balance at the beginning of the year	Provision made during the period	Provision used during the period	Provision written back during the period	Balance at the end of the period
FY 2016-17	50.10	28.40	6.67	27.95	43.88
FY 2015-16	63.89	32.92	6.47	40.24	50.10

Note No. 18 Other Liabilities (Current)

Rupees in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1 Statutory dues			
a) Taxes payable other than income taxes	48.90	70.11	29.90
2 Interest Payable	0.15	0.50	1.05
Total Other Liabilities	**49.05**	**70.61**	**30.95**

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

Note No. 19 Current Borrowings

Rupees in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A. Secured Borrowings			
1 Loans repayable on demand			
a) From Banks	-	-	120.49
Total Secured Borrowings	-	-	120.49
B. Unsecured Borrowings			
1 Loans from related parties	-	901.83	901.83
Total Unsecured Borrowings	-	901.83	901.83
Total Current Borrowings	**-**	**901.83**	**1,022.32**

Notes :

Particulars	Principal Amount (Rs.)	Interest Amount (Rs.)	Total Amount (Rs.)
8.5% Cumulative Redeemable Preference Shares	500.00	673.96	1,173.96
Inter Corporate Deposit from M&M	585.00	357.39	942.39
Loan from Government of Gujarat	316.83	449.32	766.15

During the year Loan from Government of Gujarat and ICD from M&M has been repaid in full alongwith accrued interest on it.

<u>Secured Loans repayable on demand from Bank</u>
Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery and mortgage of Ten acres of land.

Note No. 20 Revenue from Operations

Rupees in Lakhs

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Revenue from sale of products (including excise duty)	7,193.24	8,514.83
Other operating revenue	163.77	88.79
Total Revenue from Operations	**7,357.00**	**8,603.62**

Notes:
Reconciliation of Revenue from Sales of Product:-

Particulars	Year Ended on 31st March, 2016
a) Revenue from Sales (Excluding Excise duty)- As reported in Annual Report FY 2015-16	8,711.10
b) Add: Excise Duty	33.63
	8,744.73
c) Less: Dealer Incentives and Discounts	(229.90)
Net Revenue from Sales	8,514.83

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

Note No. 21 Other Income

Rupees in Lakhs

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
(a) Interest Income		
1. Bank Deposits	98.36	0.93
2. On overdue trade receivables	0.18	118.23
(b) Royalties income	25.41	5.34
(c) Profit on sale of capital assets (net of loss on assets sold)	16.55	148.67
(d) Write back of Dealers Security Deposits	-	104.73
(e) Excess Provisions for expenses in earlier year written back	41.45	83.96
Total Other Income	**181.95**	**461.87**

Note No. 22(a) - Cost of materials consumed

Rupees in Lakhs

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Opening stock	540.30	713.42
Add: Purchases	4,758.24	3,734.64
	5,298.54	4,448.06
Less: Closing stock	682.61	540.30
Cost of materials consumed	**4,615.94**	**3,907.76**

Note No. 22(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rupees in Lakhs

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Inventories at the end of the year:		
Finished goods	327.37	337.83
Work-in-progress	68.15	86.19
Stock-in-trade	5.82	45.49
	401.34	469.51
Inventories at the beginning of the year:		
Finished goods	337.83	109.58
Work-in-progress	86.19	697.85
Stock-in-trade	45.49	151.12
	469.51	958.55
Net (increase) / decrease	**68.17**	**489.04**

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

Note No. 23 Employee Benefits Expense

Rupees in Lakhs

	Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
1	Salaries and wages, including bonus	1,140.26	992.65
2	Contribution to provident and other funds	59.94	60.60
3	Staff welfare expenses	78.95	82.10
	Total Employee Benefit Expense	**1,279.15**	**1,135.34**

Notes:

Analysis of Contribution to provident and other funds by Category:-

	Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
1	Contribution to Provident Fund	52.15	51.63
2	Contribution to Group Insurance	7.79	8.96
	Total	**59.94**	**60.60**

Analysis of Staff welfare expenses by Category:-

	Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
1	Contribution to ESI	6.00	4.60
2	Contribution to Labour Welfare Fund	0.02	0.40
3	Gratuity Provisions	42.03	28.89
4	Other Welfare Expenses	42.76	42.42
5	Defined Benefit Obligation Recognised as Other Comprehensive Income	(11.86)	5.79
	Total	**78.95**	**82.10**

