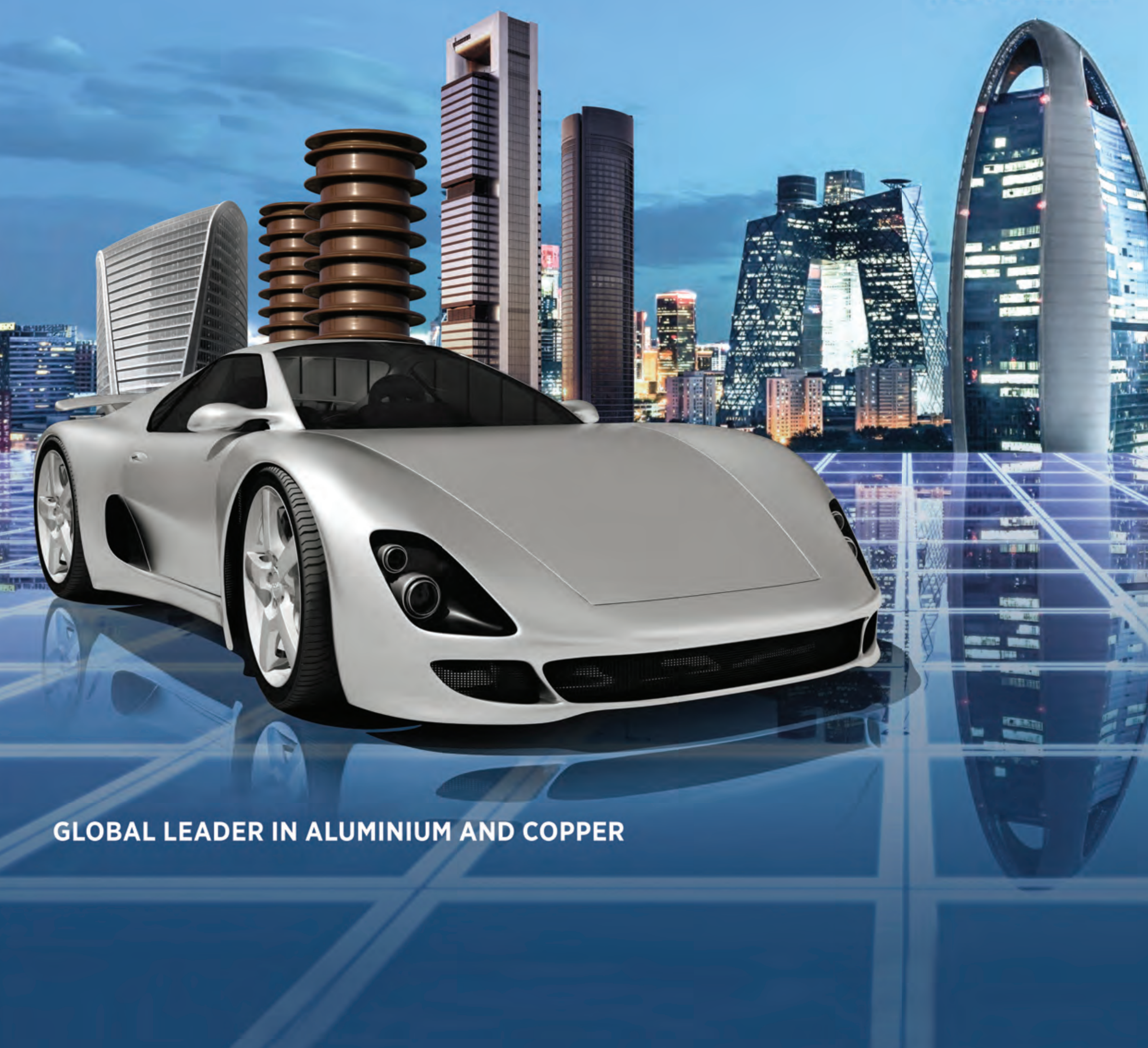
SUBSIDIARY ACCOUNTS - 1

ADITYA BIRLA
HINDALCO

2017-18

HINDALCO INDUSTRIES LIMITED

BIG IN YOUR LIFE



GLOBAL LEADER IN ALUMINIUM AND COPPER

Hindalco Subsidiary - 2017-18

TELEPHONE : 2212-6253, 2212-8016
FAX : 00-91-33-2212 7476
WEBSITE : www.gbasuandcompany.org
E-MAIL : s.lahiri@gbasu.in

G. BASU & CO.
CHARTERED ACCOUNTANTS

BASU HOUSE
1ST FLOOR
3, CHOWRINGHEE APPROACH
KOLKATA - 700 072

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MINERALS & MINERALS LIMITED

Report on the Standalone IND AS Financial Statements

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

Management's Responsibility for the IND AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("IND AS") specified under section 133 of the Act read with relevant rules issued there under. 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 Standalone IND AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone IND AS financial statements are free from material misstatement.

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

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

Opinion

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

EMPHASIS OF MATTER

Attention is invited to note no.39(h). In the opinion of the management exercise for test of impairment is not necessary due to absence of any indication in the matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016; issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 ("the Order"), and the basis of examination of the books and records of the Company as we considered appropriate and according to the information and explanations given to use, we give in the **Annexure "A",** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion the Company has kept proper books of account as require so far as appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the IND AS specified under section 133 of the Act read with relevant rules issued thereunder;

   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls system over financial reporting of the Company and the operating effectiveness of such control as at March 31, 2018, refer to our separate report in **Annexure "B"** attaches with this Report 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. Details of pending litigation have been disclosed in Note no. 39.

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

      iii. There was no amount, which was required to be transferred to the investor Education and Protection Fund by the Company.

Place : Kolkata
Date : April 28, 2018

For G. BASU & CO.
Chartered Accountants
R. No.-301174E

Glmhe

(G. GUHA)
Partner

TELEPHONE : 2212-6253, 2212-8016
FAX : 00-91-33-2212 7476
WEBSITE : www.gbasuandcompany.org
E-MAIL : s.lahiri@gbasu.in

G. BASU & CO.
CHARTERED ACCOUNTANTS

BASU HOUSE
1ST FLOOR
3, CHOWRINGHEE APPROACH
KOLKATA - 700 072

Annexure "A" referred in paragraph 1 of the Independent Auditors Report of even date to the Members of MINERALS & MINERALS LIMITED on the Standalone IND AS financial Statements as of and for the year ended March 31, 2018 under the heading "Report to Legal and Regulatory Requirements"

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

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

   (b). The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

   (c). The title deeds of the immovable properties as disclosed in Investment Property to the Standalone IND AS financial statements are held in the name of the Company.

2. There were no stock of goods during the year with the Company; hence, comments on its physical verification and Material discrepancies are not required and accordingly the provisions of clause 3(ii) of the order, is not applicable to the Company.

3. The Company has not granted any loans, Secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and accordingly, provisions of clause 3 (iii), (iii) (a), (iii) (b) &(iii) (c) of the order, are not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee or security where provisions of section 185 and 186 of the Companies Act, 2013 are applicable, hence, provision of clause 3(iv) of the order, is not applicable to the Company.

5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed thereunder apply.

6. According to the information, explanations given to us and the books & records examined by us, the Company is not carrying out any manufacturing activity during the year therefore maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company.

7. a). According to the books and records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, vat, cess and any other statutory dues to the extent applicable to it. However, Municipal Tax amounting to Rs. 38,780/- and TCS of Rs. 40,088/- have been lying unpaid for more than 6 months.

   b). (i) Income Tax amounting to Rs. 19.28 lacs (for AY: 2013-14) has not been deposited as an appeal is lying pending with CIT(Appeal), Ranchi against demand raised by Income Tax Authority.

   (ii) Royalty amounting to Rs.42.86 lakh has not been deposited as on appeal is lying pending with certificate officer (Mines). South Chota Nagpur, Ranchi against demand raised by Assistant Mining Officer, Lohardaga.

G. BASU & CO. KOLKATA CHARTERED ACCOUNTANTS

TELEPHONE : 2212-6253, 2212-8016
FAX : 00-91-33-2212 7476
WEBSITE : www.gbasuandcompany.org
E-MAIL : s.lahiri@gbasu.in

G. BASU & CO.
CHARTERED ACCOUNTANTS

BASU HOUSE
1ST FLOOR
3, CHOWRINGHEE APPROACH
KOLKATA - 700 072

8. The Company has not availed any loan from financial institution or Banks, government or debenture holders during the current year as well as in the previous year and accordingly the provision of clause 3 (viii) of the order is not applicable to the Company.

9. In our opinion, and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.

10. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the year.

11. In our opinion, and according to the information and explanations given to us, the Company has not paid any amount to its Directors as a Managerial Remuneration as prescribed by the provision of section 197 read with schedule V of the Companies Act, 2013 and accordingly the provision of clause 3 (xi) of the order is not applicable to the Company.

12. In our opinion, the Company is not a Nidhi company and accordingly the provision of clause 3 (xii) of the order is not applicable to the Company.

13. In our opinion, and according to the information and explanations given to us, the Company has not carried out any transactions with the related parties as defined in section 177and 188 of the Companies Act, 2013. However, the details of related party transactions have been disclosed in the Standalone IND AS financial statements as required under Applicable Indian Accounting Standards (IND AS) specified under section 133 of the Act.

14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with the directors, accordingly the provisions of clause 3 (xv) of the order is not applicable to the Company.

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

For G. BASU & CO.
Chartered Accountants
R. No.-301174E

(G. GUHA)
Partner
(M. No.-054702)

Place : Kolkata
Date : April 28, 2018

TELEPHONE : 2212-6253, 2212-8016
FAX : 00-91-33-2212 7476
WEBSITE : www.gbasuandcompany.org
E-MAIL : s.lahiri@gbasu.in

G. BASU & CO.
CHARTERED ACCOUNTANTS

BASU HOUSE
1ST FLOOR
3, CHOWRINGHEE APPROACH
KOLKATA - 700 072

Annexure "B" referred in paragraph 2 (f) of the Independent Auditors Report of even date to the Members of MINERALS & MINERALS LIMITED on the Standalone IND AS financial Statements as of and for the year ended March 31, 2018 under the heading "Report to Legal and Regulatory Requirements"

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

We have audited the internal financial controls over financial reporting of **Minerals & Minerals LIMITED** ("the Company) as of March 31, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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

G. BASU & CO. KOLKATA

company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Place : Kolkata
Date : April 28, 2018

For G. BASU & CO.
Chartered Accountants
R. No.-301174E
Glmhe
(G. GUHA)
Partner
(M. No.-054702)

MINERALS & MINERALS LTD

Balance Sheet as at March 31, 2018

Rs.

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	28,742,296	29,078,363
Capital Work-in-Progress	4a	-	1,152,000
Intangible Assets	5	48,579,676	31,175,086
Financial Assets			
(i) Others	6	76,223	76,223
Deferred Tax Assets (Net)	7		
Non-Current Tax Assets (Net)		1,766,018	991,567
Other Non-Current Assets	8(i)	6,616,956	5,938,708
Total Non-Current Assets		**85,781,169**	**68,411,947**
Current Assets			
Financial Assets			
(ii) Cash and Cash Equivalents	9	14,141,185	29,010,206
Other Current Assets	8(ii)	99,822,417	35,102,251
Total Current Assets		**113,963,602**	**64,112,457**
TOTAL ASSETS		**199,744,771**	**132,524,404**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	500,000	500,000
Other Equity	11	69,649,029	16,559,247
TOTAL EQUITY		**70,149,029**	**17,059,247**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Provisions / Deferred Tax Lia (Net)	7	6,205,517	3,197,236
Total Non-Current Liabilities		**6,205,517**	**3,197,236**
Current Liabilities			
Financial Liabilities			
(i) Trade and Other Payables	12	22,757,154	13,292,284
Other Current Liabilities	13	79,987,833	98,313,054
Provisions	14	20,645,238	662,584
Total Current Liabilities		**123,390,224**	**112,267,921**
TOTAL LIABILITIES		**129,595,741**	**115,465,157**
TOTAL EQUITY AND LIABILITIES		**199,744,771**	**132,524,404**

Notes on Account and Significant Accounting Policies 20 to 40

The accompanying notes are integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For **G. BASU & CO.**
Firm Registration Number:
Chartered Accountants

For G. BASU & CO.
Chartered Accountants
R. No.-301174E

(G. GUHA)
Partner
(M. No.-054702)

Partner
Membership No.

For and on behalf of the Board of Directors

Director
DIN: 06496667.

Director
DIN: 08048099

Place: Kolkata
Date : Apr 28 , 2018

Date : Apr 28 , 2018

Date : Apr 28 , 2018

MINERALS & MINERALS LTD

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

Rs.

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
REVENUES			
Revenue from Operations	15	432,038,925	301,217,739
Other Income	16	1,206,374	
Total Income		**433,245,299**	**301,217,739**
EXPENSES			
Finance Cost	17	54,804	23,997
Depreciation and Amortization	18	2,988,427	1,356,502
Other Expense	19	358,189,497	291,685,237
Total Expenses		**361,232,728**	**293,065,737**
Profit/(Loss) Before Exceptional item and Tax		72,012,571	8,152,002
			-
Profit / Loss before Taxation		72,012,571	8,152,002
Tax Expense:			
(i) Current Tax		21,317,602	1,649,897
(ii) Earlier Income Tax Provision		(5,403,094)	-
(iii) Deferred Tax		3,008,281	1,025,216
Profit /(Loss)after Taxation		**53,089,782**	**5,476,889**
Other Comprehensive Income / (Loss)			
Items that may be reclassified to profit or loss			-
Items that will not be reclassified to profit or loss			
-Re-measurement gain/(loss) on defined benefit obligation		-	-
Other Comprehensive Income / (Loss)		-	-
Total Comprehensive Loss			
Profit/ Loss per equity share			
[Nominal Value per share : Rs. 10]			
-Basic and Diluted in Rupees		1,062	110
Notes on Account and Significant Accounting Policies	20 to 40		

The accompanying notes are integral part of the Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For G. BASU & CO.
Firm Registration Number:
Chartered Accountants

For G. BASU & CO.
Chartered Accountants
F. No.-301174E

Partner
Membership No.

(M. No.-054702)

Place: Kolkata
Date : Apr 28 , 2018

For and on behalf of the Board of Directors

Director
DIN:
06496667

Director
DIN: 08048099

Date : Apr 28 , 2018

MINERALS & MINERALS LTD

Cash Flow Statement for the year ended March 31, 2018

Rs.

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A.	**Cash Flow generated / (used) in Operating Activities**		
	profit /(Loss) before tax	72,012,572	8,152,002
	Adjustment for:		
	Employee Stock Option Scheme		
	Depreciation and Amortization	2,988,427	1,356,502
	Assets Written off	-	-
	Interest Income		
	Loss/ (Gain) on Tangible Assets Sold / Discarded		
	Gain on sale of current Investments (Net)		
	Finance Costs	54,804	23,997
	Adjustment of expenses against CWIP	(400,000)	1,314,695
	Operating Profit before working capital changes	**74,655,803**	**10,847,196**
	Adjustment for changes in Working Capital :		
	- (Decrease) / Increase in Trade Payables	(8,860,351)	71,899,210
	- (Decrease)/ Increase in Provisions		
	- Increase in Other Financial Liabilities		
	- Increase in Other Current Liabilities		
	- Decrease in Trade Receivables		
	- Decrease in Inventories		
	- (Increase)/ Decrease in Loans	(62,053,544)	(26,898,589)
	- Decrease/ (Increase) in Advances to related parties		
	- Decrease in Other Assets		
	Cash generated from Operations	**3,741,908**	**55,847,817**
	Direct Taxes Paid (Net)	1,027,076	(676,703)
	Net Cash generated from Operating Activities	**4,768,984**	**55,171,114**
B.	**Cash Flow used in Investing Activities**		
	Payments to acquire property, plant and equipment	(19,583,201)	(30,717,948)
	Proceeds from disposal of property, plant and equipment		
	Interest Received		
	Net Cash used in Investing Activities	**(19,583,201)**	**(30,717,948)**
C.	**Cash Flow used in Financing Activities**		
	Proceeds from issue of equity share capital		
	Repayment of Term Loan to Banks		
	Proceeds of Term Loan from Banks		
	Payment of Finance Lease Obligations		
	Capital Contribution from Holding Company		
	Finance Costs	(54,804)	(23,997)
	Net Cash used in Financing Activities	**(54,804)**	**(23,997)**
	Net increase /decrease in Cash and Cash equivalents	**(14,869,021)**	**24,429,169**
	Cash and Cash Equivalents at the beginning of the year	29,010,206	4,581,037
	Cash and Cash Equivalents at the end of the year	**14,141,185**	**29,010,206**
	** Amount is below the rounding off norm adopted by the Company*		

Cash and Cash Equivalents comprise:	**As at 31/Mar/18**	**As at 31/Mar/17**
Cash on hand	183,418	101,918
Balances with Banks	13,957,766	28,908,288
-In current accounts	-	-
	14,141,185	**29,010,206**

The accompanying notes are integral part of the Cash Flow Statements.

This is the Special Purpose Unaudited Condensed Cash Flow Statement referred to in our report of even date.

For G. BASU & CO.
Firm Registration Number:
Chartered Accountants

For G. BASU & CO.

Partner
Membership No.

Place: Kolkata
Date : Apr 28 , 2018

For and on behalf of the Board of Directors

Director
DIN:
06496667.

Director
DIN: 08048099

MINERALS & MINERALS LTD

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

A. Equity Share Capital

Rs.

Balance at the April 01, 2017	500,000.00
Changes in the Equity Share Capital during the year on account of shares issued	-
Balance at the March 31, 2018	500,000.00

B. Other Equity

Rs.

Particulars	Retained Earnings / (Accumulated Deficit)	Capital Contribution by Holding Company (Refer Note-14)	Total
Balance as at April 01, 2017	**16,559,246.78**		**16,559,246.78**
(a) Profit/(Loss) for the year	53,089,782.38	-	53,089,782.38
(b) Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year (a+b)	**53,089,782.38**	**-**	**53,089,782.38**
Share based payment expenses	-		-
Re-payment towards Share based payment expenses	-		-
Balance as at March 31, 2018	**69,649,029.16**	**-**	**69,649,029.16**

Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

Rs.

Balance at the April 01, 2016	500,000.00
Changes in the Equity Share Capital during the year on account of shares issued	
Balance at the March 31, 2017	500,000.00

B. Other Equity

Rs.

Particulars	Retained Earnings / (Accumulated Deficit)	Capital Contribution by Holding Company (Refer Note-14)	Total
Balance as at April 01, 2015	**11,082,357.83**		**11,082,357.83**
(a) Profit/(Loss) for the year	5,476,888.95		5,476,888.95
(b) Other comprehensive Loss for the year			-
Total comprehensive loss for the year (a+b)	**5,476,888.95**	**-**	**5,476,888.95**
Additional Capital Contribution	-		-
Share based payment expenses	-		-
Re-payment towards Share based payment expenses	-		-
Balance as at March 31, 2016	**16,559,246.78**	**-**	**16,559,246.78**

For G. BASU & CO.
Firm Registration Number:
Chartered Accountants

For and on behalf of the Board of Directors

For G. BASU & CO.
Chartered Accountants
R. No-301174E
(G. GUHA)
Partner
(M. No-054702)

Partner
Membership No.

Place: Kolkata
Date : Apr 28 , 2018

Director
DIN: 06496667.

Date : Apr 28 , 2018

Director
DIN: 08048099

Date : Apr 28 , 2018

MINERALS & MINERALS LTD
Notes annexed to and forming part of the Financial Statements

4 Property, Plant and Equipment

Rs.

Assets	Useful lives in Years	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As at April 01, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at April 01, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at March 31, 2018	As at April 01, 2017
Freehold land		4,367		-	4,367	-	-		-	4,367	4,367
Leasehold land improvements	90-99	29,124,215	634,679	-	29,758,894	3,352,421	640,239	-	3,992,660	25,766,234	25,771,794
Buildings	3-60	1,270,793	-		1,270,793	653,886	34,945		688,831	581,962	616,907
Plant and Equipment	3-40	6,229,786	221,632		6,451,418	5,377,795	373,404		5,751,199	700,219	851,991
Vehicles	8-10	1,137,437	-		1,137,437	320,484	261,327		581,811	555,626	816,953
Furniture and Fixture	3-10	413,221	51,320		464,541	187,585	48,119		235,704	228,837	225,636
Office Equipment	3-8	99,306	272,103		371,409	89,533	60,325		149,858	221,551	9,773
Railway Siding		661,306	-		661,306	628,240			628,240	33,065	33,065
Electrical Installation		798,891	-		798,891	51,352	97,441		148,793	650,098	747,539
Tools & Tackles		6,750	-		6,750	6,412	-		6,412	337	337
Total [A]		39,746,071	1,179,734	-	40,925,805	10,667,709	1,515,800	-	12,183,509	28,742,296	29,078,362
Assets taken on Finance Lease	3										
Total [B]											

Rs.

Assets	Useful lives in Years	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016
Freehold land		4,367	-		4,367	-	-			4,367	4,367
Leasehold land improvements	90-99	23,328,747	5,795,468		29,124,215	2,847,103	505,318		3,352,421	25,771,794	20,481,644
Buildings	3-60	670,793	600,000		1,270,793	637,939	15,947		653,886	616,907	32,854
Plant and Equipment	3-40	6,229,786	-		6,229,786	5,053,483	324,312		5,377,795	851,991	1,176,303
Vehicles	8-10	1,137,437	-		1,137,437	105,892	214,593		320,484	816,953	1,031,545
Furniture and Fixture	3-10	371,506	41,715		413,221	158,189	29,396		187,585	225,636	213,317
Office Equipment	3-8	99,306	-		99,306	82,720	6,813		89,533	9,773	16,586
Railway Siding		661,306	-		661,306	628,240	-		628,240	33,065	33,065
Electrical Installation		28,355	770,536		798,891	27,092	24,260		51,352	747,539	1,263
Tools & Tackles		6,750	-		6,750	6,412	-		6,412	337	337
Total [A]		32,538,352	7,207,719	-	39,746,071	9,547,070	1,120,638	-	10,667,708	29,078,363	22,991,282
Assets taken on Finance Lease	3										
Total [B]											

G. BASU & CO. CHARTERED ACCOUNTANTS KOLKATA

MINERALS & MINERALS LTD
Notes annexed to and forming part of the Financial Statements

5 Intangible Assets

Rs.

Assets	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at April 01, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at April 01, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at March 31, 2018	As at April 01, 2017
Computer Software		41,206		41,206	-	11,454		11,454	29,752	
Mining Lease and Development Rights	33,021,826	18,836,013		51,857,839	1,846,742	1,461,173		3,307,915	48,549,924	31,175,084
Total	33,021,826	18,877,219	-	51,899,045	1,846,742	1,472,627	-	3,319,369	48,579,676	31,175,084

Rs. In Crores

Assets	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016
Computer Software										
Mining Lease and Development Rights	11,598,599	21,423,227		33,021,826	1,610,878	235,864		1,846,742	31,175,084	9,987,721
Total										

a. Lease against Land and Mining Rights has been sanctioned by the appropriate authority for a period of 50 years. Amortisation is calculated on the basis of lease period including calculation of fraction amount.

b. Mining lease and development rights represent contractual entitlements to certain tones of bauxite. The Mining lease and development rights are amortized using straight line method over the balance lease term.

4a Capital Work-in-Progress

	As at March 31, 2018	As at March 31, 2017
		Rs.
Carrying amount at the beginning of the year	1,152,000	1,314,695
Addition during the year	18,318,692	1,374,020
Capitalised during the year	19,470,692	1,536,715
Carrying amount at the end of the year	-	1,152,000

6 Other Financial Assets

Other Financial Assets : Non-Current

	As at March 31, 2018	As at March 31, 2017
		Rs.
Security Deposits (Rlys)	76,223	76,223
	76,223	76,223

7 Deferred Tax Assets

	As at March 31, 2018	As at March 31, 2017
		Rs.
Deferred Tax Liabilities		
Depreciation (Net)	6,205,517	3,197,236
Total Deferred Tax Liability	6,205,517	3,197,236
Net Deferred Tax Assets	(6,205,517)	(3,197,236)
Net Deferred Tax Assets Recognised	(6,205,517)	(3,197,236)

8 Other Assets

	As at March 31, 2018	As at March 31, 2017
		Rs.
(i) Other Non-Current Assets		
Capital Advances	6,616,956	5,938,708
	6,616,956	5,938,708
(ii) Other Current Assets		
Advances to Suppliers	6,147,888	1,100,656
Advances to Land Owners	24,071,131	16,270,690
Prepaid Expenses	117,351	158,561
Balance with Government Authorities	69,486,047	17,572,344
	99,822,417	35,102,251

9 Cash and Cash Equivalents

	As at March 31, 2018	As at March 31, 2017
		Rs.
Cash on hand	183,418	101,918
Balances with Banks in Current Account	13,957,766	28,908,288
	14,141,185	29,010,206

10 Equity Share Capital

	As at March 31, 2018	As at March 31, 2017
		Rs.
Authorized Share Capital		
50000 (As at March 31, 2018 : 50000; As at April 01, 2017: 50000) equity shares of Rs. 10 each	500,000.00	500,000.00
	500,000.00	500,000.00
Issued, Subscribed and Paid up Share Capital		
50000 (As at March 31, 2018 : 50000 As at April 01,2017 : 50000) equity shares of Rs. 10 each fully paid up	500,000.00	500,000.00
	500,000.00	500,000.00

a. Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2018		As at March 31, 2017	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	50000 @10.00	5,00,000.00	50000 @10.00	5,00,000.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	50000 @10.00	5,00,000.00	50000 @10.00	5,00,000.00

b. Terms/ rights attached to equity shares:-

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share.

c. Details of shareholders more than 5% of the aggregate shares in the Company and shares held by Holding Company:-

Entire issued, subscribed and paid up equity shares are held by Hindalco Industries Limited, the Company, and its nominees.

G. BASU & CO. CHARTERED ACCOUNTANTS

11 Other Equity

Rs.

	As at March 31, 2018	As at March 31, 2017
Retained Earnings / (Accumulated Deficit) [Refer note 'a' below']	69,649,029	16,559,247
Capital Contribution from Holding Company [Refer note 'b' below']		
	69,649,029	16,559,247

a. Retained Earnings / (Accumulated Deficit)

	As at March 31, 2018	As at March 31, 2017
Reserves & Surplus		
Opening Balance	16,559,247	11,082,358
Net (Loss)/ Surplus for the year	53,089,782	5,476,889
Items of Other comprehensive Income recognised in		
-Re-measurement gain/(loss) on defined benefit obligation	-	-
Closing Balance	69,649,029	16,559,247

12 Trade and other Payable

	As at March 31, 2018	As at March 31, 2017
Trade Payables	22,757,154	13,292,284
	22,757,154	13,292,284

13 Other Current Liabilities

	As at March 31, 2018	As at March 31, 2017
Advance received from Customer	72,887,911	94,927,555
Statutory Dues Payable	5,366,034	2,983,403
Security Deposit payable	396,458	368,808
Others Payable	1,337,430	33,288
	79,987,833	98,313,054

14 Provisions

	As at March 31, 2018	As at March 31, 2017
Current portion of Provisions		
Income tax provision	20,645,238	662,584
Rehabilitation Cost relating to Mines		
	20,645,238	**662,584**

15 Revenue from Operations

	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of Products	432,038,925	301,217,088
Other Operating Revenues	-	651
	432,038,925	**301,217,739**

16 Other Income

	March 31, 2018	March 31, 2017
Interest on Income Tax Refund	806,374	
Liabilities no longer required written back	400,000	-
	1,206,374	-

17 Finance Cost

	Year Ended March 31, 2018	Year Ended March 31, 2017
Bank Charges	54,804	23,997
	54,804	**23,997**

18 Depreciation and Amortization

	March 31, 2018	March 31, 2017
Depreciation on Property, Plant and Equipment	1,515,800	1,120,638
Amortization on Intangible Assets	1,472,627	235,864
	2,988,427	1,356,502

19 Other Expense

	Year Ended March 31, 2018	Year Ended March 31, 2017
Mining Expenses	234,819,215	190,276,079
Royalty	77,475,669	54,844,667
NMET/ DMF/MF	28,952,478	30,686,373
	341,247,362	275,807,119
Consumption of Stores and Spares	13,935	2,476
Repair and Maintenance-Plant and Machinery		
Repair and Maintenance-Others	5,513,523	4,217,621
Rates and Taxes	115,792	99,687
Operating Lease payments (including Rent) [Refer note '34']		
Plot Rent & staff Mess rent	194,850	535,304
Insurance charges	11,251	28,075
Auditors Remunerations (Refer note 'a' below)	65,449	125,650
Printing & Stationery expenses	198,656	89,432
Legal, Professional and Consultancy Fees	1,744,020	1,884,750
Travelling and conveyance	1,072,915	1,748,901
Expenditure on Corporate social responsibility activities	1,945,725	1,550,099
Exploration Expenses	77,290	947,220
DGPS Survey	-	2,315,340
Dead Rent	357,677	31,160
Surface rent and Cess	5,522	2,787
Stone Pillaring Exp	-	94,318
Mines Electricity and Lighting Exp	102,509	8,565
Staff Welfare Exp	237,489	537,498
Environmental Exp	740,960	161,300
Land Compensation Expenses	1,636,252	-
Security Expenses	2,153,704	1,154,421
Miscellaneous Expenses	754,615	343,516
	358,189,497	291,685,237
a. Auditors Remunerations:		
Statutory Auditors		
Statutory Audit fees	65,449	119,650
Reimbursement of expense		6,000
	65,449	125,650

20 Related Party Transactions

(A) Holding Company

The Company is controlled by the following entity:

Name	Type	Principal Activity	Place of Incorporation	Ownership Interest %	
				As at March 31, 2018	As at March 31, 2017
Hindalco Industries Limited	Holding Company	Manufacturing	India	100%	100%

(B) Subsidiaries

Name	Type	Principal Activity	Place of Incorporation	Ownership Interest %	
				As at March 31, 2018	As at March 31, 2017

(C) Associate of Holding Company

Name	Type	Principal Activity	Place of Incorporation

(D) Key management personnel	
	1) Mr 2) Mr 3) Mr.

Managerial remuneration to Key management personnel :

	Year Ended March 31, 2018	Year Ended March 31, 2017
Short-term employee benefits		
Post-employment benefits		
Long-term employee benefits		
Sitting fees paid		
	-	-

(E) The following transactions were carried out during the year with the related parties :

Nature of Transactions	Year Ended 31-Mar-2018	Year Ended March 31, 2017
a. Holding Company		
Sale of Goods	432,038,925.00	301,217,738.75
Sale of Goods (including excise duty*)	-	-
Re-imbursement Received	-	-
Share based payment expenses [Refer note '27']	-	-
Interest paid on Inter-Corporate Deposits	-	-
Inter-Corporate Deposits Received	-	-
Repayment of Inter-Corporate Deposits	-	-
Capital Contribution from Parent Company	-	-
Advance received against Equity Shares	-	-
Issuance of Equity Shares	-	-
Purchase of Fixed Assets	-	-
Corporate Guarantee Received	-	-
Corporate Guarantee cancelled	-	-
b. Associate of Holding Company		
Services Received	-	-

(E) The following are balances of related parties mentioned in (A) above:

Nature of Transactions	Holding Company As at 31-Mar-2018	Holding Company As at March 31, 2017	
Other Receivable/(Payable)	-	-	
Capital Contribution from Parent Company [Refer note '16']	-	-	
Corporate Guarantee	-	-	
Receivable against Sale of Goods	-	-	

As there were no balances outstanding against transactions with other parties, no disclosure has been made.

21 Loss Per Share (Basic and Diluted)

		Year Ended March 31, 2018	Year Ended March 31, 2017
Profit / (Loss) after tax as per the Statement of Profit and Loss (Rs)	(A)	53089782.38	5,476,888.95
Weighted Average number of Equity shares outstanding	(B)	50000	50,000
Loss per share (Basic and Diluted) (in Rupees)	(A / B)	1,061.80	109.54
Nominal value of an Equity Share (in Rupees)		10	10

22 The Company has entered into various leasing arrangements for office, leasehold land, residential premises, machineries and godowns which includes both cancellable and non-cancellable leases.

	Year Ended March 31, 2018	Year Ended March 31, 2017
With respect to all operating leases:		
Minimum Lease payments recognised in the Statement of Profit and Loss during the year	-	-
	-	-

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

	As at 31-Mar-2018	As at March 31, 2017
The future minimum lease payments are as follows:		
- Not later than one year	-	-
- Later than one year and not later than five years	-	-
- Later than five years	-	-
	-	-

23 The Company has finance lease for office equipment. Future minimum lease payments under finance lease and the present value of the net minimum lease payments are as follows:-

	As at March 31, 2018 Minimum Lease Payments	As at March 31, 2018 Present Value of Minimum Lease Payment
Within One Year	-	-
After One Year but not more than Five Years	-	-
More than Five Years	-	-
Total Minimum Lease Payments	-	-
Less: Finance Charges	-	-
Present Value of Minimum Lease Payments	-	-

	As at March 31, 2017 Minimum Lease Payments	As at March 31, 2017 Present Value of Minimum Lease Payment
Within One Year	-	-
After One Year but not more than Five Years	-	-
More than Five Years	-	-
Total minimum Lease Payments	-	-
Less: Finance Charges	-	-
Present Value of Minimum Lease Payments	-	-

24 Provisions

Rs

	Environmental Restoration (Greenbelt)	Asset Retirement Obligation for Redmud pond and Ash pond	Rehabilitation Cost relating to Mines
As at April 01, 2017	-	-	-
Arising during the year	-	-	-
Utilized during the year	-	-	-
Unwinding of discount during the year	-	-	-
As at March 31, 2018	-	-	-
Current		-	-
Non-Current	-	-	-
	-	-	-

Rs

	Environmental Restoration (Greenbelt)	Asset Retirement Obligation for Redmud pond and Ash pond	Rehabilitation Cost relating to Mines
As at April 01, 2016	-	-	-
Arising during the year	-	-	-
Utilized during the year	-	-	-
Unwinding of discount during the year	-	-	-
As at March 31, 2017	-	-	-
Current	-	-	-
Non-Current	-	-	-
			-

25 The carrying value of Financial Instruments by category:

	As at March 31, 2018	As at March 31, 2017
		Rs
Financial Assets Carried at Amortised Cost		
Investment in Equity Instruments	-	-
Loans	-	-
Trade Receivables	-	
Cash and Cash Equivalents	14141185	29010206
Bank Balances other than Cash and Cash Equivalents	0	0
Others	76223	76223
	14217407	29086429
Financial Liabilities Carried at Amortised Cost		
Borrowings	-	
Current maturities of Long-Term Borrowings	-	-
Current maturities of Finance Lease Obligations	-	
Trade and other Payable		
Others	-	
	-	-

26 Fair Value of financial assets and financial liabilties measured at amortised cost

	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
				Rs.
Financial Liabilities Carried at Amortised Cost				
Non-Current Borrowings (including Current maturit	-		-	-

The carrying amounts of trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, trade payables, other current financial liabilities and short term borrowings are considered to be same as their fair values, due to their short term nature.

Valuation Technique

The fair value of non current borrowings was calculated based on cash flows discounted using the current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to use of unobservable inputs, including own credit risk.

27 The following table provides the fair value measurement hierarchy of Assets and Liabilities

	As at March 31, 2018	As at March 31, 2017
	Fair Value measurement using Significant observable inputs (Level 2)	Rs.
Financial Assets/(Liabilities) measured at Fair Value		
Derivative Assets/(Liabilities)	-	-

28 Assets and Liabilities which are measured at amortised cost for which fair values are disclosed

	As at March 31, 2018	As at March 31, 2017
	Fair Value measurement using Significant observable inputs (Level 3)	Rs.
Financial Assets/(Liabilities) measured at Amortised Cost		
Borrowings	-	-

29 Contingent Liabilities and Commitments:

A. Contingent Liabilities

	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debt:	133,953,926	133,953,926
	-	-

B. Capital commitment :

	As at March 31, 2018	As at March 31, 2017
		Rs.
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6,616,956	5,938,708

G. BASU & CO.

C. Performance Guarantee :

	As at March 31, 2018	As at March 31, 2017
		Rs.
Performance Guarantee given by Banks on behalf of the Company	-	-

D.

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

(a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end		-
(b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
(c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(d)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
(e)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
(f)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(g)	Further interest remaining due and payable for earlier years.		

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

31 Segment Information

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Board of Directors of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis. the Company has determined its business segment as Bauxite Mining as the Company

A. Description of segment

The Company is principally engaged in a single business segment viz.Bauxite Mining

B. Geographical Information

	Year Ended March 31, 2018	Year Ended March 31, 2017
		Rs
i) Segment Revenue from external Customer		
Within India		
Outside India	-	-
Total		

	As at March 31, 2018	As at March 31, 2017
ii) Carrying value of Non-Current assets (other than financial instruments)		
Within India	85,704,945.76	68,335,724.15
Outside India	-	-
Total	**85,704,945.76**	**68,335,724.15**

Non-Current Assets for this purpose consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets, Non-Current Tax Assets and Other Non-Current Assets.

iii) Extent of reliance on major customers

32 **Financial Risk Management**

The company is exposed to certain market risks as part of our business operations, including risks from changes in commodity prices (primarily Metal Bulletin Alumina prices, coal prices and furnace oil prices), local market premiums, foreign currency exchange rates and interest rates that could impact our results of operations and financial condition. The company manage the exposure to these and other market risks through regular operating and financing activities and derivative financial instruments. The Company uses derivative financial instruments as risk management tools only, and not for speculative purposes. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The credit levels are reviewed to ensure that there is no inappropriate concentration of outstanding to any particular counterparty

The decision of whether and when to execute derivative instruments, along with the duration of the instrument, can vary from period to period depending on market conditions and the relative costs of the instruments. The duration is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored.

A. **Market Risk**

Bauxite

This business is vertically integrated. The main raw material viz. bauxite (mined from own mines) and other purchased raw materials do not have any linkage with the output price which is based on Alumina Metal Bulletin prices. When the prices of input(s) and output(s) do not follow the above condition, then risk management attempts to use derivatives so as to protect the margins from adverse movements in prices on either side, i.e. from a rise in input cost or from a fall in output price.

33 **Foreign Currency Exchange Risk**

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange flow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Alumina business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The company enters into various foreign exchange contracts to protect profitability. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities. Also, certain foreign exchange future derivatives are taken for arbitrage between exchange and OTC.

34 A **Related Party disclosers (lone party in transaction):-**

Hindalco Industries Limited (Holding Company)

(Rupees)

The following transactions were carried out with the related party in the ordinary course of business

	2017-18	2016-17
Bauxite Sales	432,038,925	301,217,088
Share Capital	500,000	500,000
Trade Receivable(Hindalco Industries Limited)		-
Advance from Hindalco Industries Ltd, Renukoot	*72,887,911*	*94,927,555*

b Company through contractual work is dealing with one product,Bauxite ore and as such there is no segment reporting

c The break up of deferred tax liabilitues are as under:

35 **Deferred Tax Assets/ Liabilities**

(Rupees)

(i)WDV of the Assets as on 31.03.2018 as per books of Accounts	51551371	34,477,285
(ii) WDV of the Assets as on 31.03.2018 as per Income Tax Act	32782607	24,130,246
Net differential Depreciation	18,768,764	10,347,039
(iii) Deferred Tax Liabilities @33.063%	6205517	3,197,235
(iv) Deferred Tax Liabilities already provided up to 31.03.2017	3197236	2,172,020
Net Deferred Tax Liabilities for the year 2017-18	3,008,281	1,025,215

36 **Movement of Provisions of I tax during the year.**

(Rupees)

(i)Opening Balance	2544731	894,834
(ii)Addition during the year	21483514	1,649,897
Sub Total	24028245	2,544,731
(iii)Less Adjustment	603291	-
(iv) Closing Balance	23424954	2,544,731

Income Tax Reconciliation	**Year Ended 31-Mar-2018**
Profit /(Loss) from continuing operations before Tax	72,012,571
Company's Domestic Tax Rate	33.063%
Tax Expenses using the Company's domestic tax rate	23,809,516
<u>Effect of:</u>	
Adjustment pertaining to prior years	(5,403,094)
Difference in Tax rates	516,366
Total Tax expenses recognised in the Statement of Profit & L	18,922,788

37 Old liability for dead rent is NIL.

38 Other current liabilities includes Rs 50,000.The amount was paid to Govt.Authority for miscellenious charges.Cheques were not presented to the Bank.Liability in this respect had been provided earlier.

39 Contingent liability(as per AS-29)

(a) Counter guarantee infavour of SBI, Renukoot Rs 82,25,000/-

(b) Claims / Demands by the Assistant Mining Officer, Lohardaga,in the state of Jharkhand on the Company towars Royalty for Rs. 81,04,105 together with interest of Rs.85,62,150 upto December 2005 on account of vanadium extracted and sold by Hindalco Industries Limited against Bauxite supplied to them from 1991 - 92 to December 2005 not admitted by the company and against which proceedings are pending before the Certificate Officer, Chhotanagpur Anchal Division,Ranchi and Allahabad High Court. Company has deposited Rs.42,86,122 and furnished Bank Guarantees for Rs.42,86,122 in compliance with the orders of said Certificate officer against these demands.The Company has filed a petition for this matter on 5th March, 2013 before Certificate Officer (Mines), South Chotanagpur, Ranchi to refund the deposit amount and exempt to renew the Bank Gaurantee, hearing pending.

(c) Company received notice of demand/claim from the court of Certificate Officer (Mines) Chotanagpur Anchyal, Doranda, Ranchi in the state of Jharkhand for Royalty on Vanadium along with interest for the period from January,2006 to June,2006 amount to Rs.1,86,500 for which demand petition u/s 9 of PDR Act has been submitted, which is still pending for final hearing.Impact of cash out flow if any on the demand could not be estimated the pending petition with the authority.

(d) A notice U/S 7 of P.D.R.Act received from Assistant Mining officer, Lohardaga had filed certificate case in the court of certificate officer, South Chhotanagpur Anchal, Ranchi for realization of Rs. 124263415/-joint provisional demand from Hindalco Industries Ltd & Company towards Royalty with interest due on vanadium mineral for the period from 01.07.06 to 31.11.10 for which objection petition U/S 9 of PDR Act has been filed on 29.03.11. Hearing of the case is pending. Impact of cash out flow if any on the demand could not be estimated pending disposal of petition the authority.

(e) There is a Demand for Surface Rent amounted to Rs 1265132/- which has been received from DMO's Office of Lohardaga, Jharkhand which is pending for settlement with the authority. No reliable estimated of probable cash out flow could be made pending disposal.

(f) Appeal against a I Tax demand for Rs 22,66,640/- for the AY 2013-14 is pending with CIT 5% of the said demand amounting to Rs 3,40,300/ already deposited.

(g) In absence of indication of impairment of Fixed Assets, no exercise has been undertaken in respaect thereof.

(h) Capital Commitment Rs 66,16,956/-

(i) The Minerals & Minerals Limited has no Micro and Small parties registered under MSMED Act 2006

(j) Figures of the previous year have been regrouped/rearranged wherever considered necessary.

40 **Significant Accounting Policies**

Nature of operations

Minerals & Minerals Limited is a 100% subsidiary of Hindalco Industries Limited and is engaged in the Business of Mining and Trading of Bauxite.

Significant Accounting Policies

(a)Accounting convention

The accounts have been prepared in accordance with the historical cost convention on an accrual basis keeping in mind the relevant Indian Accounting Standards, where applicable and in accordence with the generally accepted accounting principles in India,the applicable mandatory accounting Standards as per stipulations contained in Schedule 3 (revised) as pplicable under section 133 of the Co's Act, 2013, read with Rule 7 of the Companies (Accountns) Rules, 2014.

(b) **Use Of Estimates**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(c) **Fixed Assets**

(I) Tangible Assets are stated at cost less accumulated depreciation and impairment if any.

(II) Intangible Assets are stated at cost less accumulated amortization.Cost includes any directly attributable expenditure on making the assets ready for its intended use.

(d) **Depreciation and Amortization**

(I)Depreciation has been provided on straight line method over the estimated useful life of the assets.

(II) Mining rights and leasehold land are amortized over the period of lease on stright line basis.

(e) INVENTORIES:

(f) Sales revenue of the year is based on transfer price structured on the basis of cost of production prevailing in the beginning of the year mutually agreed between the company and the transferee holding company.

(g) RECOGNITION OF INCOME AND EXPENDITURE :
Income & expenditure are recognised on accrual basis.

(h) TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax consideration of prudence,on timing difference,being the difference between taxable income and liabilities and assets are recognised at substantially enacted tax rates,subject to the accounting income that orginate in one period and are capable of reversal in one or more .

(i) Claim against the Company not admitted as a debt is disclosed as Contingent Liability.