Note No. 24 Finance Cost

Rupees in Lakhs

	Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
1	Interest expense	41.40	124.05
2	Dividend on redeemable preference shares	42.50	42.50
3	Other borrowing cost	13.11	8.80
	Total Finance Costs	**97.00**	**175.36**

Notes:

Analysis of Interest Expenses by Category:-

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Interest Expenses		
(a) On Unsecured Borrowing- Loan from Government of Gujarat	13.37	45.94
(b) On Unsecured Borrowing- ICD From M&M	21.24	73.33
(c) On Secured Borrowing- Loan from Banks	6.79	4.79
Total	**41.40**	**124.05**

Analysis of Other Borrowing Cost by Category:-

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Other borrowing cost		
*(a)*Bank Charges	13.11	8.80
Total	**13.11**	**8.80**

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

Note No. 25 Other Expenses

Rupees in Lakhs

	Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
1	Stores consumed	14.80	9.03
2	Tools consumed	3.16	1.86
3	Power and fuel	48.26	44.57
4	Rent including lease rentals	25.00	19.16
5	Rates and taxes	29.76	41.81
6	Insurance	4.07	5.09
7	Repairs and maintenance		
	-Buildings	12.08	14.73
	-Machinery	22.78	14.26
	-Others	17.31	8.83
8	Postage, Telephone and Communication	18.08	20.59
9	Legal and Professional Charges	57.23	62.54
10	Freight outward	306.47	333.20
11	Sales promotion expense	67.62	71.44
12	Travelling & Conveyance Expenses	216.57	189.14
13	Subcontracting, Hire & Service Charges	191.75	162.22
14	Provision for doubtful trade and other receivables, loans and advances	130.39	45.87
15	Auditors' remuneration	2.30	2.32
16	Miscellaneous expenses	122.07	108.21
17	Provision for warranty	18.17	11.78
18	Bad Debt Written off	-	4.76
	Less:-Provision for Doubtful Debt written back	-	(4.76)
19	Bad Advances Written off	-	0.16
	Less:-Provision for Doubtful Advances written back	-	(0.16)
	Total Other Expenses	**1,307.87**	**1,166.65**

Notes:

Details of Payment to Statutory Auditor for Various purpose:-

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Provision for Statutory Audit Fees	2.30	2.32
Payment for Convergence of IND AS and review of IND AS Financials	0.63	-
Total	**2.93**	**2.32**

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

Note No. 26 Earnings per Share

Rupees in Lakhs

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Basic Earnings per share		
From continuing operations	(0.98)	0.52
Total basic earnings per share	**(0.98)**	**0.52**
Diluted Earnings per share		
From continuing operations	(0.98)	0.52
Total diluted earnings per share	**(0.98)**	**0.52**

Basic earnings per share:-

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Profit / (loss) for the year attributable to owners of the Company	(533.00)	79.96
Less: Preference dividend and tax thereon	-	-
Profits used in the calculation of basic earnings per share	**(533.00)**	**79.96**
Weighted average number of equity shares	543.02	153.02
Nominal value of Shares	10.00	10.00
Earnings per share from continuing operations - Basic	**(0.98)**	**0.52**

Diluted earnings per share:-

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Profit / (loss) for the year used in the calculation of basic earnings per share	(533.00)	79.96
Add: Interest expense and exchange fluctuation on convertible securities	-	-
Profits used in the calculation of diluted earnings per share	**(533.00)**	**79.96**

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	Year Ended on 31st March, 2017	Year Ended on 31st March, 2016
Weighted average number of equity shares used in the calculation of Basic EPS	543.02	153.02
Add:		
ESOPs	-	-
Convertible bonds	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	**543.02**	**153.02**

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

Note No. 27 Financial Instruments

Capital management:-

The Company manages capital risk in order to maximize shareholders' profit by maintaining optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31st March 2017, 31st March 2016 and 1st April 2015 is as follows:

Rupees in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt (A)	1,216.45	2,882.49	2,839.99
Equity (B)	2,620.19	(746.81)	(826.77)
Debt Ratio (A / B)	**0.46**	**(3.86)**	**(3.44)**

Categories of financial assets and financial liabilities
As at 31st March 2017

Particulars	Amortised Costs	FVTPL	FVOCI	TOTAL
Non-current Assets				
Investments	-	-	-	**-**
Loans	62.69	-	-	**62.69**
Current Assets				
Trade Receivables	2,656.41	-	-	**2,656.41**
Other Bank Balances	1,994.82	-	-	**1,994.82**
Loans	51.81	-	-	**51.81**
Other Financial Assets	42.21	-	-	**42.21**
Non-current Liabilities				
Current Liabilities				
Borrowings	-	-	-	**-**
Trade Payables	2,115.61	-	-	**2,115.61**
Other Financial Liabilities	2,235.61	-	-	**2,235.61**