For G. BASU & CO.		For and on behalf of the Board	
Firm Registration Number:			
Chartered Accountants	For G. BASU & CO. Chartered Accountants 301174E	Director	Director
Partner	(G GUHA) Partner	DIN: 06496667	DIN: 08048099
Membership No.	054702		
Place: Kolkata			
Date: Apr 28 , 2018		Date: Apr 28 , 2018	Date: Apr 28 , 2018

Renuka Investments & Finance Limited

RENUKA INVESTMENTS & FINANCE LIMITED

Balance Sheet as at March 31, 2018

(Amount in ₹)

	Note	As at 31/03/2018	As at 31/03/2017
ASSETS			
Non-Current Assets			
Investment Property	'5'	53,370,448	54,711,050
Financial Assets:			
Non-Current Investments	'6'	1,395,111,036	1,560,407,812
Deferred Tax Assets (Net)	'7'	21,125,427	-
		1,469,606,911	1,615,118,862
Current Assets			
Financial Assets:			
Current Investments	'8'	316,157,662	179,980,610
Cash and Cash Equivalents	'9'	1,455,826	114,655
Other Financial Assets	'10'	47,317	979,526
Current Tax Assets (Net)	'11'	587,634	715,772
		318,248,439	181,790,563
		1,787,855,350	1,796,909,425
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	'12'	92,500,000	92,500,000
Other Equity	'13'	1,688,852,645	1,683,261,212
		1,781,352,645	1,775,761,212
LIABILITIES			
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	'7'	-	14,945,401
		-	14,945,401
Current Liabilities			
Financial Liabilities:			
Trade Payables	'14'	135,407	29,100
Other Financial Liabilities	'15'	6,171,705	6,171,705
Other Current Liabilities	'16'	195,593	2,007
		6,502,705	6,202,812
		6,502,705	21,148,213
		1,787,855,350	1,796,909,425
Significant Accounting Policies	'3'		

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

Anil Malik
DIN 00170411

D.C. Vohra
DIN -

RENUKA INVESTMENTS AND FINANCE LIMITED

RENUKA INVESTMENTS & FINANCE LIMITED

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

(Amount in ₹)

	Note	Year ended 31/03/2018	31/03/2017
REVENUES			
Other Income	'17'	100,615,905	99,943,729
Total Income		100,615,905	99,943,729
EXPENSES			
Finance Costs	'18'	248,866	432
Depreciation and Amortization	'19'	1,340,602	1,340,602
Other Expenses	'20'	1,482,752	1,608,455
Total Expenses		3,072,220	2,949,489
Profit before Tax		97,543,685	96,994,240
Income Tax Expenses:	'21'		
Current Tax		15,191,604	1,944,164
Deferred Tax		(242,804)	2,467,687
Profit for the period		82,594,885	92,582,389
Other Comprehensive Income:	'22'		
Items that will not be reclassified to Profit and Loss		(112,831,476)	675,354,639
Tax on items that will not be reclassified to Profit and Loss		35,828,024	3,911
Items that will be reclassified to Profit and Loss		-	-
Tax on items that will be reclassified to Profit and Loss		-	-
Other Comprehensive Income (Net of Tax)		(77,003,452)	675,358,550
Total Comprehensive Income for the period		5,591,433	767,940,939
Earnings per Share (EPS):	'23'		
Basic EPS		8.93	10.01
Diluted EPS		8.93	10.01
Significant Accounting Policies	'3'		

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

Atul Malik
DIN [illegible]

D C Kabra
DIN [illegible]

RENUKA INVESTMENTS & FINANCE LIMITED

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

A. Equity Share Capital

	Note	Amount in ₹
Balance as at April 01, 2016		92,500,000
Change in Share Capital during the period		-
Balance as at March 31, 2017	'12'	92,500,000
Change in Share Capital during the period		-
Balance as at March 31, 2018	'12'	92,500,000

B. Other Equity

(Amount in ₹)

		Reserve and Surplus			Other Reserve	
	Note	**Capital Redemption Reserve**	**Special Reserve**	**Retained Earnings**	**Equity Instruments FVTOCI**	**Total Other Equity**
Balance as at April 01, 2016		15,000	121,006,607	117,884,914	676,413,752	915,320,273
Profit for the period		-	-	92,582,389	-	92,582,389
Other Comprehensive Income for the period	'22'	-	-	-	675,358,550	675,358,550
Total Comprehensive Income for the period		-	-	92,582,389	675,358,550	767,940,939
Dividend Paid (including Dividend Distribution Tax)		-	-	-	-	-
Transfer to Special Reserve		-	18,516,478	(18,516,478)	-	-
Balance as at March 31, 2017	'13'	15,000	139,523,085	191,950,825	1,351,772,302	1,683,261,212
Profit for the period		-	-	82,594,885	-	82,594,885
Other Comprehensive Income for the period	'22'	-	-	-	(77,003,452)	(77,003,452)
Total Comprehensive Income for the period		-	-	82,594,885	(77,003,452)	5,591,433
Dividend Paid (including Dividend Distribution Tax)		-	-	-	-	-
Transfer to/from Retained Earnings		-	-	52,350,300	(52,350,300)	-
Transfer to Special Reserve		-	16,518,977	(16,518,977)	-	-
Balance as at March 31, 2018	'13'	15,000	156,042,062	310,377,033	1,222,418,550	1,688,852,645

Significant Accounting Policies '3'

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483
Place: Mumbai
Date: April 30, 2018

Atul Malik
DIN - 00170411

D C Kabra
DIN - 06579509

RENUKA INVESTMENTS & FINANCE LIMITED

Cash Flow Statement for the Year ended March 31, 2018

(Amount in ₹)

	Note	Year ended 31/03/2018	Year ended 31/03/2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax:		97,543,685	96,994,240
Adjustment for :			
Finance Costs	'18'	248,866	432
Depreciation and Amortization	'19'	1,340,602	1,340,602
Interest Income		-	-
Dividend Income	'17'	(80,163,851)	(81,457,344)
(Gains)/ losses on financial Assets measured at FVTPL (Net)	'17'	(8,354,288)	(8,742,988)
Other Non-operating income/ Expenses (Net)		-	-
Operating profit before working capital changes		10,615,014	8,134,942
Changes in working Capital:			
(Increase)/ Decrease in Trade and Other Receivables (Net)		932,209	(908,043)
Increase/ (Decrease) in Trade and Other Payables (Net)		299,893	(87,356)
Cash generation from Operation before Tax		11,847,116	7,139,543
(Payment)/ Refund of Income Tax (Net)		(15,063,466)	(2,486,696)
Net Cash Generated/ (Used) - Operating Activities		(3,216,350)	4,652,847
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments in Mutual Funds		(136,322,764)	(86,119,484)
Redemption of Investments in Mutual Funds		8,500,000	-
Proceeds from Sale of investment in equity shares		52,465,300	-
Interest Received		-	-
Dividend Received		80,163,851	81,457,344
Net Cash Generated/ (Used) - Investing Activities		4,806,387	(4,662,140)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Finance Cost Paid		(248,866)	(432)
Dividend Paid (including Dividend Distribution Tax)		-	-
Net Cash Generated/ (Used) - Financing Activities		(248,866)	(432)
Net Increase/ (Decrease) in Cash and Cash Equivalents		1,341,171	(9,725)
Add : Opening Cash and Cash Equivalents		114,655	124,380
Closing Cash and Cash Equivalents		1,455,826	114,655

Reconciliation of Closing Cash and Cash Equivalents as per Statement of Cash Flow:

(Amount in ₹)

	Note	As at 31/03/2018	As at 31/03/2017
Closing Cash and Cash Equivalents	'11'	1,455,826	114,655
Adjustment in Closing Cash and Cash Equivalents		-	-
Balance as per Statement of Cash Flow		1,455,826	114,655

Significant Accounting Policies '3'

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

Ajit Malik
DIN - 00170411

D.C. Kabra
DIN - 00579509

RENUKA INVESTMENTS AND FINANCE LIMITED

1. **Company Overview:**

Renuka Investments & Finance Limited ("the Company") was incorporated on October 24, 1994 having its registered office at Hindalco Industries Limited, Renukoot, Sonebhadra, Uttar Pradesh, 231217. The Company has a commercial building at Mumbai, which has been leased out for earning rental income.

The Company is a wholly owned subsidiary of Hindalco Industries Limited, a public limited company whose equity shares are listed on the Indian Stock Exchanges (National Stock Exchange and Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

2. **Basis of Preparation:**

The financial statements of Renuka Investments & Finance Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India. The financial statements for the year ended March 31, 2018 have been approved by the Board of Directors of the Company in their meeting held on April 30, 2018.

The financial statements have been prepared under the historical cost convention on accrual basis except for financial instruments, which have been measured at fair value.

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 take 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.

In addition, for financial reporting purposes, fair value measurements are categorized 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 Company 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.

In preparing the financial statements in conformity with Ind-AS requires management to make estimates and assumptions that affect reported Amount of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the Amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period in which the same is determined.

The financial statements are presented in Indian Rupees (INR/₹) which is the Functional Currency of the Company.

3. **Significant Accounting Policies:**

A. **Investment Property**

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property is at the carrying amount of the property.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives. Depreciation on Investment Property has been provided using Straight Line Method at the rates and manner prescribed under Schedule II of the Companies Act, 2013.

Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value-in-use and net selling price. Value-in-use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

B. **Financial Instruments**

All financial assets are recognized on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value.

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

Equity Instruments

The Company's investment in equity instruments is strategic in nature and has been held for a substantial period of time. The company does not acquire equity instruments for the purpose of selling in the near term for short term profit taking. The company has therefore made an irrevocable election to measure equity instruments at Fair Value through Other Comprehensive Income (FVTOCI).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is directly reclassified to retained earnings. For equity instruments measured at fair value through other comprehensive income no impairments are recognized in the statement of profit and loss.

Dividends on these investments in equity instruments are recognized in the statement of profit and loss in investment income 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 and the amount of the dividend can be measured reliably.

Debt Instruments

The Company's primary objective of the investment in the mutual fund is to maximize yield while maintaining liquidity to meet business fluctuations/opportunities. The company has therefore decided to measure debt instruments at Fair Value through Profit and Loss (FVTPL).

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs. These are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in the statement of profit and loss as 'Gains/ loss on financial instruments measured at FVTPL'. Periodical income or interest and gain and loss on sale/ transfer on derecognition of debt instruments at FVTPL is included in the statement of profit and loss as net gain or loss.

CHARTERED ACCOUNTANTS ★ CO.

RENUKA INVESTMENTS AND FINANCE LIMITED ★

C. Fair Value Measurement

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

D. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

E. Income Taxes

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

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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of Amount expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

Current and deferred tax for the period

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

F. Revenue Recognition

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Interest, Dividend and other income on investments is accounted for when the right to receive the payment is established. The Amount where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.
Revenue excludes taxes that are collected on behalf of Government Authorities.

G. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. In case of litigation, the Company may entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

4. Critical accounting judgment and key sources of estimation uncertainty:

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

(a) Taxes

The Company calculates income tax expense based on income reported. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures all of which may be uncertain. Economic conditions may change and lead to a different conclusion regarding recoverability. Tax authorities may challenge the Company's computation of tax payable from prior periods. Such process may lead to changes to prior periods taxable income, resulting in change to income tax expenses in the period of change.

(b) **Recoverability of advances/ receivables**

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgment based on financial position of the counter-parties, market information and other relevant factor.

(c) **Fair value measurements**

the Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(d) **Contingent assets and liabilities, uncertain assets and liabilities**

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether the Company will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of Amount, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

5. Investment Property:

(Amount in ₹)

	As at	
	31/03/2018	**31/03/2017**
Cost	78,525,147	78,525,147
Less: Accumulated Depreciation and Impairment	(25,154,699)	(23,814,097)
Net carrying amount	53,370,448	54,711,050

	Freehold Land	**Buildings**	**Total**
Cost			
As at April 01, 2016	186,383	78,338,764	78,525,147
Disposal/ Adjustments	-	-	
As at March 31, 2017	186,383	78,338,764	78,525,147
Disposal/ Adjustments	-		
As at March 31, 2018	186,383	78,338,764	78,525,147
Accumulated Depreciation and Impairment			
As at April 01, 2016		22,473,495	22,473,495
Depreciation for the period	-	1,340,602	1,340,602
As at March 31, 2017		23,814,097	23,814,097
Depreciation for the period	-	1,340,602	1,340,602
As at March 31, 2018	-	25,154,699	25,154,699
Net carrying amount			
As at March 31, 2017	186,383	54,524,667	54,711,050
As at March 31, 2018	186,383	53,184,065	53,370,448
Usefule life of investment properties	Indefinate	60 years	

(a). Amount recognized in profit and loss for investment properties are as under:

(Amount in ₹)

	Year ended	
	31/03/2018	**31/03/2017**
Rental Income	12,097,766	9,740,896
Less: Direct operating expenses, including repair and maintenance, generating rental income	(1,391,731)	(1,388,017)
Profit or loss from investment properties before depreciation	10,706,035	8,352,879
Less: Depreciation	(1,340,602)	(1,340,602)
Profit or loss from investment properties	9,365,433	7,012,277

(b). All of the Investment Properties of the Company are held under freehold interest.

(c). the Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(d). The fair value of the Company's investment properties have been carried out by external valuer. Information of fair value of investment properties and level of air value hierarchy are given below:

I. Fair value of investment properties given below:

(Amount in ₹)

	As at	
	31/03/2018	**31/03/2017**
Freehold Land	22,235,000	4,764,810
Buildings	178,414,709	172,789,371

ii. Fair value hierarchy of investment properties given below:

(Amount in ₹)

	As at 31/03/2018		As at 31/03/2017	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Freehold land		22,235,000		4,764,810
Buildings	-	178,414,709	-	172,789,371

6. Non-Current Investments:

(Amount in ₹)

	Face value per Unit	Numbers - As at 31/03/2018	Numbers - As at 31/03/2017	Value - As at 31/03/2018	Value - As at 31/03/2017
Quoted Investments					
Investment in Equity Instruments (Fully paid-up)					
National Aluminium Company Limited	₹ 5	16,418,964	16,418,964	1,091,040,158	1,256,050,747
Grasim Industries Limited	₹ 2	242,185	242,185	254,512,217	254,052,065
Aditya Birla Capital Limited	₹ 10	339,059	-	49,485,661	-
				1,395,038,036	1,510,102,812
Unquoted Investments					
Investment in Equity Instruments (Fully paid-up)					
Aditya Birla Power Company Limited	₹ 10	-	11,500	-	50,232,000
Birla Management Centre Services Limited	₹ 10	7,000	7,000	70,000	70,000
				70,000	50,302,000
Investment in Preference Shares (Fully paid-up)					
Birla Management Centre Services Limited	₹ 10	300	300	3,000	3,000
				3,000	3,000
				73,000	50,305,000
				1,395,111,036	1,560,407,812

(a). Aggregate amount of quoted and unquoted investments, market value of quoted investments and aggregate amount of impairment in value of investments are given below:

	31/03/2018	31/03/2017
Aggregate amount of quoted investments and market value thereof	1,395,038,036	1,510,102,812
Aggregate amount of unquoted investments	73,000	50,305,000
Aggregate amount of impairment in the value of investments	-	-

7. Deferred Tax:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
(a). **Deferred Tax Assets (Net)**		
Deferred Tax Assets	21,125,427	-
Less: Deferred Tax Liabilities	-	-
	21,125,427	-
(b). **Deferred Tax Liabilities (Net)**		
Deferred Tax Liabilities	-	14,945,401
Less: Deferred Tax Assets	-	-
	-	14,945,401

(c). Major components of Deferred Tax Assets/ Liabilities (Net) arising on account of temporary timing differences and movement therein are given below:

(Amount in ₹)

	Deferred Tax Assets (Net) FV of Financial Instruments FY 2018	Deferred Tax Assets (Net) FV of Financial Instruments FY 2017	Deferred Tax Liabilities (Net) FV of Financial Instruments FY 2018	Deferred Tax Liabilities (Net) FV of Financial Instruments FY 2017
Deferred Tax Assets:				
As at April 01	-	-	-	-
Recognised in Statement of Profit and Loss	(3,714,358)	-	-	-
Recognised in OCI	24,839,785	-	-	-
As at March 31	21,125,427	-	-	-
Deferred Tax Liabilities:				
As at April 01	-	-	14,945,401	12,481,625
Recognised in Statement of Profit and Loss	-	-	(3,957,162)	2,467,687
Recognised in OCI	-	-	(10,988,239)	(3,911)
As at March 31	-	-	-	14,945,401
Deferred Tax Assets/ (Liabilities) (Net)	21,125,427	-	-	(14,945,401)

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

(d). **Unrecognised Deferred Taxes**

The Company has not recognised deferred tax assets and tax credits for certain items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. The details of such items and its period of expiry are given below:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
i. Unrecognised Deferred Tax Assets:		
Long-term Capital losses	-	4,520,279
Period of expiry	-	FY 2020 - 2024
ii. Unused Tax Credits:		
MAT Credit	6,688,430	1,457,375
Period of expiry	FY 2027 - 2028	FY 2027

8. Current Investments:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Quoted Investments		
Investment in Mutual Funds:		
Aditya Birla Capital Mutual Funds	244,789,360	112,609,627
Baroda Pioneer Mutual Funds	42,069,084	39,708,400
IDFC Mutual Funds	29,299,218	27,662,583
	316,157,662	179,980,610

(a). Aggregate amount of quoted and unquoted investments, market value of quoted investments and aggregate amount of impairment in value of investments are given below:

Aggregate amount of quoted investments and market value thereof	316,157,662	179,980,610
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

9. Cash and Cash Equivalents:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Balance with Banks - Current Accounts	1,455,502	114,286
Cash on hand	324	369
	1,455,826	114,655

(a). There are no repatriation restrictions with regard to cash and cash equivalents.

10. Other Financial Assets:
(Unsecured, considered good unless otherwise stated)

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Receivables against Rent	47,317	127,933
Advance for Mutual Fund Investment	-	820,000
Other Receivable	-	31,593
	47,317	979,526

11. Current Tax Assets (Net):

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Advance Tax Assets (Net)	587,634	715,772
	587,634	715,772

12. Equity Share Capital:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Authorized:		
9,995,000 (31/03/2017: 9,995,000) Equity Shares of ₹ 10/- each	99,950,000	99,950,000
500 (31/03/2017: 500) Redeemable Cumulative Preference Shares of ₹ 100/- each	50,000	50,000
	100,000,000	100,000,000
Issued, Subscribed and Paid-up:		
9,250,000 (as at 31/03/2017: 9,250,000) Equity Shares of ₹ 10/- each - (a)	92,500,000	92,500,000
	92,500,000	92,500,000

(a). Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	Year ended 31/03/2018		Year ended 31/03/2017	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Equity Shares outstanding at the beginning of the period	9,250,000	92,500,000	9,250,000	92,500,000
Equity Shares outstanding at the end of the period	9,250,000	92,500,000	9,250,000	92,500,000

(b). Rights, Peferences and Restrictions attached to Equity Shares:
The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential Amount, in proportion to their shareholding.

(c). Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at 31/03/2018		As at 31/03/2017	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Hindalco Industries Limited and its nominees	9,250,000	100.00%	9,250,000	100.00%

(d). The Company during the preceding 5 years:

i. Has not allotted shares pursuant to contracts without payment received in cash.
ii. Has not issued shares by way of bonus shares.
iii. Has not bought back any shares.

13. Other Equity:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Reserve and Surplus		
Capital Redemption Reserve	15,000	15,000
Special Reserve	156,042,062	139,523,085
Retained Earnings	310,377,033	191,950,825
	466,434,095	331,488,910
Other Reserves		
Equity Instruments Fair Value through OCI	1,222,418,550	1,351,772,302
	1,222,418,550	1,351,772,302
	1,688,852,645	1,683,261,212

(a). Brief description of items of other equity are given below:

i. **Capital Redemption Reserve**

This is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The provisions relating to the capital redemption reserve are set out in section 69 of the Companies Act, 2013.

ii. **Special Reserve**

The Company is registered as non-banking financial company and as per requirement of Section 45-IC of the Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

iii. **Retained Earnings**

Amount of retained earnings represents accumulated profit and losses of the company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI.

iv. **Equity Instruments Fair Value through OCI**

The Company has elected to recognise changes in the fair value of investments in equity securities through other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

(b). Movement of each item of other equity is presented in the Statement of Changes in Equity.

14. Trade Payables:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Trade Payables	135,407	29,100
	135,407	29,100

15. Other Financial Liabilities:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Security and other Deposits	6,171,705	6,171,705
	6,171,705	6,171,705

16. Other Current Liabilities:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Statutory dues Payables	195,593	2,007
	195,593	2,007

17. Other Income:

(Amount in ₹)

	Year ended	
	31/03/2018	31/03/2017
Dividend Income		
On Non-current Investments	78,501,149	79,900,860
On Current Investments	1,662,702	1,556,484
Gains (losses) on Financial Assets measured at fair value through Profit and Loss (Net) - (a)	8,354,288	8,742,988
Rent Income from Investment Properties	12,097,766	9,740,896
Other Miscellaneous Income	-	2,501
	100,615,905	99,943,729

(a). Includes realised gain on sale of current investments of ₹ 113,427 (31/03/2017: ₹ Nil)

RENUKA INVESTMENTS AND FINANCE LIMITED

CHARTERED ACCOUNTANTS MANOJ VIPIN & CO.

18. **Finance Costs:**

(Amount in ₹)

	Year ended	
	31/03/2018	**31/03/2017**
Interest Expenses - (a)	248,866	432
	248,866	432

(a). Includes interest paid to income tax department ₹ 248,866 (31/03/2017: ₹ Nil)

19. **Depreciation and Amortisation Expenses:**

(Amount in ₹)

	Year ended	
	31/03/2018	**31/03/2017**
Depreciation of Investment Properties	1,340,602	1,340,602
	1,340,602	1,340,602

20. **Other Expenses:**

(Amount in ₹)

	Year ended	
	31/03/2018	**31/03/2017**
Repairs to Buildings	921,519	917,804
Rates and Taxes	480,622	479,813
Payments to Auditors:		
Statutory Audit Fees	30,000	12,500
Taxation Matters	21,400	11,532
Reimbursement of expenses	17,108	17,943
Legal, Professional and Consultancy Fees		157,500
Miscellaneous Expenses	12,103	11,363
	1,482,752	1,608,455

21. **Income Tax Expenses:**

The Company's Income tax expenses and effective tax rate reconciliation given below:

(a). **Amount recognised in Statement of Profit and Loss**

(Amount in ₹)

	Year ended	
	31/03/2018	**31/03/2017**
i. **Current Tax**		
Current tax on profits for the year	14,450,000	1,939,154
Adjustments for current tax of prior periods (Net)	741,604	5,010
Total current tax expenses	15,191,604	1,944,164
ii. **Deferred Tax**		
Deferred Tax for the year	(242,804)	2,467,687
Tax adjustments for earlier years (Net)	-	-
Total deferred tax expenses	(242,804)	2,467,687
Total Income Tax Expenses	14,948,800	4,411,851

(b). **Reconciliation of Effective Tax Rate**

(Amount in ₹)

	Year ended	
	31/03/2018	**31/03/2017**
Profit before Tax	97,543,685	96,994,240
Statutory Income Tax Rate applicable to the Company *	27.5525%	29.8700%
Tax expenses using applicable income tax rate	26,875,724	28,972,179
Tax effect of adjustments to reconcile income tax expenses:		
Expenses allowed on notional basis for income from house property	(961,105)	(830,746)
Expenses not deductible in determining taxable profit	648,349	740,560
Income exempt from tax (Dividends)	(22,087,145)	(24,331,308)
Difference in tax rates	9,731,373	(143,844)
Adjustments pertaining to prior years	741,604	5,010
Income Tax Expenses recognised in the Statement of Profit and Loss	14,948,800	4,411,851

* Applicable income tax rate for Fiscal 2018 and 2017 is 27.5525% and 29.87% respectively. However, the Company is required to pay MAT under section 115JB of the Income Tax Act 1961.

MANOJ VIJAI & CO. ★ CHARTERED ACCOUNTANTS ★

RENUKA INVESTMENTS AND FINANCE LIMITED ★

22. Other Comprehensive Income:

The disaggregation of changes to other comprehensive income (OCI) by each class is given below:

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
(a). Items that will not be reclassified to Profit and Loss		
Change in fair value of equity instruments FVTOCI	(112,831,476)	675,354,639
Income tax effect on above	35,828,024	3,911
	(77,003,452)	675,358,550
(b). Items that will be reclassified to Profit and Loss		
Change in fair value of debt instruments FVTOCI	-	-
Income tax effect on above	-	-
	-	-
Total Other Comprehensive Income	(77,003,452)	675,358,550

23. Earnings per Share (EPS):

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
Profit for the period (As per Statement of Profit and Loss)	82,594,885	92,582,389
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of equity shares for basic EPS	9,250,000	9,250,000
Dilutive potential equity shares	-	-
Weighted average number of equity shares for diluted EPS	9,250,000	9,250,000
Face value of per equity share	10.00	10.00
Earnings per Share:		
Basic EPS	8.93	10.01
Diluted EPS	8.93	10.01

24. Impairment Loss:

The Company has carried out impairment test of assets and find that there is no impairment loss during the year.

25. The provisions of the Corporate Social Responsibility under Section 135 of the Companies Act 2013 is not applicable to the Company as the Company does not fall in the applicability criteria set out in the Act .

26. Financial Instruments:

A. **Fair Value Measurements**

(a). The following table shows the carrying amount and fair values of financial assets and financial liabilities by category.

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Amortised Cost	Fair value through OCI	Fair value through P&L	Amortised Cost	Fair value through OCI	Fair value through P&L
Financial Assets						
Investments in Equity Instruments						
Quoted Equity Instruments	-	1,395,038,036	-	-	1,510,102,812	-
Unquoted Equity Instruments *	70,000	-	-	70,000	50,232,000	-
Investments in Preference Shares						
Unquoted Preference Shares *	3,000	-	-	3,000	-	-
Investments in Debt Instruments						
Mutual Funds	-	-	316,157,662	-	-	179,980,610
Cash and Cash Equivalents						
Cash and Bank*	1,455,826	-	-	114,655	-	-
Other Financial Assets*	47,317	-	-	979,526	-	-
Total Financial Assets	1,576,143	1,395,038,036	316,157,662	1,167,181	1,560,334,812	179,980,610
Financial Liabilities						
Trade Payables*	135,407	-	-	29,100	-	-
Other Financial Liabilities*	6,171,705	-	-	6,171,705	-	-
Total Financial Liabilities	6,307,112	-	-	6,200,805	-	-

* Fair values for these financial instruments have not been disclosed because their carrying Amount are a reasonable approximation of their fair values.

(b). Financial income by financial instruments category wise given below:

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Amortised Cost	Fair value through OCI	Fair value through P&L	Amortised Cost	Fair value through OCI	Fair value through P&L
Interest Income	-	-	-	-	-	-
Dividend Income	-	78,501,149	1,662,702	-	79,900,860	1,556,484
	-	78,501,149	1,662,702	-	79,900,860	1,556,484

(c). During the year ended March 31, 2018, the Company sold investment in certain equity instruments measured at FVTOCI to meet liquidity requirement. Fair value of these investments on the date of derecognition was ₹ 52,465,300 (31/03/2017: ₹ Nil). As a result of disposal, the Company earned a cumulative gain of ₹ 52,350,300 (31/03/201: ₹ Nil).

B. Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments in Equity Instruments						
Quoted Equity Instruments	1,395,038,036	-	-	1,510,102,812	-	-
Unquoted Equity Instruments	-	-	-	-	-	50,232,000
Investments in Debt Instruments						
Mutual Funds	316,157,662	-	-	179,980,610	-	-
Total Financial Assets	1,711,195,698	-	-	1,690,083,422	-	50,232,000

Level 1 - This hierarchy includes financial instruments valued using quoted market prices. Listed equity intruments and traded debt instruments which are traded in the stock exchanges are valued using the closing at the reporting date. Mutual funds are valued using the closing NAV.

Level 2 - This hierarchy includes financial instruments that are not traded in active market. This includes debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in level 2.

Level 3 - If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants. Valuations for certain derivatives for which forward prices are not observable, have valued using forward prices for a nearby geographical market and adjusted for historical spreads between cash prices of the two the markets.

(a). **Disclosure of changes in level 3 instruments:**

(Amount in ₹)

	Unquoted Equity Instruments	
	2018	2017
As at April 01	50,232,000	84,100,000
Acquisitions	-	-
Diaposal	(52,465,300)	-
Gain/ (Loss) recognised in OCI	2,233,300	(33,868,000)
As at March 31	-	50,232,000

C. Financial Risk Management:

The Company's activities exposes it to various risks such as Market risk, Credit risk and Liquidity risk. This section explains the risks which the Company is exposed to and how it manages the risks.

(a). **Market Risk**

The Company's exposure to equity securities price risk arises from movement in market price of related securities classified either as fair value through OCI or as fair value through statement of profit and loss. The Company manages the price risk through diversified portfolio as well as regular monitoring of share prices.

The table below summarizes the impact of increase/ decrease in the equity share prices on the Company's equity and profit for the period.

(Amount in ₹)

		31/03/2018		31/03/2017	
	Change in Rate/Price	Change in Statement of Profit and Loss	Change in Other Components of Equity	Change in Statement of Profit and Loss	Change in Other Components of Equity
Investment in Equity securities	10%	-	139,503,804	-	151,010,281

(b). **Credit Risk**

Credit risks is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

(c). **Liquidity Risk**

The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain products (including mutual fund) which provide flexibility to liquidate at short notice and are included in current investments.

Maturity Analysis

The table below shows the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The Amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)

	< 1 Year	1-2 Years	2- 5 Years	> 5 Years	Total
Contractual maturities of financial liabilities as at March 31, 2018					
Trade payables	135,407	-	-	-	135,407
Other financial liabilities	6,171,705	-	-	-	6,171,705
	6,307,112	-	-	-	6,307,112
Contractual maturities of financial liabilities as at March 31, 2017					
Trade payables	29,100	-	-	-	29,100
Other financial liabilities	6,171,705	-	-	-	6,171,705
	6,200,805	-	-	-	6,200,805

MANOJ VIPIN & CO. ★ CHARTERED ACCOUNTANTS ★

RENUKA INVESTMENTS AND FINANCE LIMITED ★

27. Offsetting Financial Assets and Financial Liabilities:

The following table presents the financial assets and financial liabilities subject to offsetting, enforceable master netting arrangement and similar arrangement.

(Amount in ₹)

	Effects on Balance sheet			Related Amount not offset		
	Gross Amount	Gross amount set off in the balance sheet	Net amount in the balance sheet	Amount subject to master netting	Financial Instrument collateral	Net Amount
As at March 31, 2018:						
Financial Assets						
Cash and cash equivalents	1,455,826	-	1,455,826	-	-	1,455,826
Other financial assets	47,317	-	47,317	-	-	47,317
Total Financial Assets	1,503,143	-	1,503,143	-	-	1,503,143
Financial Liabilities						
Trade Payables	135,407	-	135,407	-	-	135,407
Other financial Liabilities	6,171,705	-	6,171,705	-	-	6,171,705
Total Financial Liabilities	6,307,112	-	6,307,112	-	-	6,307,112
As at March 31, 2017:						
Financial Assets						
Cash and cash equivalents	114,655	-	114,655	-	-	114,655
Other financial assets	979,526	-	979,526	-	-	979,526
Total Financial Assets	1,094,181	-	1,094,181	-	-	1,094,181
Financial Liabilities						
Trade Payables	29,100	-	29,100	-	-	29,100
Other financial Liabilities	6,171,705	-	6,171,705	-	-	6,171,705
Total Financial Liabilities	6,200,805	-	6,200,805	-	-	6,200,805

28. Segment Information:

In accordance with Ind AS 108, Operating Segment used to present the segment information are identified on the basis of internal report used by the Company's management to allocate resources to the segment and assess their performances. The Board of the directors of the Company is collectively Chief Operating Decision Maker (CODM). The Company's activities comprising of Renting of Immovable Property and Investment Activity are in one single reportable segment and also are in one geographical segment (within India). Therefore, there is no other significant class of operating segment or geographical segment.

29. Related Party Transactions:

Hindalco Industries Limited is the Parent of the Company. The details of transactions and outstanding balances with the parent are given below:

(a). **Transactions**

(Amount in ₹)

	Year ended	
	31/03/2018	31/03/2017
i. **Services Rendered**		
Rent received (Excluding taxes)	3,693,868	1,101,382

30. Contingent Liabilities:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Claims against the company not acknowledged as debt		
i. Income Tax & Interest For AY 2007-08 (Net of Adjustment against refund due for AY 2012-13 amounting to ₹ 9,37,370/-)	324,540	324,540
ii. Stamp Duty Demand raised by the State Government of U.P. on Purchase of Land from Gwalior Properties and Estate Limited (Net of Payment of ₹ 1,83,195/-)	183,195	183,195

In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings.

31. Previous period figures have been reclassified/ regrouped wherever required to conform to the presentation of current period.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483
Place: Mumbai
Date: April 30, 2018

Anil Malik
DIN 00170411

D. C. Kalia
DIN 00579509

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RENUKA INVESTMENTS & FINANCE LIMITED

Report on the Standalone IND AS Financial Statements

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

Management's Responsibility for the Standalone IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("IND AS") specified under section 133 of the Act read with relevant rules issued there under. 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 Standalone IND AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone IND AS financial statements are free from material misstatement.

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

MANOJ VIPIN & CO. * CHARTERED ACCO

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS, of the state of affairs of the Company as at March 31, 2018, and its profits (financial performance including other comprehensive income), its changes in equity and 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; issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 ("the Order"), and the basis of examination of the books and records of the Company as we considered appropriate and according to the information and explanations given to use, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion the Company has kept proper books of account as require so far as appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the IND AS specified under section 133 of the Act read with relevant rules issued thereunder;
   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls system over financial reporting of the Company and the operating effectiveness of such control as at March 31, 2018, refer to our separate report in **Annexure "B"** attaches with this Report 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 as at March 31, 2018 on its financial position in its standalone IND AS financial statements. (Refer Note 30)
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

iii. There was no amount, which was required to be transferred to the investor Education and Protection Fund by the Company.

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

(DHARMESH SOLANKI)
Partner
Membership No. 120483

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

Place: Mumbai
Date : April 30, 2018

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

Annexure "A" referred in paragraph 1 of the Independent Auditors Report of even date to the Members of RENUKA INVESTMENTS & FINANCE LIMITED on the Standalone IND AS financial Statements as of and for the year ended March 31, 2018 under the heading "Report to Legal and Regulatory Requirements.

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

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

   (b). As explained to us, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

   (c). According to the information and explanations given to us, the title deeds of the immovable properties as disclosed in Investment Property to the Standalone IND AS financial statements are held in the name of the Company.

2. There were no stock of goods during the year with the Company; hence, comments on its physical verification and Material discrepancies are not required and accordingly the provisions of clause 3(ii) of the order, is not applicable to the Company.

3. The Company has not granted any loans, Secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and accordingly, provisions of clause 3 (iii), (iii) (a), (iii) (b) &(iii) (c) of the order, are not applicable to the Company.

4. According to the information and explanations given to us, the Company is a registered Non-Banking Finance Company with the Reserve Bank of India under section 45-IA of the RBI Ad, 1934, accordingly provision of section 185 and 186 of the Companies Act, 2013 are not applicable to the Company hence, provision of clause 3(iv) of the order, is not applicable to the Company.

5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed thereunder apply.

6. According to the information, explanations given to us and the books & records examined by us, since the Company is a Registered Non-Banking Financial Company and not carrying out any manufacturing activity during the year therefore maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company.

7. (a). According to the information and explanations given to us, the provisions of Provident Fund, Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty and VAT are not applicable to the Company. The Company is regular in depositing Income tax, Service tax, GST and any other applicable statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at March 31, 2018 for a period exceeding six months from the date they became payable.

   (b). According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Income Tax, Wealth Tax, Service Tax etc. as at March 31, 2018 except the Income Tax and Stamp Duty demand, the details of which are as under.

Name of the Statute	Nature of Dues	Amount (in Rs.)	Forum Where dispute is Pending
Income Tax Act, 1961	Income Tax & Interest A.Y. 2007-08	3,24,540/-	CIT (Appeals) Allahabad

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

Uttar Pradesh Stamp Act (Section 47A of the Stamp Act)	Stamp Duty on Immovable Property	1,83,195/-	Allahabad High Court

8. The Company has not availed any loan from financial institution or banks, government or debenture holders during the current year as well as in the previous year and accordingly the provision of clause 3 (viii) of the order is not applicable to the Company.
9. In our opinion, and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.
10. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us, the Company has not paid any amount to its Directors as a Managerial Remuneration as prescribed by the provision of section 197 read with schedule V of the Companies Act, 2013 and accordingly the provision of clause 3 (xi) of the order is not applicable to the Company.
12. In our opinion, the Company is not a Nidhi company and accordingly the provision of clause 3 (xii) of the order is not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us, the Company has not carried out any transactions with the related parties as defined in section 177and 188 of the Companies Act, 2013. However, the details of related party transactions have been disclosed in the Standalone IND AS financial statements as required under Applicable Indian Accounting Standards (IND AS) specified under section 133 of the Act.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with the directors, accordingly the provisions of clause 3 (xv) of the order is not applicable to the Company.
16. The Company is a Registered Non-Banking Finance Company vide its Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934 from the Reserve Bank of India, Lucknow vide their letter No. LK. DBBS No.691/1475/1999-2000 dated November 5, 1999 with effect from February 27, 1998 to carry on the business of a Non-Banking Financial Company (NBFC).

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

Dharmesh

(DHARMESH SOLANKI)
Partner
Membership No. 120483

Place: Mumbai
Date : April 30, 2018

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

Annexure "B" referred in paragraph 2 (f) of the Independent Auditors Report of even date to the Members of RENUKA INVESTMENTS & FINANCE LIMITED on the Standalone IND AS financial Statements as of and for the year ended March 31, 2018 under the heading "Report to Legal and Regulatory Requirements"

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

We have audited the internal financial controls over financial reporting of **RENUKA INVESTMENTS & FINANCE LIMITED** ("the Company) as of March 31, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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:

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

1. Pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

Dharmesh

(DHARMESH SOLANKI)
Partner
Membership No. 120483

Place: Mumbai
Date : April 30 , 2018

MANOJ VIPIN & CO. * CHARTERED ACCOUNTANTS *

RENUKESHWAR INVESTMENTS & FINANCE LIMITED

Balance Sheet as at March 31, 2018

(Amount in ₹)

	Note	As at 31/03/2018	As at 31/03/2017
ASSETS			
Non-Current Assets			
Financial Assets:			
Non-Current Investments	'5'	851,507,843	980,291,196
Deferred Tax Assets (Net)	'6'	12,147,846	-
		863,655,689	980,291,196
Current Assets			
Financial Assets:			
Current Investments	'7'	200,929,520	101,039,309
Cash and Cash Equivalents	'8'	340,443	35,860,453
Current Tax Assets (Net)	'9'	92,589	-
		201,362,552	136,899,762
		1,065,018,241	1,117,190,958
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	'10'	47,950,000	47,950,000
Other Equity	'11'	1,017,032,841	1,066,230,510
		1,064,982,841	1,114,180,510
LIABILITIES			
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	'6'	-	2,961,132
		-	2,961,132
Current Liabilities			
Financial Liabilities:			
Trade Payables	'12'	32,400	26,339
Other Current Liabilities	'13'	3,000	-
Current Tax Liabilities (Net)	'9'	-	22,977
		35,400	49,316
		35,400	3,010,448
		1,065,018,241	1,117,190,958

Significant Accounting Policies '3'

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

Amit Malik
DIN - 00170411

D C Kothari
DIN - 00579509

RENUKESHWAR INVESTMENTS & FINANCE LIMITED

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

(Amount in ₹)

	Note	Year ended 31/03/2018	Year ended 31/03/2017
REVENUES			
Other Income	'14'	67,297,253	69,627,135
Total Income		67,297,253	69,627,135
EXPENSES			
Finance Costs	'15'	162,831	-
Other Expenses	'16'	67,055	30,751
Total Expenses		229,886	30,751
Profit before Tax		67,067,367	69,596,384
Income Tax Expenses:	'17'		
Current Tax		2,590,661	147,980
Deferred Tax		(49,655)	4,059,228
Profit for the period		64,526,361	65,389,176
Other Comprehensive Income:	'18'		
Items that will not be reclassified to Profit and Loss		(128,783,353)	474,127,768
Tax on items that will not be reclassified to Profit and Loss		15,059,323	-
Items that will be reclassified to Profit and Loss		-	-
Tax on items that will be reclassified to Profit and Loss		-	-
Other Comprehensive Income (Net of Tax)		(113,724,030)	474,127,768
Total Comprehensive Income for the period		(49,197,669)	539,516,944
Earnings per Share (EPS):	'19'		
Basic EPS		13.46	13.64
Diluted EPS		13.46	13.64
Significant Accounting Policies	'3'		

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

Anil Malik
DIN - 00170411

D. C. Kabra
DIN - 00579509

RENUKESHWAR INVESTMENTS & FINANCE LIMITED

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

A. Equity Share Capital

	Note	Amount in ₹
Balance as at April 01, 2016		47,950,000
Change in Share Capital during the period		-
Balance as at March 31, 2017	'10'	47,950,000
Change in Share Capital during the period		-
Balance as at March 31, 2018	'10'	47,950,000

B. Other Equity

(Amount in ₹)

	Note	Reserve and Surplus		Other Reserve	
		Capital Redemption Reserve	Retained Earnings	Equity Instruments FVTOCI	Total Other Equity
Balance as at April 01, 2016		15,000	210,723,218	315,975,348	526,713,566
Profit for the period		-	65,389,176	-	65,389,176
Other Comprehensive Income for the period	'18'	-	-	474,127,768	474,127,768
Total Comprehensive Income for the period		-	65,389,176	474,127,768	539,516,944
Dividend Paid (including Dividend Distribution Tax)		-	-	-	-
Balance as at March 31, 2017	'11'	15,000	276,112,394	790,103,116	1,066,230,510
Profit for the period		-	64,526,361	-	64,526,361
Other Comprehensive Income for the period	'18'	-	-	(113,724,030)	(113,724,030)
Total Comprehensive Income for the period		-	64,526,361	(113,724,030)	(49,197,669)
Dividend Paid (including Dividend Distribution Tax)		-	-	-	-
Balance as at March 31, 2018	'11'	15,000	340,638,755	676,379,086	1,017,032,841

Significant Accounting Policies '3'

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

Atul Malik
DIN - 00130411

D.C. Kabra
DIN - 00670509

RENUKESHWAR INVESTMENTS AND FINANCE LIMITED

RENUKESHWAR INVESTMENTS & FINANCE LIMITED

Cash Flow Statement for the Year ended March 31, 2018

(Amount in ₹)

	Note	Year ended 31/03/2018	Year ended 31/03/2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax:		67,067,367	69,596,384
Adjustment for :			
Finance Costs	'15'	162,831	-
Interest Income	'14'	-	(60,444)
Dividend Income	'14'	(61,323,104)	(62,798,639)
(Gains)/ losses on financial Assets measured at FVTPL (Net)	'14'	(5,974,149)	(6,768,052)
Other Non-operating Income/ Expenses (Net)		-	-
Operating profit before working capital changes		(67,055)	(30,751)
Changes in working Capital:			
(Increase)/ Decrease in Trade and Other Receivables (Net)		-	-
Increase/ (Decrease) in Trade and Other Payables (Net)		9,061	(498,230)
Cash generation from Operation before Tax		(57,994)	(528,981)
(Payment)/ Refund of Income Tax (Net)		(2,706,226)	569,446
Net Cash Generated/ (Used) - Operating Activities		(2,764,220)	40,465
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments in Mutual Funds		(96,916,063)	(50,103,953)
Redemption of Investments in Mutual Funds		3,000,000	23,034,781
Interest Received		-	60,444
Dividend Received		61,323,104	62,798,639
Net Cash Generated/ (Used) - Investing Activities		(32,592,959)	35,789,911
C. CASH FLOW FROM FINANCING ACTIVITIES			
Finance Cost Paid		(162,831)	-
Dividend Paid (including Dividend Distribution Tax)		-	-
Net Cash Generated/ (Used) - Financing Activities		(162,831)	-
Net Increase/ (Decrease) in Cash and Cash Equivalents		(35,520,010)	35,830,376
Add : Opening Cash and Cash Equivalents		35,860,453	30,077
Closing Cash and Cash Equivalents		340,443	35,860,453

Reconciliation of Closing Cash and Cash Equivalents as per Statement of Cash Flow:

(Amount in ₹)

	Note	As at 31/03/2018	As at 31/03/2017
Closing Cash and Cash Equivalents	'8'	340,443	35,860,453
Adjustment in Closing Cash and Cash Equivalents		-	-
Balance as per Statement of Cash Flow		340,443	35,860,453

Significant Accounting Policies '3'

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

Anil Malik
DIN - 00170411

D.C. Kabra
DIN - 00579509

RENUKESHWAR INVESTMENTS AND FINANCE LIMITED

RENUKESHWAR INVESTMENTS & FINANCE LIMITED

Notes forming part of the Financial Statements

1. Company Overview:

Renukeshwar Investments & Finance Limited ("the Company") was incorporated on October 24, 1994 having its registered office at Hindalco Industries Limited, Renukoot, Sonebhadra, Uttar Pradesh, 231217.

The Company is a wholly owned subsidiary of Hindalco Industries Limited, a public limited company whose equity shares are listed on the Indian Stock Exchanges (National Stock Exchange and Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

2. Basis of Preparation:

The financial statements of Renukeshwar Investments & Finance Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India. The financial statements for the year ended March 31, 2018 have been approved by the Board of Directors of the Company in their meeting held on April 30, 2018.

The financial statements have been prepared under the historical cost convention on accrual basis except for financial instruments, which have been measured at fair value.

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 take 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.

In addition, for financial reporting purposes, fair value measurements are categorized 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 Company 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.

In preparing the financial statements in conformity with Ind-AS requires management to make estimates and assumptions that affect reported Amount of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the Amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period in which the same is determined.

The financial statements are presented in Indian Rupees (INR/₹) which is the Functional Currency of the Company.

3. Significant Accounting Policies:

A. Financial Instruments

All financial assets are recognized on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value.

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

Equity Instruments

The Company's investment in equity instruments is strategic in nature and has been held for a substantial period of time. The company does not acquire equity instruments for the purpose of selling in the near term for short term profit taking. The company has therefore made an irrevocable election to measure equity instruments at Fair Value through Other Comprehensive Income (FVTOCI).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is directly reclassified to retained earnings. For equity instruments measured at fair value through other comprehensive income no impairments are recognized in the statement of profit and loss.