As at 31st March 2016

Particulars	Amortised Costs	FVTPL	FVOCI	TOTAL
Non-current Assets				
Investments	-	-	-	**-**
Loans	22.29	-	-	**22.29**
Current Assets				
Trade Receivables	4,146.31	-	-	**4,146.31**
Other Bank Balances	318.94	-	-	**318.94**
Loans	86.32	-	-	**86.32**
Other Financial Assets	1.96	-	-	**1.96**
Non-current Liabilities				
Current Liabilities				
Borrowings	901.83	-	-	**901.83**
Trade Payables	2,892.67	-	-	**2,892.67**
Other Financial Liabilities	2,826.77	-	-	**2,826.77**

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

Note No. 27 Financial Instruments

Rupees in Lakhs

As at 1st April 2015

Particulars	Amortised Costs	FVTPL	FVOCI	TOTAL
Non-current Assets				
Investments	-	-	-	**-**
Loans	20.44	-	-	**20.44**
Current Assets				
Trade Receivables	3,434.52	-	-	**3,434.52**
Other Bank Balances	268.96	-	-	**268.96**
Loans	65.77	-	-	**65.77**
Other Financial Assets	2.08	-	-	**2.08**
Non-current Liabilities				
Current Liabilities				
Borrowings	1,022.32	-	-	**1,022.32**
Trade Payables	2,538.37	-	-	**2,538.37**
Other Financial Liabilities	3,084.15	-	-	**3,084.15**

Financial Risk Management Framework:

The Company's activities expose it to credit risk. In order to manage the aforementioned risk, the Company operates a risk management policy and a program that performs close monitoring of and responding to risk factors.

CREDIT RISK:

(i) Credit risk management
Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral (As on 31st March 2017: INR 304 Lakhs, 31st March 2016: INR. 444 Lakhs, 01st April 2015: INR 753 Lakhs Bank Guarantee), where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee periodically.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. In case of Exports to Nepal credit guarantee insurance cover is purchased.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. As at 31st march 2017, an amount of INR 239.62 Lakhs (31st March 2016: INR 89.60 Lakhs, 1st April 2015: INR 82.91Lakhs) has been recognised as contingent.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposit and bank guarantees of Dealer which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

Note No. 27 Financial Instruments

Rupees in Lakhs

There is no change in estimation techniques or significant assumptions during the reporting period. The loss allowance provision is determined as follows:

As at 31st March 2017

	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	-	0.37	**0.10**
Gross carrying amount (Unsecured)	2,153.69	802.72	**2,956.41**
Loss allowance provision	**-**	**300.00**	**300.00**

As at 31st March 2016

	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	-	1.00	**0.04**
Gross carrying amount (Unsecured)	3,633.76	169.61	**3,803.37**
Loss allowance provision	**-**	**169.61**	**169.61**

As at 1st April 2015

	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0.02	1.00	**0.04**
Gross carrying amount (Unsecured)	2,813.68	80.20	**2,893.88**
Loss allowance provision	**48.29**	**80.20**	**128.49**

Reconciliation of loss allowance provision for Trade Receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance as at beginning of the year	169.61	80.20
As per ECL in Opening Provisions	-	48.29
Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year	130.39	45.87
Amounts written off during the year as uncollectible	-	(4.75)
Balance at end of the year	**300.00**	**169.61**

The loss allowance provision has changed during the period due to amounts written off as uncollectible.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in 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.

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

Note No. 27 Financial Instruments

Rupees in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-17				
Non-interest bearing	3,134.78	-	-	-
Fixed interest rate instruments	1,216.45	-	-	-
Total	**4.351.22**	**-**	**-**	**-**
31-Mar-16				
Non-interest bearing	3,738.77	-	-	-
Fixed interest rate instruments	2,882.49	-	-	-
Total	**6,621.26**	**-**	**-**	**-**
01-Apr-15				
Non-interest bearing	3,684.35	-	-	-
Fixed interest rate instruments	2,960.49	-	-	-
Total	**6,644.84**	**-**	**-**	**-**

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Cash Credit facility			
- Expiring within one year	500.00	500.00	500.00
Secured Letter of Credit facility			
- Expiring within one year	230.00	230.00	230.00
Secured Bank Guarantee facility			
- Expiring within one year	20.00	20.00	20.00
	750.00	**750.00**	**750.00**