Dividends on these investments in equity instruments are recognized in the statement of profit and loss in investment income 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 and the amount of the dividend can be measured reliably.

Debt Instruments

The Company's primary objective of the investment in the mutual fund is to maximize yield while maintaining liquidity to meet business fluctuations/opportunities. The company has therefore decided to measure debt instruments at Fair Value through Profit and Loss (FVTPL).

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs. These are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in the statement of profit and loss as 'Gains/ loss on financial Instruments measured at FVTPL'. Periodical income or interest and gain and loss on sale/ transfer on derecognition of debt instruments at FVTPL is included in the statement of profit and loss as net gain or loss.

B. Fair Value Measurement

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

C. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

RENUKESHWAR INVESTMENTS AND FINANCE LIMITED

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

D. **Income Taxes**

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

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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of Amount expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

Current and deferred tax for the period

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

E. **Revenue Recognition**

Interest, Dividend and other income on investments is accounted for when the right to receive the payment is established. The Amount where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.
Revenue excludes taxes that are collected on behalf of Government Authorities.

F. **Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. In case of litigation, the Company may entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

4. **Critical accounting judgment and key sources of estimation uncertainty:**

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

(a) **Taxes**

The Company calculates income tax expense based on income reported. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures all of which may be uncertain. Economic conditions may change and lead to a different conclusion regarding recoverability. Tax authorities may challenge the Company's computation of tax payable from prior periods. Such process may lead to changes to prior periods taxable income, resulting in change to income tax expenses in the period of change.

(b) **Recoverability of advances/ receivables**

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgment based on financial position of the counter-parties, market information and other relevant factor.

(c) **Fair value measurements**

the Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(d) **Contingent assets and liabilities, uncertain assets and liabilities**

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether the Company will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of Amount, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

5. Non-Current Investments:

(Amount in ₹)

	Face value per Unit	Numbers - As at 31/03/2018	Numbers - As at 31/03/2017	Value - As at 31/03/2018	Value - As at 31/03/2017
Quoted Investments					
Investment in Equity Instruments (Fully paid-up)					
National Aluminium Company Limited	₹ 5	12,814,264	12,814,264	851,507,843	980,291,196
				851,507,843	980,291,196

(a). Aggregate amount of quoted and unquoted investments, market value of quoted investments and aggregate amount of impairment in value of investments are given below:

	31/03/2018	31/03/2017
Aggregate amount of quoted investments and market value thereof	851,507,843	980,291,196
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

6. Deferred Tax:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
(a). **Deferred Tax Assets (Net)**		
Deferred Tax Assets	12,147,846	-
Less: Deferred Tax Liabilities	-	-
	12,147,846	-
(b). **Deferred Tax Liabilities (Net)**		
Deferred Tax Liabilities	-	2,961,132
Less: Deferred Tax Assets	-	-
	-	2,961,132

(c). Major components of Deferred Tax Assets/ Liabilities (Net) arising on account of temporary timing differences and movement therein are given below:

(Amount in ₹)

	Deferred Tax Assets (Net) - FV of Financial Instruments		Deferred Tax Liabilities (Net) - FV of Financial Instruments	
	FY 2018	FY 2017	FY 2018	FY 2017
Deferred Tax Assets:				
As at April 01	-	-	-	-
MAT Credit Entitlement	-	-	-	-
Recognised in Statement of Profit and Loss	(2,911,477)	-	-	-
Recognised in OCI	15,059,323	-	-	-
As at March 31	12,147,846	-	-	-
Deferred Tax Liabilities:				
As at April 01	-	-	2,961,132	(1,098,096)
MAT Credit Entitlement	-	-	-	(104,857)
Recognised in Statement of Profit and Loss	-	-	(2,961,132)	4,164,085
Recognised in OCI	-	-	-	-
As at March 31	-	-	-	2,961,132
Deferred Tax Assets/ (Liabilities) (Net)	12,147,846	-	-	(2,961,132)

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

(d). **Unrecognised Deferred Taxes**

The Company has not recognised deferred tax assets and tax credits for certain items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. The details of such items and its period of expiry are given below:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
i. Unrecognised Deferred Tax Assets:		
Long-term Capital losses	2,857,463	2,829,988
Period of expiry	FY 2020-25	FY 2020-25
ii. Unused Tax Credits:		
MAT Credit	3,202,101	2,028,412
Period of expiry	FY 2022-28	FY 2022-27

7. Current Investments:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Quoted Investments		
Investment in Mutual Funds:		
Aditya Birla Capital Mutual Funds	149,767,652	52,795,796
Baroda Pioneer Mutual Funds	15,068,648	14,223,100
DHFL Premerica Mutual Funds	16,779,010	15,785,082
IDFC Mutual Funds	19,314,210	18,235,331
	200,929,520	101,039,309

(a). Aggregate amount of quoted and unquoted investments, market value of quoted investments and aggregate amount of impairment in value of investments are given below:

	31/03/2018	31/03/2017
Aggregate amount of quoted investments and market value thereof	200,929,520	101,039,309
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

8. Cash and Cash Equivalents:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Balance with Banks - Current Accounts	340,074	35,860,039
Cash on hand	369	414
	340,443	35,860,453

(a). There are no repatriation restrictions with regard to cash and cash equivalents.

9. Current Tax Assets/(Liabilities) (Net):

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
(a). **Current Tax Assets (Net):**		
Advance Tax Assets (Net)	92,589	-
	92,589	-
(b). **Current Tax Liabilities (Net):**		
Provision for current Tax (Net)	-	22,977
	-	22,977

10. Equity Share Capital:

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Authorized:		
4,995,000 (31/03/2017: 4,995,000) Equity Shares of ₹ 10/- each	49,950,000	49,950,000
500 (31/03/2017: 500) Redeemable Cumulative Preference Shares of ₹ 100/- each	50,000	50,000
	50,000,000	50,000,000
Issued, Subscribed and Paid-up:		
4,795,000 (31/03/2017: 4,795,000) Equity Shares of ₹ 10/- each - (a)	47,950,000	47,950,000
	47,950,000	47,950,000

(a). Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	Year ended 31/03/2018		Year ended 31/03/2017	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Equity Shares outstanding at the beginning of the period	4,795,000	47,950,000	4,795,000	47,950,000
Equity Shares outstanding at the end of the period	4,795,000	47,950,000	4,795,000	47,950,000

(b). Rights, Peferences and Restrictions attached to Equity Shares:
The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential Amount, in proportion to their shareholding.

(c). Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at 31/03/2018		As at 31/03/2017	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Hindalco Industries Limited and its nominees	4,795,000	100.00%	4,795,000	100.00%

(d). The Company during the preceding 5 years:
- i. Has not allotted shares pursuant to contracts without payment received in cash.
- ii. Has not issued shares by way of bonus shares.
- iii. Has not bought back any shares.

11. Other Equity:

	(Amount in ₹) As at 31/03/2018	31/03/2017
Reserve and Surplus		
Capital Redemption Reserve	15,000	15,000
Retained Earnings	340,638,755	276,112,394
	340,653,755	276,127,394
Other Reserves		
Equity Instruments Fair Value through OCI	676,379,086	790,103,116
	676,379,086	790,103,116
	1,017,032,841	1,066,230,510

(a). Brief description of items of other equity are given below:

i. **Capital Redemption Reserve**

This is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The provisions relating to the capital redemption reserve are set out in section 69 of the Companies Act, 2013.

ii. **Retained Earnings**

Amount of retained earnings represents accumulated profit and losses of the company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI.

iii. **Equity Instruments Fair Value through OCI**

The Company has elected to recognise changes in the fair value of investments in equity securities through other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

(b). Movement of each item of other equity is presented in the Statement of Changes in Equity.

12. Trade Payables:

	(Amount in ₹) As at 31/03/2018	31/03/2017
Trade Payables	32,400	26,339
	32,400	26,339

13. Other Current Liabilities:

	(Amount in ₹) As at 31/03/2018	31/03/2017
Statutory dues Payables	3,000	-
	3,000	-

14. Other Income:

	(Amount in ₹) Year ended 31/03/2018	31/03/2017
Interest Income	-	60,444
Dividend Income		
On Non-current Investments	60,227,041	61,508,467
On Current Investments	1,096,063	1,290,172
Gains (losses) on Financial Assets measured at fair value through Profit and Loss (Net) - (a)	5,974,149	6,768,052
	67,297,253	69,627,135

(a). Includes realised gain on sale of current investments of ₹ 363,943 (31/03/2017: ₹ 703,474)

15. Finance Costs:

	(Amount in ₹) Year ended 31/03/2018	31/03/2017
Interest Expenses - (a)	162,831	-
	162,831	-

(a). Includes interest paid to income tax department ₹ 162,831 (31/03/2017: ₹ Nil)

RENUKESHWAR INVESTMENTS AND FINANCE LIMITED

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

16. Other Expenses:

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
Rates and Taxes	2,431	2,400
Payments to Auditors:		
Statutory Audit Fees	29,500	14,375
Taxation Matters	18,936	8,650
Reimbursement of expenses	3,600	-
Miscellaneous Expenses	12,588	5,326
	67,055	30,751

17. Income Tax Expenses:

The Company's income tax expenses and effective tax rate reconciliation given below:

(a). **Amount recognised in Statement of Profit and Loss**

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
i. **Current Tax**		
Current tax on profits for the year	1,275,000	147,977
Adjustments for current tax of prior periods (Net)	1,315,661	3
Total current tax expenses	2,590,661	147,980
ii. **Deferred Tax**		
Deferred Tax for the year	(49,655)	4,164,085
MAT Credit Entitlement	-	(104,857)
Tax adjustments for earlier years (Net)	-	-
Total deferred tax expenses	(49,655)	4,059,228
Total Income Tax Expenses	2,541,006	4,207,208

(b). **Reconciliation of Effective Tax Rate**

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
Profit before Tax	67,067,367	69,596,384
Statutory Income Tax Rate applicable to the Company *	27.5525%	29.8700%
Tax expenses using applicable income tax rate	18,478,736	20,788,440
Tax effect of adjustments to reconcile income tax expenses:		
Expenses not deductible in determining taxable profit	648,349	9,185
Income exempt from tax (Dividends)	(22,087,145)	(18,757,953)
Difference in tax rates	4,185,405	2,167,533
Adjustments pertaining to prior years	1,315,661	3
Income Tax Expenses recognised in the Statement of Profit and Loss	2,541,006	4,207,208

* Applicable income tax rate for Fiscal 2018 and 2017 is 27.5525% and 29.87% respectively. However, the Company is required to pay MAT under section 115JB of the Income Tax Act 1961.

18. Other Comprehensive Income:

The disaggregation of changes to other comprehensive income (OCI) by each class is given below:

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
(a). **Items that will not be reclassified to Profit and Loss**		
Change in fair value of equity instruments FVTOCI	(128,783,353)	474,127,768
Income tax effect on above	15,059,323	-
	(113,724,030)	474,127,768
(b). **Items that will be reclassified to Profit and Loss**		
Change in fair value of debt instruments FVTOCI	-	-
Income tax effect on above	-	-
	-	-
Total Other Comprehensive Income	(113,724,030)	474,127,768

RENUKESHWAR INVESTMENTS AND FINANCE LIMITED

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

19. Earnings per Share (EPS):

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
Profit for the period (As per Statement of Profit and Loss)	64,526,361	65,389,176
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of equity shares for basic EPS	4,795,000	4,795,000
Dilutive potential equity shares	-	-
Weighted average number of equity shares for diluted EPS	4,795,000	4,795,000
Face value of per equity share	10.00	10.00
Earnings per Share:		
Basic EPS	13.46	13.64
Diluted EPS	13.46	13.64

20. Impairment Loss:

The Company has carried out impairment test of assets and find that there is no impairment loss during the year.

21. The provisions of the Corporate Social Responsibility under Section 135 of the Companies Act 2013 is not applicable to the Company as the Company does not fall in the applicability criteria set out in the Act .

22. Financial Instruments:

A. **Fair Value Measurements**

(a). The following table shows the carrying amount and fair values of financial assets and financial liabilities by category.

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Amortised Cost	Fair value through OCI	Fair value through P&L	Amortised Cost	Fair value through OCI	Fair value through P&L
Financial Assets						
Investments in Equity Instruments						
Quoted Equity Instruments	-	851,507,843	-	-	980,291,196	-
Investments in Debt Instruments						
Mutual Funds	-	-	200,929,520	-	-	101,039,309
Cash and Cash Equivalents						
Cash and Bank*	340,443	-	-	35,860,453	-	-
Total Financial Assets	340,443	851,507,843	200,929,520	35,860,453	980,291,196	101,039,309
Financial Liabilities						
Trade Payables*	32,400	-	-	26,339	-	-
Total Financial Liabilities	32,400	-	-	26,339	-	-

* Fair values for these financial instruments have not been disclosed because their carrying Amount are a reasonable approximation of their fair values.

(b). Financial income by financial instruments category wise given below:

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Amortised Cost	Fair value through OCI	Fair value through P&L	Amortised Cost	Fair value through OCI	Fair value through P&L
Interest Income	-	-	-	-	-	-
Dividend Income	-	60,227,041	1,096,063	-	79,900,860	1,556,484
	-	60,227,041	1,096,063	-	79,900,860	1,556,484

B. **Fair Value Hierarchy**

The following table shows the details of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments in Equity Instruments						
Quoted Equity Instruments	851,507,843	-	-	980,291,196	-	-
Investments in Debt Instruments						
Mutual Funds	200,929,520	-	-	101,039,309	-	-
Total Financial Assets	1,052,437,363	-	-	1,081,330,505	-	-

Level 1 - This hierarchy includes financial instruments valued using quoted market prices. Listed equity intruments and traded debt instruments which are traded in the stock exchanges are valued using the closing at the reporting date. Mutual funds are valued using the closing NAV.

Level 2 - This hierarchy includes financial instruments that are not traded in active market. This includes debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in level 2.

Level 3 - If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants. Valuations for certain derivatives for which forward prices are not observable, have valued using forward prices for a nearby geographical market and adjusted for historical spreads between cash prices of the two the markets.

RENUKESHWAR INVESTMENTS AND FINANCE LIMITED

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

C. Financial Risk Management:

The Company's activities exposes it to various risks such as Market risk, Credit risk and Liquidity risk. This section explains the risks which the Company is exposed to and how it manages the risks.

(a). Market Risk

The Company's exposure to equity securities price risk arises from movement in market price of related securities classified either as fair value through OCI or as fair value through statement of profit and loss. The Company manages the price risk through diversified portfolio as well as regular monitoring of share prices.

The table below summarizes the impact of increase/ decrease in the equity share prices on the Company's equity and profit for the period.

(Amount in ₹)

		31/03/2018		31/03/2017	
	Change in Rate/Price	Change in Statement of Profit and Loss	Change in Other Components of Equity	Change in Statement of Profit and Loss	Change in Other Components of Equity
Investment in Equity securities	10%	-	85,150,784	-	98,029,120

(b). Credit Risk

Credit risks is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

(c). Liquidity Risk

The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain products (including mutual fund) which provide flexibility to liquidate at short notice and are included in current investments.

Maturity Analysis

The table below shows the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The Amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)

	< 1 Year	1-2 Years	2- 5 Years	> 5 Years	Total
Contractual maturities of financial liabilities as at March 31, 2018					
Trade payables	32,400	-	-	-	32,400
Other financial liabilities	-	-	-	-	-
	32,400	-	-	-	32,400
Contractual maturities of financial liabilities as at March 31, 2017					
Trade payables	26,339	-	-	-	26,339
Other financial liabilities	-	-	-	-	-
	26,339	-	-	-	26,339

23. Offsetting Financial Assets and Financial Liabilities:

The following table presents the financial assets and financial liabilities subject to offsetting, enforceable master netting arrangement and similar arrangement.

(Amount in ₹)

	Effects on Balance sheet			Related Amount not offset		
	Gross Amount	Gross amount set off in the balance sheet	Net amount in the balance sheet	Amount subject to master netting	Financial instrument collateral	Net Amount
As at March 31, 2018:						
Financial Assets						
Cash and cash equivalents	340,443	-	340,443	-	-	340,443
Other financial assets	-	-	-	-	-	-
Total Financial Assets	340,443	-	340,443	-	-	340,443
Financial Liabilities						
Trade Payables	32,400	-	32,400	-	-	32,400
Other financial Liabilities	-	-	-	-	-	-
Total Financial Liabilities	32,400	-	32,400	-	-	32,400
As at March 31, 2017:						
Financial Assets						
Cash and cash equivalents	35,860,453	-	35,860,453	-	-	35,860,453
Other financial assets	-	-	-	-	-	-
Total Financial Assets	35,860,453	-	35,860,453	-	-	35,860,453
Financial Liabilities						
Trade Payables	26,339	-	26,339	-	-	26,339
Other financial Liabilities	-	-	-	-	-	-
Total Financial Liabilities	26,339	-	26,339	-	-	26,339

RENUKESHWAR INVESTMENTS AND FINANCE LIMITED

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

24. Segment Information:

In accordance with Ind AS 108, Operating Segment used to present the segment information are identified on the basis of internal report used by the Company's management to allocate resources to the segment and assess their performances. The Board of the directors of the Company is collectively Chief Operating Decision Maker (CODM). The Company's activities comprising of Renting of Immovable Property and Investment Activity are in one single reportable segment and also are in one geographical segment (within India). Therefore, there is no other significant class of operating segment or geographical segment.

25. Related Party Transactions:

Hindalco Industries Limited is the Parent of the Company. However, there are no transactions carried out and balances outstanding with the parent in the ordinary course of business by the Company.

26. Previous period figures have been reclassified/ regrouped wherever required to conform to the presentation of current period.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

Anil Malik
DIN: 00170411

D. C. Kabra
DIN: 00579509

RENUKESHWAR INVESTMENTS AND FINANCE LIMITED

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RENUKESHWAR INVESTMENTS & FINANCE LIMITED

Report on the Standalone IND AS Financial Statements

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

Management's Responsibility for the Standalone IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("IND AS") specified under section 133 of the Act read with relevant rules issued there under. 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 Standalone IND AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone IND AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS, of the state of affairs of the Company as at March 31, 2018, and its profits (financial performance including other comprehensive income), its changes in equity and 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; issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 ("the Order"), and the basis of examination of the books and records of the Company as we considered appropriate and according to the information and explanations given to use, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion the Company has kept proper books of account as require so far as appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the IND AS specified under section 133 of the Act read with relevant rules issued thereunder;
   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls system over financial reporting of the Company and the operating effectiveness of such control as at March 31, 2018, refer to our separate report in **Annexure "B"** attaches with this Report 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 does not have any pending litigations as at March 31, 2018 which would impact its financial position.

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

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

iii. There was no amount, which was required to be transferred to the investor Education and Protection Fund by the Company.

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

Dharmesh

(DHARMESH SOLANKI)
Partner
Membership No. 120483

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

Place: Mumbai
Date : April 30, 2018

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

Annexure "A" referred in paragraph 1 of the Independent Auditors Report of even date to the Members of RENUKESHWAR INVESTMENTS & FINANCE LIMITED on the Standalone IND AS financial Statements as of and for the year ended March 31, 2018 under the heading "Report to Legal and Regulatory Requirements".

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

1. The Company does not own any fixed assets during the financial year under review. There, comments regarding maintenance of proper records, physical verification of fixed assets by the management and title of the immovable properties are not required and accordingly the provisions of clause 3 (i) (a) to (c) of the Order are not applicable to the Company.

2. There were no stock of goods during the year with the Company; hence, comments on its physical verification and Material discrepancies are not required and accordingly the provisions of clause 3(ii) of the order, is not applicable to the Company.

3. The Company has not granted any loans, Secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and accordingly, provisions of clause 3 (iii), (iii) (a), (iii) (b) &(iii) (c) of the order, are not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee or security where provisions of section 185 and 186 of the companies Act, 2013 are applicable, hence, provision of clause 3(iv) of the order, is not applicable to the Company.

5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed thereunder apply.

6. According to the information, explanations given to us and the books & records examined by us, the Company is not carrying out any manufacturing activity during the year therefore maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company.

7. (a). According to the information and explanations given to us, the provisions of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, GST, Customs Duty, Excise Duty and VAT are not applicable to the Company. The Company is regular in depositing Income tax and any other applicable statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at March 31, 2018 for a period exceeding six months from the date they became payable.

   (b). According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Income Tax, Wealth Tax, Service Tax, GST etc. as at March 31, 2018.

8. The Company has not availed any loan from financial institution or banks, government or debenture holders during the current year as well as in the previous year and accordingly the provision of clause 3 (viii) of the order is not applicable to the Company.

9. In our opinion, and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.

10. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the year.

11. In our opinion, and according to the information and explanations given to us, the Company has not paid any amount to its Directors as a Managerial Remuneration as prescribed by the provision of section 197 read with schedule V of the Companies Act, 2013 and accordingly the provision of clause 3 (xi) of the order is not applicable to the Company.

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

12. In our opinion, the Company is not a Nidhi company and accordingly the provision of clause 3 (xii) of the order is not applicable to the Company.

13. In our opinion, and according to the information and explanations given to us, the Company has not carried out any transactions with the related parties as defined in section 177and 188 of the Companies Act, 2013. However, the details of related party transactions have been disclosed in the Standalone IND AS financial statements as required under Applicable Indian Accounting Standards (IND AS) specified under section 133 of the Act.

14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with the directors, accordingly the provisions of clause 3 (xv) of the order is not applicable to the Company.

16. In our opinion and according to the information and explanations given to us, the Company is required to be Registered with the Reserve Bank of India (RBI) as a Non-Banking Finance Company under section 45-IA of the Reserve Bank of India Act, 1934 to carry on the business of a Non-Banking Financial Company (NBFC) and accordingly the Company has applied for registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) to carry on the business of a NBFC, in the office of RBI, Kanpur, but the registration number is still awaited.

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

Dharmesh

(DHARMESH SOLANKI)
Partner
Membership No. 120483

Place: Mumbai
Date : April 30, 2018

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

Annexure "B" referred in paragraph 2 (f) of the Independent Auditors Report of even date to the Members of RENUKESHWAR INVESTMENTS & FINANCE LIMITED on the Standalone IND AS financial Statements as of and for the year ended March 31, 2018 under the heading "Report to Legal and Regulatory Requirements"

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

We have audited the internal financial controls over financial reporting of **RENUKESHWAR INVESTMENTS & FINANCE LIMITED** ("the Company) as of March 31, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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:

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

1. Pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. ★ CHARTERED ACCOUNTANTS ★

(DHARMESH SOLANKI)
Partner
Membership No. 120483

Place: Mumbai
Date : April 30, 2018

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/s. Suvas Holdings Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

Price Waterhouse & Co Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex, Gate No. 3 Western Express Highway, Goregaon East, Mumbai – 400 063
T: +91 (22) 61198000, F: +91 (22) 61198799

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

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

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

Opinion

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

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 11, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

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

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position;

ii. The company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The company did not have any derivative contracts as at 31st March, 2018;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Vipin R Bansal
Partner
Membership No. 117753

Mumbai
May 15, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of M/s. Suvas Holdings Limited on the Ind AS financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of M/s. Suvas Holdings Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

5. 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.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of M/s. Suvas Holdings Limited on the Ind AS financial statements for the year ended March 31, 2018

Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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

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

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Vipin R Bansal
Partner
Membership No. 117753

Mumbai
May 15, 2018

Annexure B to Independent Auditors' Report
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of M/s. Suvas Holdings Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

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

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 4 on fixed assets to the Ind AS financial statements. Therefore, the provisions of Clause 3 (i) (c) of the said Order are not applicable to the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a)According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax (with effect from July 1, 2017) and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Compauy examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and services tax which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations giveu to us, we have neither come across any instauce of material fraud by the Company or on the Company by its officers or employees, uoticed or reported during the year, uor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him covered within the meaning of Section 92 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Compauy.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Vipin R Bansal
Partner
Membership No. 117753

Mumbai
May 15, 2018

SUVAS HOLDINGS LIMITED

Balance Sheet as at March 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	33,826	78,135
Capital Work-in-Progress	5	337,342,051	262,071,776
Financial Assets			
Others Financial Assets	6(i)	6,729,264	6,295,000
Deferred Tax Assets	7	7,800	1,598
Total Non-Current Assets		**344,112,941**	**268,446,509**
Current Assets			
Financial Assets			
(i) Cash and Cash Equivalents	8	11,035,635	3,392,020
(ii) Others Financial Assets	6(ii)	373,792	460,109
Other Current Assets	9	323,110	450,646
Income tax assets (net)		59,135	19,125
Total Current Assets		**11,791,672**	**4,321,900**
TOTAL ASSETS		**355,904,613**	**272,768,409**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	133,100,660	82,978,500
Other Equity	11	(2,680,984)	(2,346,377)
TOTAL EQUITY		**130,419,676**	**80,632,123**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	212,434,478	185,000,000
Total Non-Current Liabilities		**212,434,478**	**185,000,000**
Current Liabilities			
Financial Liabilities			
(i) Trade Payables	13	74,543	67,201
(ii) Other Financial Liabilities	14	12,552,417	6,788,861
Other Current Liabilities	15	234,774	280,224
Employee Benefit Obligation	16	188,725	-
Total Current Liabilities		**13,050,459**	**7,136,286**
TOTAL LIABILITIES		**225,484,937**	**192,136,286**
TOTAL EQUITY AND LIABILITIES		**355,904,613**	**272,768,409**
Significant Accounting Policies	2	-	-

The accompanying notes are integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 3040260/E- 300009

Vipin R. Bansal
Partner
Membership No. 117753

Place: Mumbai
Date : May 15, 2018

For and on behalf of the Board of Directors

Rajeev Goenka
Director
DIN: 00059346

Place: Mumbai
Date : May 15, 2018

Anil Mallik
Director
DIN: 00170411

Place: Mumbai
Date : May 15, 2018

Gaurav Sidhapura
Company Secretary

Place: Mumbai
Date : May 15, 2018

SUVAS HOLDINGS LIMITED

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

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
INCOME			
Revenue from Operations		-	-
Other Income	17	450,630	550,514
Total Income		**450,630**	**550,514**
EXPENSES			
Employee Benefits Expense	18	-	-
Depreciation Expense	19	8,891	24,087
Other Expense	20	671,060	207,183
Finance Cost	21	-	-
Total Expenses		**679,951**	**231,270**
Profit / (Loss) before Tax		(229,321)	319,244
Tax Expense:			
(i) Current Tax	22	111,487	60,570
(ii) Deferred Tax	22	(6,202)	(2,737)
Profit / (Loss) after Tax		**(334,606)**	**261,411**
Other Comprehensive Income / (Loss)		-	-
Total Comprehensive Profit /(Loss)		**(334,606)**	**261,411**
Profit / (Loss) per equity share	23		
[Nominal Value per share : Rs. 10]		10	10
Basic and Diluted in Rupee		(0.03)	0.04
Significant Accounting Policies	2		

The accompanying notes are integral part of the Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 3040260/E- 300009

Vipin R. Bansal
Partner
Membership No. 117753

Place: Mumbai
Date : May 15, 2018

For and on behalf of the Board of Directors

Rajeev Goenka
Director
DIN: 00059346

Place: Mumbai
Date : May 15, 2018

Anil Mallik
Director
DIN: 00170411

Place: Mumbai
Date : May 15, 2018

Gaurav Sidhapura
Company Secretary

Place: Mumbai
Date : May 15, 2018

SUVAS HOLDINGS LIMITED

Cash Flow Statement for the year ended March 31, 2018

	Particulars	Year ended March 31, 2018	Year Ended March 31, 2017
A.	**Cash Flow from Operating Activities**		
	Profit/(Loss) before tax	(229,321)	319,244
	Adjustment for:		
	Depreciation expense	8,891	24,087
	Interest Income	(429,444)	(550,514)
	Operating Cash Loss before working capital changes	**(649,874)**	**(207,183)**
	Adjustment for changes in Working Capital :		
	- Increase in Trade Payables	7,341	23,001
	- Increase in Provisions	188,725	-
	- (Decrease) in Other Financial Liabilities	(2,916,674)	(1,574,026)
	- (Decrease) / Increase in Other Current Liabilities	(45,450)	173,897
	(Increase)/ Decrease in Other bank Balances	(434,264)	-
	- Decrease in Other Financial Assets	-	-
	- Decrease / (Increase) in Other Assets	87,589	(437,411)
	Cash generated from Operations	**(3,762,607)**	**(2,021,722)**
	Direct Taxes Paid (Net)	(111,550)	(109,427)
	Net Cash Outflow from Operating Activities	**(3,874,157)**	**(2,131,149)**
B.	**Cash Flow from Investing Activities**		
	Payments to acquire property, plant and equipment & WIP	(54,440,899)	(92,871,568)
	Interest Received	515,761	557,007
	Net Cash Outflow from Investing Activities	**(53,925,138)**	**(92,314,561)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issue of equity share capital	50,122,160	12,143,200
	Proceeds of Term Loan from Banks	36,114,708	96,500,000
	Interest paid	(20,793,958)	(15,492,040)
	Net Cash inflow from Financing Activities	**65,442,910**	**93,151,160**
	Net Increase / (decrease) in Cash and Cash equivalents	**7,643,615**	**(1,294,549)**
	Cash and Cash Equivalents at the beginning of the year	3,392,020	4,686,569
	Cash and Cash Equivalents at the end of the year	**11,035,635**	**3,392,020**
	** Amount is below the rounding off norm adopted by the Company*		

Cash and Cash Equivalents comprise:	As at March 31, 2018	As at March 31, 2017
Cash on hand	63,326	19,223
Balances with Banks		
- In Fixed Deposits	-	
-In current accounts	10,972,309	3,372,797
	11,035,635	**3,392,020**

The accompanying notes are integral part of the Cash Flow Statements.

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 3040260/E- 300009

Vipin R. Bansal
Partner
Membership No. 117753

Place: Mumbai
Date : May 15, 2018

For and on behalf of the Board of Directors

Rajeev Goenka
Director
DIN: 00059346

Place: Mumbai
Date : May 15, 2018

Anil Mallik
Director
DIN: 00170411

Place: Mumbai
Date : May 15, 2018

Gaurav Sidhapura
Company Secretary

Place: Mumbai
Date : May 15, 2018

SUVAS HOLDINGS LIMITED

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

A. Equity Share Capital

Balance at the April 01, 2017	82,978,500
Changes in the Equity Share Capital during the period on account of shares issued	50,122,160
Balance at the Maech 31, 2018	133,100,660

B. Other Equity

Particulars	Retained Earnings / (Accumulated Deficit)		Total
Balance as at April 01, 2017	**(2,346,377)**		**(2,346,377)**
(a) Profit / (Loss) for the period /year	(334,606)		(334,606)
Total comprehensive Income/ (loss) for the year	**(334,606)**		**(334,606)**
Balance as at March 31, 2018	**(2,680,984)**		**(2,680,984)**

Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

Balance at the April 01, 2016	70,835,300
Changes in the Equity Share Capital during the year on account of shares issued	12,143,200
Balance at the March 31, 2017	82,978,500

B. Other Equity

Particulars	Retained Earnings / (Accumulated Deficit)		Total
Balance as at April 01, 2016	**(2,607,789)**		**(2,607,789)**
(a) Profit / (Loss) for the year	261,411 -	- -	261,411 -
Total comprehensive loss for the year	**261,411**	**-**	**261,411**
Balance as at March 31, 2017	**(2,346,377)**	**-**	**(2,346,377)**

The accompanying notes are integral part of the Statement of Changes in Equity.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 3040260/E- 300009

Vipin R. Bansal
Partner
Membership No. 117753

Place: Mumbai

Date : May 15, 2018

For and on behalf of the Board of Directors

Rajeev Goenka
Director
DIN: 00059346

Place: Mumbai
Date : May 15, 2018

Anil Mallik
Director
DIN: 00170411

Place: Mumbai
Date : May 15, 2018

Gaurav Sidhapura
Company Secretary

Place: Mumbai
Date : May 15, 2018

SUVAS HOLDINGS LIMITED

Notes annexed to and forming part of the Financial Statements

4 Property, Plant and Equipment

Assets	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at April 01, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at April 01, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at March 31, 2018	As at April 01, 2017
Buildings	226,546			226,546	174,454	32,901		207,355	19,191	52,092
Furniture and Fixture	18,100			18,100	8,638	2,450		11,088	7,012	9,462
Office Equipment	88,610			88,610	72,029	8,958		80,987	7,623	16,581
Total [A]	**333,256**	-	-	**333,256**	**255,121**	**44,309**	-	**299,430**	**33,826**	**78,135**
Assets taken on Finance Lease	-	-	-	-	-	-	-	-	-	-
Total [B]	-	-	-	-	-	-	-	-	-	-

SUVAS HOLDINGS LIMITED

Notes annexed to and forming part of the Financial Statements

4 Property, Plant and Equipment

Assets	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016
Buildings	226,546			226,546	144,069	30,385		174,454	52,092	82,477
Furniture and Fixture	18,100			18,100	5,332	3,306		8,638	9,462	12,768
Office Equipment	88,610			88,610	47,546	24,483		72,029	16,581	41,064
Total [A]	**333,256**	-	-	**333,256**	**196,947**	**58,174**	-	**255,121**	**78,135**	**136,309**
Assets taken on Finance Lease	-	-	-	-	-	-	-	-	-	-
Total [B]	-	-	-	-	-	-	-	-	-	-

a. All the immovable properties, movable assets (including movable machinery, machinery spares, tools and accessories therein) both present and future, pertaining to the Temghar Hydel Power Project are hypothecated against the Term Loan taken by the Company.

Price Waterhouse & Co. Chartered Accountants LLP FRN 304026E/E-300009 Mumbai

5 Capital Work-in-Progress (Refer Note 1)

	As at March 31,2018	As at March 31, 2017
Carrying amount at the beginning of the year	262,071,776	150,447,612
Addition during the year	75,270,275	111,624,164
Capitalised during the year	-	-
Carrying amount at the end of the year	337,342,051	262,071,776

6 Other Financial Assets

(i) Other Financial Assets : Non-Current

	As at March 31,2018	As at March 31, 2017
Security Deposits - Deposited with Sales Tax Authorities	5,000	5,000
Term Deposit with more than 12 months maturity [Refer note 'a' below']	6,724,264	6,290,000
	6,729,264	6,295,000

a. Held as margin money : Rs. 6,290,000 (As at March 31, 2017: Rs. 6,290,000) by Central Bank of India for issuing Bank Guarantee in favour of Govt. of Maharashtra Irrigation Deptt.

(ii) Other Financial Assets : Current

	As at March 31,2018	As at March 31, 2017
Accrued Interest	305,099	391,416
Other Receivables	68,693	68,693
	373,792	460,109

7 Deferred Tax Assets

	As at March 31,2018	As at March 31, 2017
Deferred Tax Liabilities		
Depreciation	(7,800)	(1,598)
Others	-	-
Total Deferred Tax Liability	(7,800)	(1,598)
Deferred Tax Assets		
Provision for Employee Benefits		-
Others		-
Carried forward Business Losses and Unabsorbed Depreciation		-
Total Deferred Tax Assets	-	-
Net Deferred Tax Assets	7,800	1,598
Net Deferred Tax Assets/(Liability) Recognised	7,800	1,598

8 Cash and Cash Equivalents

	As at March 31,2018	As at March 31, 2017
Cash on hand	63,326	19,223
Balances with Banks		
-In current accounts	10,972,309	3,372,797
	11,035,635	3,392,020

a There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

b. The details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 are as below :

	SBN	Other denomination notes	Total
Closing cash on hand on November 08, 2016	46,000	25,786	71,786
Add: Permitted receipts		96,000	96,000
Less: Permitted payments		(27,135)	(27,135)
Less: Amount deposited in Banks	(46,000)	-	(46,000)
Closing cash in hand on December 30, 2016	-	94,651	94,651

As at November 08, 2016 the Company had the following Specified Bank Notes on hand :

	Number	Rs.
SBN of Series of the value of five hundred rupees	0	-
SBN of Series of the value of one thousand rupees	46	46,000
	46	46,000

Specified Bank Notes (SBN) means bank notes of denominations of existing series of the value of five hundred rupees and one thousand rupees as referred in the notification number S.O. 3407(E) dated November 08, 2016 issued by Government of India, Ministry of Finance, Department of Economic Affairs.

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
Mumbai

9 Other Current Assets

	As at March 31,2018	As at March 31, 2017
(i) Other Current Assets		
Advances to Suppliers	63,135	-
Prepaid Expenses	259,975	450,646
	323,110	450,646

10 Equity Share Capital

	As at March 31,2018	As at March 31, 2017
Authorized Share Capital		
14,000,000 (As at March 31, 2017 : 9,000,000) equity shares of Rs. 10 each	140,000,000	90,000,000
	140,000,000	90,000,000
Issued, Subscribed and Paid up Share Capital		
13,310,066 (As at March 2017 : 82,97,850) equity shares of Rs. 10 each fully paid up	133,100,660	82,978,500
	133,100,660	82,978,500

a. Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2018		As atMarch 31,2017	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	8,297,850	82,978,500	7,083,530	70,835,300
Issued during the year	5,012,216	50,122,160	1,214,320	12,143,200
Outstanding at the end of the year	13,310,066	133,100,660	8,297,850	82,978,500

b. Terms/ rights attached to equity shares:-
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company.

c. Details of shareholders more than 5% of the aggregate shares in the Company and shares held by Holding Company:-

	As at March 31, 2018			As at March 31, 2017		
Name of Shareholder	%age	Nos.	Rs.	%age	Nos.	Rs.
Hindalco Industries Ltd.& its Nominees (Holding Co.)	51.00	6788134	67,881,340	51.00	4,231,903	42,319,030
Laxmi Organic Industries Ltd & its Nominees	49.00	6521932	65,219,320	49.00	4,065,947	40,659,470

11 Other Equity

	As at March 31,2018	As at March 31, 2017
Retained Earnings / (Accumulated Deficit) [Refer note 'a' below']	(2,680,984)	(2,346,377)
	(2,680,984)	(2,346,377)

a. Retained Earnings / (Accumulated Deficit)

	As at March 31,2018	As at March 31, 2017
Opening Balance	(2,346,377)	(2,607,789)
Net (Loss)/Profit for the year	(334,606)	261,411
Closing Balance	(2,680,984)	(2,346,377)

12 Borrowings
Secured, at Amortised Cost

	Maturity Date	Coupon Rate	As at March 31,2018
Term Loans			
From Banks [Refer note 'a' below']	June 30,2029	Axis Bank Base Rate + 150 bps	194,200,000
From Banks [Refer note 'a' below']	June 30,2029	MCLR + 240 bps	26,914,708
Total Borrowings			221,114,708
Less : Current maturities of Long-Term Borrowings			8,680,230
			212,434,478

	Maturity Date	Coupon Rate	As at March 31, 2017
Non-Current Borrowings			
Term Loans			
From Banks [Refer note 'a' below']	June 30, 2028	Axis Bank Base Rate + 150 bps	185,000,000
Total Borrowings			185,000,000
Less : Current maturities of Long-Term Borrowings (Refer Note 14)			-
			185,000,000

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
★ Mumbai ★

a. Term Loan (RTL facilities) from banks carries floating interest at Axis Bank Base Rate + 150 bps for Old and for new loan sanctioned during the year at MCLR plus +240 bps. Term loan is repayable in 44 re-structured revised quarterly installments as per the agreed repayment schedule and will be commenced from September 30, 2018. The repayment towards outstanding loan in each financial year in percentage is 3.51,5.52,6.52,7.00,7.52,8.52,10.00,10.52,12.00,13.00,13.00 and 2.89 of the loan amount. The loan is secured by (a) Exclusive charge by way of hypothecation of all the borrower's movable assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future intangible, goodwill, uncalled capital, present and future; (b) exclusive charge on all book debts, operating cash flows, receivables, commissios, revenues of whatsoever nature and wherever arising including CDM/REC revenue, MNRE Subsidy, of the borrowers, present and future; (c) Exclusive charge on the Escrow Account, Debt Service Reserve Account and; (d) Exclusive charge by way of assignment/hypothecation or creation of security interest of- (i) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents (including but not limited to Power Purchase Agreements(PPA?Memorandum of Understanding (MOU) for sale of power, Package / Construction contracts, O&M related agreements, Land Sale/Lease Agreements, Service contracts etc.) all as amended, varied or supplemented from time to time. The assignments shall be duly acknowledged consented by the relevant counter parties if required as per the relevant Project Document; (ii) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in the permits, approvals and clearances pertaining to the Projects; (iii) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents; and(iv) All insurance contracts / insurance proceeds; (e) Corporate guarantees of Hindalco Industries Ltd. and Laxmi Organic Industries Ltd. on several basis (f) Personal Guarantee of following promoters; Mr. Rajeev Vasudeo Goenka Mr Ravi Vasudeo Goenka. Personal Guarantee of Promoters shall fall off post COD.

13 Trade and other Payable

	As at March 31,2018	As at March 31, 2017
Trade Payables		
Micro and Small Enterprises (Refer note no. 29)	-	-
Other than Micro and Small Enterrises	74,543	67,201
	74,543	67,201

14 Other Current Financial Liabilities

	As at March 31,2018	As at March 31, 2017
Capital Creditors (Refer note 'a' below')	3,751,626	6,747,502
Current maturities of Long-Term Borrowings (Refer Note 12)	8,680,230	-
Others	120,561	41,359
	12,552,417	6,788,861

Capital creditors includes an amount of Rs. 13,89,153 (Previous year Rs. 5,512,644) payable to Contractors towards retention money pursuant to the Contract for construction of hydel power projet and supply of Plant Machinery.

15 Other Current Liabilities

	As at March 31,2018	As at March 31, 2017
Statutory Dues Payable	234,774	280,224
	234,774	280,224

16 Employee benefit obligation

	As at March 31,2018	As at March 31, 2017
(i) Current portion of Employee benefit obligation		
Employee Benefit Payble	188,725	-
	188,725	-

17 Other Income

	Year ended March 31,2018	Year Ended March 31, 2017
Interest Income (Refer note 'a' below')	429,444	550,514
Other Non-Operating Income	21,186	-
	450,630	550,514

a. Includes Rs. 429,444 (Previous year : Rs. 549,586) towards interest income on term deposits.

18 Employee Benefits Expense

	Year ended March 31,2018	Year Ended March 31, 2017
Salaries and Bonus	2,267,986	1,595,857
Leave Entitlement	27,772	-
Staff Welfare expenses	10,655	51,753
	2,306,413	1,647,610
Less: Transfer to Capital work in Progress	2,306,413	1,647,610
	-	-

19 Depreciation Expense

	Year ended March 31,2018	Year Ended March 31, 2017
Depreciation on Property, Plant and Equipment	44,309	58,174
	44,309	58,174
Less: Transfer to Capital work in Progress	35,418	34,087
	8,891	24,087

Price Waterhouse & Co. Chartered Accountants LLP FRN 304026E/E-300009 ★ Mumbai ★

20 Other Expense

	Year ended March 31,2018	Year Ended March 31, 2017
Generator runing cost and expenses	204,455	2,640,644
Fabrication Charges	244,725	4,003,880
Rates and Taxes	2,500	2,500
Insurance charges	623,819	615,392
Payment to Auditors (Refer note 'a' below)	35,400	23,000
Legal, Professional and Consultancy Fees	1,602,937	1,310,191
Travelling and conveyance	634,044	575,362
Security Expenses	769,768	676,699
Miscellaneous Expenses	599,577	181,683
	4,717,227	10,029,350
Less : Transfer to Capital work in Progress	4,046,166	9,822,167
	671,060	207,183
a. Payment to Auditors		
Statutory Auditors		
Statutory Audit fees	35,400	23,000
Reimbursement of expense		-
	35,400	23,000

21 Finance Cost

	Year ended March 31,2018	Year Ended March 31, 2017
Interest Expense	20,793,958	15,492,040
Other Borrowing Cost	-	-
	20,793,958	15,492,040
Less : Transfer to Capital Work in Progress	20,793,958	15,492,040
	-	-

22 Income Taxes

	Year ended March 31,2018	Year Ended March 31, 2017
The income tax expenses consists of the following		
Current Tax		
Current Tax for current year	71540	162786
Current tax (benefit) /expenses for prior years	39947	(102,216)
	111487	60570
Deferred tax credit	(6,202)	(2,737)
Total Income tax expense recognised in current year	105285	57833

The reconciliation of estimated income tax expense at Indian statutory income tax rate to incometax rate to income tax expense reported in statement of profit and loss is as follows:

	Year ended March 31,2018	Year Ended March 31, 2017
Profit before income tax	(229,321)	319,244
Indian statutory income tax rate	25.75	30.90
Expected Income tax expense	(59,050)	98,647
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax pertaining to prior years	39,947	(102,216)
Share Issue Expenses	129,270	
Others(Net)	(4,882)	61,402
Total income tax expense	105,285	57,833

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
Mumbai

23 Related Party Transactions as per Ind AS 24

(A) Holding Company

The Company is controlled by the following entity:

Name	Type	Principal Activity	Place of Incorporation	Ownership Interest %	
				As at March 31, 2018	As at March 31, 2017
Hindalco Industries Limited	Holding Company	Manufacturing	India	51%	51%

(B) Companies having significant influence over Company

Name		Principal Activity	Place of Incorporation
Laxmi Organic Industries Limited		Manufacturing	India

(C) Key management personnel	1) Mr. Kailash Nath Bhandari - Director 2) Mr. Sandeep Taori - Director 3) Mr. Ravi Goenka - Director 4)Mr. Rajeev Goenka - Director 5) Mr. Anil Kumar Malik - Director 6)Mr. Anil Mathew - Director 7) Mr. Alphonso Richard Das - Director 8) Mr. Gaurav Sidhapura - Company Secretary 9) Mr. Nilesh Bhosale - Manager

Managerial remuneration to Key management personnel :

	Year Ended March 31, 2018	Year Ended March 31, 2017
Short-term employee benefits - To Manager	820,624	770,141
	820,624	**770,141**

(D) The following transactions were carried out during the year with the related parties :

Nature of Transactions	Year Ended March 31, 2018	Year Ended March 31, 2017
a. Holding Company		
Issuance of Equity Shares	25,562,302	6,193,030
Corporate Guarantee Received	27,500,000	-
b. Entity having significant influence over the Company		
Issuance of Equity Shares	24,559,858	5,950,170
Corporate Guarantee Received	26,019,000	-

As there were no transactions with other parties, no disclosure has been made.