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31-Mar-17				
Non-interest bearing	4,807.95	-	-	-
Total	**4,807.95**	**-**	**-**	**-**
31-Mar-16				
Non-interest bearing	4,575.81	-	-	-
Total	**4,575.81**	**-**	**-**	**-**
01-Apr-15				
Non-interest bearing	3,791.77	-	-	-
Total	**3,791.77**	**-**	**-**	**-**

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

Note No. 28 Fair Value Measurement

Rupees in Lakhs

Fair value of financial assets and financial liabilities that are not measured at fair value:

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Financial assets carried at Amortised Cost:						
1)Trade and other receivables	2,656.41	2,656.41	4,146.31	4,146.31	3,434.52	3,434.52
2)Loans	114.50	114.50	108.61	108.61	86.21	86.21
3)Deposits and similar assets	28.00	28.00	93.15	93.15	124.01	124.01
Financial liabilities						
Financial liabilities held at amortised cost:						
1)Bank loans	-	-	-	-	120.49	120.49
2)Loans from Related Party	-	-	901.83	901.83	901.83	901.83
Total	**-**	**-**	**901.83**	**901.83**	**1,022.32**	**1,022.32**

Note No. 29 Segment information

Rupees in Lakhs

Revenue from Major Geographic Location

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Revenue from India		
Revenue from External Customers	6,151.85	7,819.44
Revenue from Related Parties	73.86	166.30
	6,225.21	**7,985.74**
Outside India		
Nepal	1,339.30	758.99
Total revenue as per profit or loss	**1,339.30**	**8,744.73**

Revenue from major products and services:
The following is an analysis of the company's revenue from continuing operations from its major products and services:

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Manufactured Goods	6,532.73	5,878.58
Traded Goods	1,031.77	2,866.17
Total	**7,564.51**	**8,744.75**

Extent of the reliance on its major customers:-
There is only one Dealer whose revenue is more than 10% as against the total turnover of the company for the Financial Year 2016-17.

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

Note No. 30 Employee benefits

(a) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

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

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at		
	31st March, 2017	31st March, 2016	1st April, 2015
Discount rate(s)	7.50%	8.00%	8.00%
Expected rate(s) of salary increase	5.00%	5.00%	5.00%
Average Longevity	41.1	42.2	46.09

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

Note No. 30 Employee benefits

Rupees in Lakhs

Particulars	Unfunded Plan Gratuity 2017	Unfunded Plan Gratuity 2016
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost:		
Current Service Cost	13.25	12.87
Net interest expense	16.92	21.81
Components of defined benefit costs recognised in profit or loss	**30.17**	**34.68**
Remeasurement on the net defined benefit liability:		
Actuarial gains and loss arising from changes in financial assumptions	5.93	-
Actuarial gains and loss arising from experience adjustments	5.93	(5.79)
Components of defined benefit costs recognised in other comprehensive income	**11.86**	**(5.79)**
Total	**42.03**	**28.89**
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 2017		
1. Present value of defined benefit obligation as at 31st March 2017	227.53	237.49
2. Fair value of plan assets as at 31st March 2017	-	-
3. Surplus/(Deficit)	227.53	237.49
4. Current portion of the above	30.31	23.75
5. Non-current portion of the above	197.22	213.74
II. Change in the obligation during the year ended 31st March 2017		
1. Present value of defined benefit obligation at the beginning of the year	237.49	272.50
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	13.25	12.87
- Interest Expense (Income)	16.92	21.81
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	5.93	-
iii. Experience Adjustments	5.93	(5.79)
4. Benefit payments	(51.99)	(63.90)
5. Present value of defined benefit obligation at the end of the year	**227.53**	**237.49**
III. Actuarial assumptions		
1. Discount rate	7.50%	8.00%

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

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	2017	1.00%	(6.00%)	5.00%
	2016	1.00%	(5.40%)	4.30%
	2015	1.00%	(4.30%)	4.80%
Salary growth rate	2017	1.00%	6.00%	(5.40%)
	2016	1.00%	5.40%	(4.80%)
	2015	1.00%	5.10%	(4.60%)

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

Note No. 30 Employee benefits

Rupees in Lakhs

The above sensitivity analyses are 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 (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

Particulars	2017	2016	2015
Within 1 year	30.30	23.75	24.36
1 - 2 year	66.24	79.29	100.44
2 - 3 year	34.48	35.57	48.50
3 - 4 year	28.90	31.55	33.75
4 - 5 year	15.45	26.11	29.77
5 - 10 years	83.52	82.95	87.08

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31st March 2017 is 10.41 years (2016: 8.26 years, 2015: 8.49 years)

Experience Adjustments:

Particulars	Gratuity Period Ended				
	2017	2016	2015	2014	2013
1 Defined Benefit Obligation	227.53	237.49	272.50	293.04	306.54
2 Fair value of plan assets	-	-	-	-	-
3 Surplus/(Deficit)	227.53	237.49	272.50	293.04	306.54
4 Experience adjustment on plan liabilities [(Gain)/Loss]	11.86	(5.79)	(2.73)	18.01	52.25
5 Experience adjustment on plan assets [Gain/(Loss)]	-	-	-	-	-

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

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

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

Note No. 31 Related Party Transactions

Rupees in Lakhs

Analysis of Related Parties of Mahindra Gujarat Tractor Limited:

Sr. No.	Name of Company	Relationship	Parent
1	Mahindra & Mahindra	Ultimate Holding Company	-
2	Mahindra Holdings Limited	Holding Company	Mahindra & Mahindra
3	Mahindra Logistics Limited	Fellow Subsidiary Company	Mahindra & Mahindra
4	Mahindra CIE Automotive Limited.	Associates Company of Parent Company	Mahindra & Mahindra
5	Government of Gujarat	Significant Influence over Company	-

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	For the year ended	Parent Company	Entities having significant influence over Company	Other related parties
Sale of goods	31-Mar-17	(74.93)	-	-
	31-Mar-16	(166.30)	-	-
Purchase of Tractors	31-Mar-17	580.61	-	-
	31-Mar-16	1,925.62	-	-
Receiving of services	31-Mar-17	226.92	-	58.11
	31-Mar-16	166.99	-	52.74
Loans taken	31-Mar-17	21.24	-	-
	31-Mar-16	73.33	45.94	-
Purchase of Other Components	31-Mar-17	1,531.40	-	314.12
	31-Mar-16	1,336.21	-	305.81
Purchase of Assets	31-Mar-17	7.43	-	-
	31-Mar-16	1.32	-	-
Expenses Reimbursed(Receipt)	31-Mar-17	(0.25)	-	-
	31-Mar-16	(2.00)	-	-
Expenses Reimbursed(Payment)	31-Mar-17	56.66	-	-
	31-Mar-16	41.29	-	-

Nature of transactions with Related Parties	Balance as on	Parent Company	Entities having significant influence over Company	Other related parties
Trade payables	31-Mar-17	1,689.80	-	2.12
	31-Mar-16	2,472.53	-	8.19
Loans & advances taken	31-Mar-17	-	-	-
	31-Mar-16	942.39	766.15	-

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

Note No. 32 Contingent liabilities and commitments

Rupees in Lakhs

Contingent liabilities (to the extent not provided for)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Contingent liabilities			
1	Guarantees(Bank Guarantee)	18.50	13.50	12.50
2	Bills Discounted but not Matured	239.62	89.60	82.91
3	Outstanding Demand of Income Tax Against Company			
(i)	AY 2013-14	24.17	28.45	-
	Note: The O/s demand has already been reduced by the CIT Appeals. But Income Tax Authorities have further gone ahead to appeal in ITAT against the reduced demand order by CIT Appeals.			
(ii)	AY 2014-15	66.73	-	-
	Note: Already filed with CIT Appeals for further assessment being aggrieved with the disallowance of right bad debts claimed in the resp. year.			
(iii)	The demand outstanding against AY 1961-62, AY 1978-79 and AY 2005-06 has been accepted and instructed Income Tax to adjust the outstanding demand against the refund due for AY 2016-17			
4	The Company is anticipating to enter into an agreement / MoU for Settlement with various non Hire Purchase Industrial Co-Operative Societies and Ancillaries within MGTL Premises, therefore may require to pay Compensation to Co-Operative Societies or its members. Amount of such Compensation is not yet quantified.			
5	The Company has entered into an agreement/MoU with Private Sector Banks and NBFCs for retail funding for providing loan to customer who buy MGTL's Tractors. The said MOU also contains a clause on loss sharing in case of default in repayment by customer or loss incurred in case of repossession of asset and its resale. Anticipated loss from these agreements/MoUs are not quantified as of now. Company is obtaining undertaking from its dealers to ensure no default in terms of these agreements.			