(E) The following are balances of related parties mentioned in (A) above:

Nature of Transactions	As at March 31, 2018	As at March 31, 2017
Corporate Guarantee		
Holding Company	127,500,000	100,000,000
Entity having significant influence over the Company	121,177,000	95,158,000

As there were no balances outstanding against transactions with other parties, no disclosure has been made.

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
★ Mumbai ★

SUVAS HOLDINGS LIMITED
Notes annexed to and forming part of the Financial Statements

24 Profit / (Loss)Per Share (Basic and Diluted)

		March 31, 2018	March 31, 2017
Profit after tax as per the Statement of Profit and Loss	(A)	(3,34,606)	2,61,411
Weighted Average number of Equity shares outstanding	(B)	1,14,82,644	74,12,894
Profit / (Loss) per share (Basic and Diluted) (in Rupee)	(A / B)	(0.03)	0.04
Nominal value of an Equity Share (in Rupees)		10.00	10.00

25 The carrying value of Financial Instruments by category:

	As at March 31, 2018	As at March 31, 2017
Financial Assets Carried at Amortised Cost		
Cash and Cash Equivalents	1,10,35,635	33,92,020
Others	71,03,056	67,55,109
	1,81,38,691	**1,01,47,129**
Financial Liabilities Carried at Amortised Cost		
Borrowings	21,24,34,478	18,50,00,000
Current maturities of Long-Term Borrowings	86,80,230	-
Trade Payable	74,543	67,201
Others	1,25,52,417	67,88,861
	23,37,41,668	**19,18,56,062**

26 Fair Value of financial assets and financial liabilties measured at amortised cost

	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Financial Liabilities Carried at Amortised Cost				
Non-Current Borrowings (including Current maturities)	22,11,14,708	22,11,14,708	18,50,00,000	18,50,00,000

The carrying amounts of cash and cash equivalents and bank balances other than cash and cash equivalents, trade payables and other current financial liabilities are considered to be same as their fair values, due to their short term nature.

27 Net Debt Reconciliation

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents	1,10,35,635	33,92,020
Non-current Borrowings (including current maturities)	(22,11,14,708)	(18,50,00,000)
Net Debt	**(21,00,79,073)**	**(18,16,07,980)**

	Other Assets	**Liabilities from financing activities**	
	Cash and cash equivalents	**Non-current Borrowings (Including current maturities)**	**Total**
Net Debt as at 31 March, 2017	33,92,020	(18,50,00,000)	(18,16,07,980)
Cash Flows	76,43,615	(3,61,14,708)	(2,84,71,093)
Interest Expense	-	(2,07,93,958)	(2,07,93,958)
Interest Paid	-	2,07,93,958	2,07,93,958
Net Debt as at 31 March, 2018	**1,10,35,635**	**(22,11,14,708)**	**(21,00,79,073)**

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
Mumbai

SUVAS HOLDINGS LIMITED

Notes annexed to and forming part of the Financial Statements

28 Contingent Liabilities and Commitments:

	As at March 31, 2018	As at March 31, 2017
A. Contingent Liabilities		
Claims against the Company not acknowledged	NIL	NIL
B. Capital commitment :		
Estimated amount of contract remaining to be executed on capital account and not provided for (Net of advacnes)	7,340,152	28,169,617
C. Performance Guarantee :		
Performance Guaratee given by Banks on behalf of the Company		
(i) Govt. of Maharashtra, Irrigation Deptt	6,290,000	6,290,000

29 The Company has no dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows. The information has been determned to the extent such enterprises have been identified on the basis of information available with the company

	As at March 31, 2018	As at March 31, 2017
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(g) Further interest remaining due and payable for earlier years.	-	-

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

30 Segment Information

The company has not yet started its commercial activity and therefore segment reporting is not required to be defined. Company is primarily engaged in the hydel power generation and therefore it is engaged in only one segment, i.e.Power Generation and Distribution.

A. Description of segment

The Company is principally engaged in a single business segment viz., Power generation

B. Geographical Information

Geographical information is not applicable since the company has its operation only in India.

Further in terms of the Joint Venture Agreement dated July 5, 2013 all the power generated at Temghar Hydro Project shall be purchased by Hindalco Industries Limited.

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
Mumbai

31 **Financial Risk Management**

The company's activities expose it to market risk, liquidity risk, interest rate risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company and interest risk. The Company's risk management activities are subject to the management's direction and control.

A. **Market Risk**

Power Generation

Company has entered into an arrangement with the Holding company for sale of power and therefore there is no risk visualised in the market.

B. **Interest Rate Risk**

Interest rate risk is the risk because of which the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rate. The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's long term debt obligations with floating rate interest.

Interest Rate Risk Exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2018	March 31, 2017
Variable rate of interest	221,114,708	185,000,000
Fixed rate of interest	-	-
Total Borrowings	221,114,708	185,000,000

At the end of the reporting period, the Company had the following variable rate borrowings

Particulars	March 31, 2018			March 31, 2017		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Term Loan from banks	10.85%	221,114,708	100.0%	10.85%	185,000,000	100.0%

C. **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Available liquidity is as follows :

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents	11,035,635	3,392,020
Availability under committed credit facilities	-	-
Total liquidity	11,035,635	3,392,020

The contractual maturities of the Company's financial liabilities are as below:-

As at March 31, 2018	Less than 1 Year	Between 1 years and 2 years	Between 2 years and 5 years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
Non-Derivative						
Borrowings (excluding Finance Lease)- Refer note 'a'	8,680,230	13,650,960	52,031,920	172,936,890	247,300,000	221,114,708
Trade Payable	74,543	-	-	-	74,543	67,201
Others	12,552,417	-	-	-	12,552,417	3,872,187
Total	21,307,190	13,650,960	52,031,920	172,936,890	259,926,960	225,054,096
Derivative	-	-	-	-	-	-
	-	-	-	-	-	-

As at March 31, 2017	Less than 1 Year	Between 1 years and 2 years	Between 2 years and 5 years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
Non-Derivative						
Borrowings (excluding Finance Lease)- Refer note 'a'	6,816,420	10,719,840	40,859,680	135,804,060	194,200,000	185,000,000
Trade Payable	67,201	-	-	-	67,201	67,201
Finance Lease Obligation			-		-	-
Others	6,788,861	-	-	-	6,788,861	6,788,861
Total	13,672,482	10,719,840	40,859,680	135,804,060	201,056,062	191,856,062
Derivative	-	-	-	-	-	-
	-	-	-	-	-	-

Contractual Cash flows towards borrowings includes Rs. 219,200,000 (As at March 30, 2017 185,000,000) towards future obligation for interest outgo on borrowings.

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
Mumbai

D. Credit Risk

The company is exposed to counter party credit risk from trade receivables, cash and cash equivalents, liquid investments and other financial instruments. The company has clearly defined policies to mitigate counterparty risks. Cash and liquid investments are held primarily in debt schemes of mutual funds and bank deposits with good credit ratings. Defined limits are in place for exposure to individual counterparties in case of mutual fund houses and banks. The company do not anticipate any credit risk on these cases and thus no provision has been made in antipation of counterparty credit risk.

The trade receivables are spread over limited customers, primarily the holding Company, Hindalco Industries Limited, with no significant concentration of credit risk. ReceivablesThe large majority of receivables due from third parties are secured.The history of trade receivables have never created provision for bad and doubtful debts.

32 Capital Management

Risk Management:

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalent)
divided by
Total 'equity' (as shown in the balance sheet)

The Company's strategy to maintain a gearing ratio within 3:1 The gearing ratio were as follows:

	As at **March 31, 2018**	As at **March 31, 2017**
Net debt	210,079,073	181,607,980
Total equity	130,419,676	80,632,123
Net debt to equity ratio	161%	225%

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
★ Mumbai ★

SUVAS HOLDINGS LIMITED

Notes annexed to and forming part of the Financial Statements

1. Corporate Information

Suvas Holding Company Limited is a Company formed and registered under the Companies Act, 1956. The company's identification number is U40300MH2000PLC128785. Company is a subsidiary company of Hindalco Industries Ltd. Which holds 51% equity shares of the Company. The main object of the Company is generation of hydel power and accordingly company is setting up a project for generation of Hydel Power, (Temghar Hydel Power Project) which is under progress (Refer Note 5)

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated

A. Basis of Preparation

a Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. since this company is a subsidiary of another company to which these standards are applicable

b Historical Cost Convention

The financial statements have been prepared on historical cost basis except certain financial assets and liabilities is measured at fair value.

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis". Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

c Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements, which in management's opinion are prudent and reasonable. Actual results may differ from these estimates.

B Summary of significant accounting policies:

a. Fixed Tangible and Intangible Assets

Tangible Assets

Tangible assets are stated at their original cost (net of cenvat and vat where applicable) including freight, duties, customs and other incidental expenses relating to acquisition and installation less accumulated depreciation and impairment loss if any. Interest and other finance charges paid on loans for the acquisition of tangible qualifiying assets are apportioned to the cost of fixed assets till they are ready for use.

Expenditure incurred during the period of construction is carried as capital work-in-progress and on completion the costs are allocated to the respective fixed assets.

When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any , is reflected in the Statement of Profit and Loss.

Depreciation on tangible assets is provided on written down value method over the useful life of the asset prescribed in Part C of Schedule II of the Companies Act, 2013 in order to reflect the actual usages of the assets. Depreciation is charged on pro-rata basis for the assets purchased/sold during the year.

Machinery spares which can be used only in connection with an item of Fixed Asset and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.

Leasehold rights acquired and premium paid on such rights is written off over a period of remaining life of the assets under lease and written off on straight line basis over the period of useful life after the assets are put to use.

Intangible Assets

All intangible assets are measured at cost and amortized so as to reflect the pattern in which the assets' economic benefits are consumed. Software capitalised is amortised over useful life of three to five years equally commencing from the year in which the software is put to use.

Price Waterhouse & Co. Chartered Accountants LLP FRN 304026E/E-300009 Mumbai

b. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

c. Leases

Operating Lease as a lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payment made under operating lease (net of any incentives received from lessor) are charged to profit or loss on a straight line basis over the period of lease unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost increase.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis

d. Financial Instruments

Financial Assets

(i) Classification: The Company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

b) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement: At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at Fair value through the profit and loss are expensed in the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset, or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

e. Inventories

(a). Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

(b). Inventories of items other than those stated above are valued 'At cost or Net Realizable Value, whichever is lower'. Cost is generally determined on weighted average cost basis and wherever required, appropriate overheads are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(c). Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
★ Mumbai ★

f. Foreign Currency Transactions

i) Functional Currency:

The Company's financial statements are presented in INR, which is also the Company's functional currency

ii) Transaction and balances

Transactions in foreign currencies are initially recorded by the Company in their functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period.
Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss.

g. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

h. Employee benefits

• Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

• Other Long-term employee benefit obligations

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the treated are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

i. Revenue Recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.
Revenue from Generation, Transmission and Distribution of power is recognised on an accrual basis and includes unbilled revenue accrued upto end of the accounting year.

j. Borrowing Cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes 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. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

k. Taxation

Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it is has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
Mumbai

Deferred taxes

Deferred tax is recognized on 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 and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

l. 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

m Contingent Liabilities

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

n Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted caring per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

o Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Recent Accounting Pronouncements
<u>Standards issued but not yet effective</u>

<u>Ind AS 115, Revenue from contracts with customers</u>

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

1.identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
★ Mumbai ★

Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The appendix can be applied:
- retrospectively for each period presented applying Ind AS 8;
- prospectively to items in scope of the appendix that are initially recognised
 > on or after the beginning of the reporting period in which the appendix is first applied (i.e. 1 April 2018 for entities with March year-end); or
 > from the beginning of a prior reporting period presented as comparative information (i.e. 1 April 2017 for entities with March year-end).

The above amendment is not applicable to the company

Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

The amendment provides two transition options. Entities can choose to apply the amendment:
- Retrospectively without the use of hindsight; or
- Prospectively to changes in use that occur on or after the date of initial application (i.e. 1 April 2018 for entities with March year-end). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date.

The above amendment is not applicable to the company

Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.

- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Price Waterhouse & Co. Chartered Accountants LLP
FRN 304026E/E-300009
★ Mumbai ★

Singhi & Co.
Chartered Accountants
161, SARAT BOSE ROAD, KOLKATA-700 026, (INDIA)
: +91(0)33-2419 6000/01/02 • E-mail : kolkata@singhico.com • Website : www.singhico.com

INDEPENDENT AUDITOR'S REPORT
To The Members of UTKAL ALUMINA INTERNATIONAL LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

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

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

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

Singhi & Co. Chartered Accountants

Opinion

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

Other Matter

Attention is drawn to the fact that the comparative figure for the year ended 31st March 2017 are based on the previously issued standalone financial statement, prepared in accordance with the Ind AS , that were audited by the predecessor Auditor. The audit report dated May 8, 2017 on the audited standalone financial statement of the Company for the year ended 31st March 2017 issued by predecessor auditor expressed an un-modified opinion.
Our opinion is not modified in respect of this matters.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.(Refer Note No. -42)

SINGHI & CO. Chartered Accountants

ii. The Company has long-term contracts for which there were no material foreseeable losses. The company does not have longterm derivative contracts.

iii. There has no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 18.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018

For **Singhi & Co.**
Chartered Accountants
(Firm's Registration No. 3020409E)

Rajiv Singh

Rajiv Singhi
Partner
(Membership No. 053518)

Date : 3rd May , 2018
Place: Mumbai

SINGHI & CO. Chartered Accountants

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Utkal Alumina International Limited of even date)

i. In respect of the Company's fixed assets:

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

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification

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

ii. The physical verification of inventory excluding inventories in transit have been conducted at reasonable intervals by the Management during the year. The discrepancy noted on physical verification of inventory as compared to book records were not material.

iii. According to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of 186 of the Act in respect of investments made. The Company has not granted any loans or provided any guarantees or securities to the parties covered under section 185 of Companies Act,2013

v. The Company has not accepted deposits from public within the meaning of section 73,74, 75,76 of the Act and the Rules framed there under to the extent notified

vi. Pursuant to the rules made by the Central Government of India, the company is required to maintain cost records as specified under section 148(1) of the Act in respect of its product.

We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained but no detailed examination of such records and accounts have been carried out by us.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable

(b) According to information and explanation given to us and the records of the Company examined by us , there are no dues of income Tax , Sales tax , duty of customs and value added tax which have not been deposited on account of any dispute. The particulars of dues of service tax and duty of excise as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Singhi & Co. * Chartered Accountants *

Name of Statute	Nature of Dues	Forum Pending	Period To which it relates	Amount In Rs
Central Excise Act 1944	Excise Duty	Commissioner , Central Excise , Customs & Service Tax , Bhubneswar	December 2007 To December 2014	118,563,821.00
Central Excise Act 1944	Excise Duty	The Additional Commissioner , Central Excise , Customs & Service Tax , Bhubneswar	August 2011 to March 2014	3,159,296.00
Central Excise Act 1944	Excise Duty	Commissioner of Central Excise, Bhubaneswar	July-15 to December-15	415,303.00
Central Excise Act 1944	Excise Duty	Commissioner of Central Excise, Bhubaneswar	FY 2014-15	5,774,610.00
Central Excise Act 1944	Excise Duty	Commissioner of Central Excise, Bhubaneswar	Jan-16 to June-17	1,841,767.00
Finance Act	Service Tax	Commissioner , Central Excise , Customs & Service Tax , Bhubneswar	April 2011 to March 2012	17,940,511.00
Finance Act	Service Tax	Commissioner of Central Excise, Bhubaneswar	FY 2015-16	305,151
Finance Act	Service Tax	Commissioner of Central Excise, Bhubaneswar	01-07-2012 to 31-03-2016	346,924,188

viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to any financial institution or bank or dues to debenture holders as at the Balancesheet date. The Company does not have any loans or borrowings from Government as at Balancesheet date.

ix. In our opinion, and according to the information and explanation given to us, the money raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

x. According to the information and explanations given to us,no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

SINGHI & CO. * Chartered Accountants *

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.Accordingly , the provisions of Clause 3(xvi) of the Order are not applicable to the company.

For **Singhi & Co.**
Chartered Accountants
(Firm's Registration No. 3020409E)

Rajiv Singh

Rajiv Singhi
Partner
(Membership No. 053518)

Singhi & Co. Chartered Accountants

Date : 3rd May , 2018
Place: Mumbai

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Utkal Alumina International Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Utkal Alumina International LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

SINGHI & CO. Chartered Accountants

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

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

For **Singhi & Co.**
Chartered Accountants
(Firm's Registration No. 3020409E)

Rajiv Singh

Rajiv Singhi
Partner
(Membership No. 053518)

SINGHI & CO. Chartered Accountants

Date: 3rd May , 2018
Place: Mumbai

UTKAL ALUMINA INTERNATIONAL LIMITED
Balance sheet as at March 31, 2018

All amounts in Rs. Crore, unless otherwise stated

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	7,080.24	7,254.62
Capital Work-in-Progress	4	58.85	136.95
Intangible Assets	5	79.87	38.30
Financial Assets			
(i) Investment in Subsidiary	6	-	0.05
(ii) Loans	7(i)	0.27	0.35
(iii) Other Financial Assets	8(i)	2.70	3.56
Deferred Tax Assets (Net)	9	-	-
Non-Current Tax Assets (Net)	9	3.08	4.75
Other Non-Current Assets	10(i)	112.58	114.47
Total Non-Current Assets		**7,337.59**	**7,553.05**
Current Assets			
Inventories	11	444.37	390.22
Financial Assets			
(i) Trade Receivables	12	405.02	276.66
(ii) Cash and Cash Equivalents	13	167.16	2.05
(iii) Bank Balances other than (ii) above	14	0.91	0.01
(iv) Loans	7(ii)	0.44	0.31
(v) Other Financial Assets	8(ii)	1.30	0.47
Other Current Assets	10(ii)	67.46	49.21
Non-current assets held for distribution to owners	15	-	-
Total Current Assets		**1,086.66**	**718.93**
TOTAL ASSETS		**8,424.25**	**8,271.98**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	6,251.48	3,971.76
Other Equity	17	(606.03)	(1,167.41)
TOTAL EQUITY		**5,645.45**	**2,804.35**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	18(i)	2,348.48	4,597.15
Provisions	19(i)	40.19	35.89
Total Non-Current Liabilities		**2,388.67**	**4,633.04**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	18(ii)	12.18	389.20
(ii) Trade and Other Payables	20	192.29	164.02
(iii) Other Financial Liabilities	21	98.01	217.49
Other Current Liabilities	22	78.61	54.05
Provisions	19(ii)	9.04	9.83
Total Current Liabilities		**390.13**	**834.59**
TOTAL LIABILITIES		**2,778.80**	**5,467.63**
TOTAL EQUITY AND LIABILITIES		**8,424.25**	**8,271.98**
Significant Accounting Policies	1		

The accompanying notes are integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Rajiv Singhi
Rajiv Singhi
Partner
Membership No. 53518

Place: Mumbai
Date : May 03, 2018

For and on behalf of the Board of Directors

S.K.Mishra
Director
DIN: 02544268

Place: Mumbai
Date : May 03, 2018

A.K.Maccher
Director
DIN: 02797592

Place: Mumbai
Date : May 03, 2018

Shree Nath Mishra
Chief Financial Officer

Place: Mumbai
Date : May 03, 2018

Sunita Narayan
Company Secretary

Place: Mumbai
Date : May 03, 2018

SINGHI & CO. Chartered Accountants

UTKAL ALUMINA INTERNATIONAL LIMITED

Statement of Profit and Loss for the Year Ended March 31, 2018

All amounts in Rs. Crore, unless otherwise stated

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
REVENUES			
Revenue from Operations	23	2,863.37	2,374.81
Other Income	24	22.59	7.77
Total Income		**2,885.96**	**2,382.58**
EXPENSES			
Cost of Materials Consumed	25	405.77	335.08
Changes in Inventories of Finished Goods and Work-in-Progress	26	(18.50)	(3.02)
Excise Duty		60.68	223.01
Employee Benefit Expense	27	57.44	55.13
Power and Fuel	28	632.77	547.49
Finance Cost	29	320.04	491.89
Depreciation and Amortisation	30	298.81	294.31
Other Expense	31	561.25	552.87
Total Expenses		**2,318.26**	**2,496.76**
Profit / (Loss) before Exceptional Items and Tax		567.70	(114.18)
Add: Exceptional Income	32	11.81	-
Profit / (Loss) before Taxation		579.51	(114.18)
Tax Expenses:	33		
Current Tax		18.22	-
Deferred Tax		-	-
Profit / (Loss) after Taxation		**561.29**	**(114.18)**
Other Comprehensive Income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
-Re-measurement gain on defined benefit obligation (net of tax)		0.09	0.23
Other Comprehensive Income		**0.09**	**0.23**
Total Comprehensive Income		**561.38**	**(113.95)**
Earnings / (Loss) per equity share	35		
[Nominal Value per share : Rs. 10]			
-Basic and Diluted in Rupees		1.03	(0.29)
Significant Accounting Policies	1		

The accompanying notes are integral part of the Statement of Profit and Loss.

This is the Statement of statement of Profit and Loss referred to in our report of even date.