Note No. 33 First-time adoption of Ind-AS

Rupees in Lakhs

First Time Ind AS Adoption reconciliations:

(i) Reconciliation of Total Equity as at 31st March 2016 and 1st April 2015:

Particulars	As at 31st March, 2016	As at 1st April, 2015
Equity as reported under previous GAAP	427.15	352.98
Ind AS: Adjustments increase (decrease):		
Accrued Dividends not recognised as liability until declared	(673.96)	(631.46)
8.5% Cumulative Redeemable Preference Shares of Rs.10 each to be identified as Current Liability	(500.00)	(500.00)
Reversal Provision for Doubtful Debts as per ECL method in Opening BS FY 2015 through P&L	-	(48.29)
Equity as reported under IND AS	**(746.81)**	**(826.77)**

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

Note No. 33 First-time adoption of Ind-AS

Rupees in Lakhs

(ii) Reconciliation of Total Comprehensive Income for the year ended 31st March 2016:

Particulars	Year Ended 31st March 2016
Profit or Loss as per previous GAAP	74.17
Ind AS: Adjustments increase/(decrease):	
Dividend Accrued for each quarter on 8.5% Cumulative Redeemable Preference Shares of Rs.10 each	(42.50)
Acturial Gain/(Loss) is to be added to Employee benefit Expenses	(5.79)
Reversal Provision for Doubtful Debts as per ECL method in Opening BS FY 2015 through P&L	48.29
Total adjustment to profit or loss	-
Profit or Loss under Ind AS	**74.17**
Other comprehensive income(Acturial Gain/(Loss))	5.79
Total comprehensive income under Ind ASs	**79.96**

Note:

No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

The Excise Duty has been added back to Revenue from Operations and identified separately as an Expenses in Statement of Profit and Loss.

The Dealer Incentives has been deducted from Revenue from Operations and excluded as an Expenses in Statement of Profit and Loss.

Note No. 34 Details of Specified Bank Notes

Rupees in Lakhs

Particulars	Specified Bank Notes (SBN)	Other Denomination Bank Notes	Total
Closing cash in hand as on 08.11.2016	1.90	1.37	3.27
(+) Permitted receipts	-	0.48	0.48
(-) Permitted payments	-	1.38	1.38
(-) Amount deposited in Banks	1.90	-	1.90
(+) Amount Withdrawn from Banks	-	1.90	1.90
Closing cash in hand as on 30.12.2016	**-**	**2.36**	**2.36**

See Accompanying notes to the Financial Statements 1 & 2

In terms of our report attached
For **Bipin & Company**
Chartered Accountants
Firm Regn.no : 101509W

CA. Pradeep K Agrawal
Membership No.: 116612
Partner

Place : Mumbai
Date : 11th May 2017

For and on behalf of the Board of Directors

K. Chandrasekar	Director
C. J. Mecwan	Director
Sandeep Jaiswal	Manager
Ashok Panara	Chief Financial Officer
Sumeet Maheshwari	Company Secretary

Place : Mumbai
Date : 11th May 2017

CSR Initiatives

Rural Sanitation Drive

Continuing with participation in 'Clean India' campaign of 2014-15, Mahindra Gujarat Tractor Limited decided to improve further the life standards of people in the same village of Rayan Talavadi, near Vadodara. In phase I, most needy families including one Aganwadi centre were identified and 26 toilets were constructed in 2014-15, In phase II 15 toilets were constructed during 2015-16. In the year 2016-17, MGTL constructed another 15 toilets in the residence & huts of families who thrive on daily labour.

To spread awareness and strengthened the message of 'Clean India' further, continuous efforts have been made to motivate villagers to adopt measures to maintain hygiene.

On completion of the project, a formal handing over ceremony was organized in the village school. Addressing over 25 families, Mr. Sandeep Jaiswal, Head-MGTL, emotionally connected the cleanliness and hygiene & motivated them to use these toilets as well as keep them clean for their good health and overall happiness.

Nanhi Kali – A Girl Child Education Program

Nanhi kali
for the girl child

Participating in 'Beti Padhao, Beti Bachao' drive of the Government of India, MGTL joined the 'Nanhi Kali' campaign, a Project managed by K.C.Mahindra Education Trust and Naandi Foundation, to provide education to girl child from economically disadvantaged families. In the year 2016-17 MGTL has contributed for the education of 151 such underprivileged girl children in the Nasik area of Maharashtra. In the year 2015-16 MGTL contributed for 184 such girls

Mahindra Gujarat Tractor Limited

AN ISO 9001-2015 and OHSAS 18001-2007 Certified Company

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NIRMAL: 7/17