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Rajiv Singhi

Rajiv Singhi
Partner
Membership No. 53518

Place: Mumbai
Date : May 03, 2018

For and on behalf of the Board of Directors

S.K.Mishra
Director
DIN: 02544268

Place: Mumbai
Date : May 03, 2018

A.K.Machher
Director
DIN: 02797592

Place: Mumbai
Date : May 03, 2018

Shree Nath Mishra
Chief Financial Officer

Place: Mumbai
Date : May 03, 2018

Sunita Narayan
Company Secretary

Place: Mumbai
Date : May 03, 2018

SINGHI & CO. Chartered Accountants

UTKAL ALUMINA INTERNATIONAL LIMITED

Cash Flow Statement for the Year Ended March 31, 2018

All amounts in Rs. Crore, unless otherwise stated

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A.	**Cash Flow generated from Operating Activities**		
	Profit/ (Loss) before tax	579.51	(114.18)
	Adjustment for:		
	Employee Stock Option Scheme	*	0.03
	Depreciation and Amortisation	298.81	294.31
	Impairment in value of non-current assets held for distribution	0.05	-
	Unrealised Foreign Exchange Loss / (Gain) - (Net)	0.19	(4.04)
	Other Miscellaneous Income	(12.58)	-
	Interest Income	(4.10)	(3.48)
	Loss/(Profit) on Tangible Assets Sold / Discarded	0.36	(0.02)
	Finance Costs	320.04	491.89
	Loss / (Gain) on changes in fair value of Derivatives	0.51	(*)
	Fair value gain on Liquid Investments	(0.25)	-
	Provision for slow moving spares	4.63	-
	Operating Profit before working capital changes	**1,187.17**	**664.51**
	Adjustment for changes in Working Capital :		
	- Increase / (Decrease) in Trade Payables	28.09	(9.89)
	- Increase / (Decrease) in Provisions	0.41	(0.08)
	- Decrease in Other Financial Liabilities	(0.17)	-
	- Increase / (Decrease) in Other Current Liabilities	24.56	(6.56)
	- Increase in Trade Receivables	(128.36)	(80.47)
	- Increase in Inventories	(58.79)	(20.44)
	- Decrease / (Increase) in Loans	(0.05)	0.10
	- Decrease in Advances to related parties	-	0.26
	- Decrease in Other Financial Assets	0.84	0.41
	- (Increase) / Decrease in Other Assets	(7.55)	42.77
	Cash generated from Operations	**1,046.15**	**590.61**
	Direct Taxes Paid (Net)	(16.60)	(0.86)
	Net Cash generated from Operating Activities	**1,029.55**	**589.75**
B.	**Cash Flow used in Investing Activities**		
	Payments to acquire property, plant and equipment	(157.04)	(198.30)
	Proceeds from disposal of property, plant and equipment	0.09	0.04
	Increase in Other bank Balances	(0.91)	(0.01)
	Interest Received	0.50	0.42
	Net Cash used in Investing Activities	**(157.36)**	**(197.85)**
C.	**Cash Flow used in Financing Activities**		
	Proceeds from issue of equity share capital	2,279.72	-
	Pre-payment of Term Loan to Banks	(2,279.72)	-
	Repayment of Term Loan to Banks	(11.97)	(47.88)
	(Repayment of) / Proceeds from Short Term Borrowings (Net)	(377.02)	145.05
	Proceeds of Deposits from Holding Company	100.00	740.00
	Repayment of Deposits to Holding Company	(100.00)	(740.00)
	Payment of Finance Lease Obligations	(0.03)	(0.02)
	Capital Contribution from Holding Company	*	(0.17)
	Redemption of Debenture	(3.00)	(3.00)
	Payment of Finance Costs	(315.31)	(485.62)
	Net Cash used in Financing Activities	**(707.33)**	**(391.64)**
	Net increase in Cash and Cash equivalents	**164.86**	**0.26**
	Cash and Cash Equivalents at the beginning of the year	2.05	1.79
	Cash and Cash Equivalents at the end of the year before fair value gain on liquid investments	**166.91**	**2.05**
	Add: Fair value gain on Liquid Investments	0.25	-
	Cash and Cash Equivalents at the end of the year	**167.16**	**2.05**

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

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

UTKAL ALUMINA INTERNATIONAL LIMITED
Cash Flow Statement for the Year Ended March 31, 2018
All amounts in Rs. Crore, unless otherwise stated

(i) Cash and Cash Equivalents comprise:

	As at March 31, 2018	As at March 31, 2017
Cash on hand	-	-
Balances with Banks		
-In current accounts	0.29	2.05
Deposits with initial maturity of less than 3 months	100.00	-
Liquid Investments in Mutual Funds	66.87	-
	167.16	**2.05**

(ii) Statement of Net Debt Reconciliation

	Liabilities from financing activities		
	Term Loan from Banks	Current Borrowings	Finance Lease Obligation
Balance as at April 01, 2017	4,640.23	389.20	0.03
Accrued interest but not due as at April 01, 2017	28.20	0.72	-
Cash Flow (Net)	(2,291.69)	(377.02)	(0.03)
Non Cash Changes			
Fair Value Changes	(8.04)	-	-
Others*	7.98	-	-
Interest Expense	292.48	10.11	-
Interest Paid	(304.26)	(10.83)	-
Balance as at March 31, 2018	2,364.90	12.18	-

** Represents amortisation of debt issuance cost relating to Term Loan*

The accompanying notes are integral part of the Cash Flow Statements.
This is the Cash Flow Statement referred to in our report of even date.

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Rajiv Singh

Rajiv Singhi
Partner
Membership No. 53518

Place: Mumbai
Date : May 03, 2018

For and on behalf of the Board of Directors

S.K.Mishra
Director
DIN: 02544268

Place: Mumbai
Date : May 03, 2018

A.K.Maz

A.K.Machher
Director
DIN: 02797592

Place: Mumbai
Date : May 03, 2018

Shree Nath Mishra
Chief Financial Officer

Place: Mumbai
Date : May 03, 2018

Sunita Narayan
Company Secretary

Place: Mumbai
Date : May 03, 2018

SINGHI & CO.
Chartered Accountants

UTKAL ALUMINA INTERNATIONAL LIMITED

Statement of Changes in Equity for the Year Ended March 31, 2018

All amounts in Rs. Crore, unless otherwise stated

A. Equity Share Capital

Balance as at the April 01, 2017	3,971.76
Change in the Equity Share Capital during the year on account of share issued	2,279.72
Balance as at the March 31, 2018	6,251.48

B. Other Equity

Particulars	Other Comprehensive Income	Retained Earnings / (Accumulated Deficit)	Capital Contribution by Holding Company [Refer Note '17']	Total
Balance as at the April 01, 2017	-	**(1,241.82)**	**74.41**	**(1,167.41)**
(a) Profit for the year	-	561.29	-	561.29
(b) Other comprehensive Income for the year	-	0.09	-	0.09
Total Comprehensive Income for the year (a+b)	-	**561.38**	-	**561.38**
Re-measurement gain on defined benefit obligation (net of tax)	0.09	-	-	0.09
Transfer from OCI to Retained Earnings	(0.09)	-	-	(0.09)
Share based payment expenses	-	-	*	*
Re-payment towards Share based payment expenses	-	-	(*)	(*)
Balance as at the March 31, 2018	-	**(680.44)**	**74.41**	**(606.03)**

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

Statement of Changes in Equity for the Year Ended March 31, 2017

A. Equity Share Capital

Balance as at the April 01, 2016	3,971.76
Change in the Equity Share Capital during the year on account of share issued	-
Balance as at the March 31, 2017	3,971.76

B. Other Equity

Particulars	Other Comprehensive Income	Retained Earnings / (Accumulated Deficit)	Capital Contribution by Holding Company [Refer Note '17']	Total
Balance as at the April 01, 2016	-	**(1,127.87)**	**74.55**	**(1,053.32)**
(a) Loss for the year	-	(114.18)	-	(114.18)
(b) Other comprehensive Income for the year	-	0.23	-	0.23
Total Comprehensive Income for the year (a+b)	-	**(113.95)**	-	**(113.95)**
Re-measurement gain on defined benefit obligation (net of tax)	0.23	-	-	0.23
Transfer from OCI to Retained Earnings	(0.23)	-	-	(0.23)
Share based payment expenses	-	-	0.03	0.03
Re-payment towards Share based payment expenses	-	-	(0.17)	(0.17)
Balance as at the March 31, 2017	-	**(1,241.82)**	**74.41**	**(1,167.41)**

The accompanying notes are integral part of the Statement of Changes in Equity

This is the Statement of Changes in Equity referred to in our report of even date.

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Rajiv Singh

Rajiv Singhi
Partner
Membership No. 53518

Place: Mumbai
Date : May 03, 2018

For and on behalf of the Board of Directors

S.K.Mishra
Director
DIN: 02544268

Place: Mumbai
Date : May 03, 2018

A.K.Machher
Director
DIN: 02797592

Place: Mumbai
Date : May 03, 2018

Shree Nath Mishra

Shree Nath Mishra
Chief Financial Officer

Place: Mumbai
Date : May 03, 2018

Sunita Narayan
Company Secretary

Place: Mumbai
Date : May 03, 2018

SINGHI & CO. * Chartered Accountants *

Company Overview

Utkal Alumina International Limited ("the Company") was incorporated in India in the year 1993 and has its registered office at J-6 Jaydev Vihar, Bhubaneswar, Odisha 751013. The Company is engaged in manufacturing of Alumina.

The financial statement are approved for issue by the Company's Board of Directors on May 03, 2018

1. Significant accounting policies

a. Basis of preparation

These financial Statements relate to Utkal Alumina International Limited. The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act ("the Act"), as notified under the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provision of the Act.

The Company has adopted all the applicable Ind AS effective from April 01, 2016 and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards, with April 01, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared under the historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value:

- Financial instruments - Measured at fair value;
- Plan assets under defined benefit plans - Measured at fair value; and
- Employee share-based payments - Measured at fair value

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 the financial statement is determined on such a basis, except for share-based payment transactions, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

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 Company 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.

The financial statements are presented in Indian Rupees which is the Functional Currency and all values are rounded to nearest crore (Rs. 10 million) with two decimal except when otherwise indicated.

b. Property, Plant and Equipment

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred.

The cost of Property, plant and equipment includes estimated restoration costs associated with the assets.

Capital work-in-progress

Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Depreciation

Depreciation is charged so as to write off the cost net of their estimated residual value, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Freehold land is not depreciated.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

Disposal of assets

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 net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Mining Reserves, Resources and Rights

Mineral reserves, resources and rights (together Mining rights) which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Exploitable mineral rights are amortised using the unit of production basis over the commercially recoverable reserves. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner. Commercially recoverable reserves are proved and probable reserves. Changes in the commercial recoverable reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Stripping Cost

The stripping cost incurred during the production phase of mines is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met.

- It is probable that the future economic benefits (improved access to ore body) associated with the stripping activity will flow to the entity
- The entity can identify the component of the ore body for which access has been improved , and
- The costs relating to the improved access to that component can be measured reliably

The stripping activity asset is subsequently amortised on a unit of production basis over the life of the identified component of the ore body. The expenditure which cannot be specifically identified to have been incurred to access ore is charged to revenue, based on stripping ratio as per the mining plan.

c. Intangible Assets

Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

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

d. Impairment

Impairment of tangible and intangible assets

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. Where 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.

Recoverable amount is the higher of fair value less costs to sell 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.

Alumina International Limited *

SINGHI & CO. * Chartered Accountants *

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 the statement of profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 the statement of profit and loss.

e. Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at their respective functional currency at the exchange rates prevailing at the date, the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measures at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

f. Provisions and contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is 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 balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

The amortisation or "unwinding" of the discount applied in establishing the provision is charged to the income statement in each accounting period. The amortisation of the discount is shown within "Finance items" in the Income Statement.

Restoration, rehabilitation and decommissioning

Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post closure. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, plant and equipment".

Environmental liabilities

Environment liabilities are recognised when the company becomes obliged, legally or constructively to rectify environmental damage or perform remediation work.

Litigation

Provision is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

g. Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessee under finance leases are recorded as receivables at the amount of net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

h. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads.

Utkal Alumina International Limited

Singhi & Co. Chartered Accountants

Cost is determined using the weighted average cost basis. The same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or below the cost.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

i. Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 18.

j. Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under Ind AS 32 Financial Instruments: Presentation). All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method

Debt instruments are measured at amortised cost if both of the following conditions are met:

• 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 meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees 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.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Utkal Alumina International Limited

Singhi & Co. Chartered Accountants

Financial assets at fair value through other comprehensive income (FVTOCI)

Debt instruments are measured at FVTOCI if both of the following conditions are met:

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling 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

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

A financial asset is held for trading if:

• it has been acquired principally for the purpose of selling it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or

• it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income 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; and the amount of the dividend can be measured reliably.

Financial assets at FVTPL

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss is included in the 'other income'/ 'other expenses'.

Income on debt instruments at FVTPL is included in the net gain or loss described above.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income 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; and the amount of the dividend can be measured reliably.

Impairment of financial assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the statement of profit and loss and does not reduce the carrying amount of the financial asset in the balance sheet.

Expected credit loss of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the 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 consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, 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. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Utkal Alumina International Limited

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

• it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

• it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

Utkal Alumina International Limited

Singhi & Co. Chartered Accountants

The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

k. Derivative Financial Instruments

The Company uses derivative financial instruments to hedge its risks associated with foreign exchange transactions arising from procurement of capital assets. The fair value of those derivative financial instruments is recognised as assets or liabilities at the balance sheet date. Such derivative instruments are used as risk management tools and not for speculative purposes.

For derivative financial instruments designated as Cash flow hedges and where the exposure gives rise to non-financial asset, the effective portion of fair value of such instruments are recognised in the Hedging Reserve Account and reclassified to the initial carrying amount of the non-financial asset as a 'basis adjustment'. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise.

If the hedge relationship ceases to be effective, hedge accounting is discontinued and fair value changes arising from such instruments are recognised in the Statement of Profit and Loss in the period in which they arise. If it becomes evident that a hedged transaction is no longer highly probable, hedge accounting is discontinued and fair value changes arising from those instruments are recognised in the Statement of Profit and Loss in the period in which they arise.

For derivative financial instruments that are not designated in a hedge relationship, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

l. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

m. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

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

n. Employee Benefits

Retirement benefit costs and termination benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. 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 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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected 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 will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and 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 the statement of profit and 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. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

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.

Utkal Alumina International Limited

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. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

o. Income Taxes

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

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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in India where the Company operates and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet 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 assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 assets and liabilities 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 balance sheet date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The entity recognizes a deferred tax asset arising from unused tax losses or tax credits only to the extent that it has sufficient taxable temporary differences, or there is other convincing evidence that sufficient taxable profit will be available against which the deferred tax asset can be utilised.

Current and deferred tax for the period

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

p. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

q. Revenue recognition

The Company derives revenue from sale of speciality alumina. The Company recognises revenue from sale of goods when the goods are delivered and titles have been passed at which time all the following conditions are satisfied:

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

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs.

Revenue excludes taxes and duties that are collected on behalf of Government Authorities.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Claim on insurance companies, railway authorities and others, where quantum of accruals cannot be ascertained with reasonably certainty, are accounted for on acceptance basis.

Interest Income:

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

r. Equity Share Based Payment

The Parent Company (Hindalco) issues equity-settled share-based payments linked to its equity shares to certain employees of the Company for the services received by the Company from its employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on estimate of equity instruments that will eventually vest with a corresponding credit to equity.

On a periodic basis, Hindalco recharges to the Company certain amount for the above share based payments which are adjusted from equity accordingly.

s. Financial Guarantee Contract

Financial guarantee contract provided to the lenders of the Company by its Parent Company is measured at their fair values and benefit of such financial guarantee is recognised to equity as a capital contribution from the parent.

t. Exceptional Item

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

2. Measurement of fair value

a. **Financial instruments** -The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.
b. **Marketable and non-marketable equity securities** - Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.
c. **Derivatives -** Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.
d. **Embedded derivatives** - Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the balance sheet and in the income statement.

3.1 Critical accounting judgment and key sources of estimation uncertainty

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

a. Impairment of non-current assets - Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. The Company has identified the entire plant as its CGU.

Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed over

Utkal Alumina International Limited

Chartered Accountants

the period of three years with projections thereafter. For calculating value in use, cash flows are generally increased by expected inflation.

b. **Employee retirement plans** – The Company provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

   Government bond yield is considered as discount rate. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost.

c. **Environmental liabilities and Asset Retirement Obligation (ARO)** – Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs.

d. **Taxes** – The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

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

f. **Useful lives of Property, Plant and Equipment and Intangible assets** - Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of IT equipment, software and other plant and equipment.

3.2 New Standards / Amendments to existing standards issued but not yet effective up to the date of issuance of the Company's Financial Statement are disclosed below :

a. **Ind AS 115-Revenue from Contracts with Customers**-The Ministry of Corporate Affairs (MCA) on March 28, 2018 has notified new Indian Accounting Standard as mentioned above .The new standard will come to into force from accounting period commencing on or after April 01, 2018. It replaces existing recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction contract. The standard is likely to affect the measurement, recognition and disclosure of revenue. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company except disclosure. The Company will adopt the Ind AS 115 on the required effective date.

b. **Ind AS 21, The Effect of Changes in Foreign Exchange Rates** - The amendments to Ind AS 21 addresses issue to determine the date of transactions for the purpose of determining the exchange rate to be used on initial recognition of related assets, expenses or income when entity has received or paid advances in foreign currencies by incorporating the same in Appendix B to Ind AS 21. The amendment will come into force from accounting period commencing on or after April 01, 2018. The Company has evaluated this amendment and impact of this amendment will not be material.

All amounts in Rs. Crore, unless otherwise stated

4 Property, Plant and Equipment

Assets	Useful lives in Years	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As at March 31, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at March 31, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold land		0.19	-	-	0.19	-	-	-	-	0.19	0.19
Leasehold land improvements	90	119.45	-	-	119.45	6.14	1.32	-	7.46	111.99	113.31
Buildings	3-60	1,767.95	13.57	-	1,781.52	203.85	62.83	-	266.68	1,514.84	1,564.10
Plant and Equipment	3-40	6,245.04	108.04	(0.32)	6,352.76	675.77	231.87	(0.03)	907.61	5,445.15	5,569.27
Vehicles	4-10	2.50	0.89	(0.22)	3.17	0.66	0.48	(0.07)	1.07	2.10	1.84
Furniture and Fixture	10	9.26	0.59	(0.06)	9.79	3.99	0.80	(0.05)	4.74	5.05	5.27
Office Equipment	3-6	4.21	0.78	(0.33)	4.66	3.59	0.48	(0.33)	3.74	0.92	0.62
Total [A]		**8,148.60**	**123.87**	**(0.93)**	**8,271.54**	**894.00**	**297.78**	**(0.48)**	**1,191.30**	**7,080.24**	**7,254.60**
Assets taken on Finance Lease	3	0.09	-	(0.09)	-	0.07	0.02	(0.09)	-	-	0.02
Total [B]		**8,148.69**	**123.87**	**(1.02)**	**8,271.54**	**894.07**	**297.80**	**(0.57)**	**1,191.30**	**7,080.24**	**7,254.62**

Assets	Useful lives in Years	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016
Freehold land		0.19	-	-	0.19	-	-	-	-	0.19	0.19
Leasehold land improvements	90	118.42	1.03	-	119.45	4.82	1.32	-	6.14	113.31	113.60
Buildings	3-60	1,742.10	25.85	-	1,767.95	141.01	62.84	-	203.85	1,564.10	1,601.09
Plant and Equipment	3-40	6,184.33	60.71	-	6,245.04	448.37	227.40	-	675.77	5,569.27	5,735.96
Vehicles	4-10	1.03	1.50	(0.03)	2.50	0.38	0.30	(0.02)	0.66	1.84	0.65
Furniture and Fixture	10	8.75	0.61	(0.10)	9.26	3.15	0.93	(0.09)	3.99	5.27	5.60
Office Equipment	3-6	4.36	0.04	(0.19)	4.21	3.34	0.44	(0.19)	3.59	0.62	1.02
Total [A]		**8,059.18**	**89.74**	**(0.32)**	**8,148.60**	**601.07**	**293.23**	**(0.30)**	**894.00**	**7,254.60**	**7,458.11**
Assets taken on Finance Lease	3	0.09	-	-	0.09	0.04	0.03	-	0.07	0.02	0.05
Total [B]		**8,059.27**	**89.74**	**(0.32)**	**8,148.69**	**601.11**	**293.26**	**(0.30)**	**894.07**	**7,254.62**	**7,458.16**

a. All the immovable properties, movable assets (including movable machinery, machinery spares, tools and accessories therein) both present and future (excluding assets taken on finance lease) are having first ranking pari passu charge / mortgage/ Security Interest against the Term Loan taken by the Company.

b. Assets taken on Finance Lease represents an office equipment where the Company is a lessee under a finance lease. Under the finance lease the Company has the option to acquire the leased asset on expiry of the lease term of 3 years by paying two month's rent.

c. The Company has contractual commitments for Capital expenditure [Refer note 42 B]

Utkal Alumina International Limited

SINGHI & CO.

All amounts in Rs. Crore, unless otherwise stated

Capital Work-in-Progress

	As at March 31, 2018	As at March 31, 2017
Carrying amount at the beginning of the year	136.95	82.56
Addition during the year	43.51	141.98
Capitalised during the year	(121.61)	(87.59)
Carrying amount at the end of the year	58.85	136.95

Capital Work-in-Progress as at March 31, 2018 and March 31, 2017 mainly comprises of plant and equipment for alumina refinery and residential township for employees of the Company.

5 Intangible Assets

Assets	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at March 31, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at March 31, 2017	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software	0.31	0.02	-	0.33	0.27	0.02	-	0.29	0.04	0.04
Mining Lease and Development Rights	50.69	42.56	-	93.25	12.43	0.99	-	13.42	79.83	38.26
Total	**51.00**	**42.58**	**-**	**93.58**	**12.70**	**1.01**	**-**	**13.71**	**79.87**	**38.30**

Assets	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at April 01, 2016	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016
Computer Software	0.28	0.03	-	0.31	0.25	0.02	-	0.27	0.04	0.03
Mining Lease and Development Rights	49.51	1.18	-	50.69	11.40	1.03	-	12.43	38.26	38.11
Total	**49.79**	**1.21**	**-**	**51.00**	**11.65**	**1.05**	**-**	**12.70**	**38.30**	**38.14**

a. Computer Software consists primarily of Software cost associated with an Enterprises Resources Planning (ERP Tool). Computer Software is amortized over their estimated useful life using straight line method which reflects the pattern in which the economic benefits are expected to be consumed and have a useful life of 5 years.

b. Mining lease and development rights represent contractual entitlements to certain tonnes of bauxite. The mining lease and development rights are amortised on a Unit-of-Production basis over the estimated remaining mining reserve.

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

6 Investment in Subsidiary

	As at March 31, 2018	As at March 31, 2017
Long-Term Trade and Unquoted Investments in Equity Instruments (Valued at Cost)		
Investment in Subsidiary [Refer note '15 a']		
Utkal Alumina Technical and General Services Limited		
50,000 (As at March 31, 2017 : 50,000) Equity Shares of Rs.10 each	-	0.05
	-	**0.05**

7 Loans

(i) Loans : Non-Current

Unsecured, Considered Good

	As at March 31, 2018	As at March 31, 2017
Loans to Employees [Refer note 'a' below]	0.27	0.35
	0.27	**0.35**

(ii) Loans : Current

Unsecured, Considered Good

	As at March 31, 2018	As at March 31, 2017
Loans to Employees [Refer note 'a' below]	0.44	0.31
	0.44	**0.31**

a. Loans to employees mainly includes vehicle loans.

8 Other Financial Assets

(i) Other Financial Assets : Non-Current

	As at March 31, 2018	As at March 31, 2017
Security Deposits [Refer note 'a' below]	2.69	2.64
Term Deposit with more than 12 months maturity [Refer note 'b' below']	0.01	0.92
	2.70	**3.56**

(ii) Other Financial Assets : Current

	As at March 31, 2018	As at March 31, 2017
Accrued Interest	0.84	0.03
Security Deposits [Refer note 'a' below]	0.43	0.44
Other Receivables	0.03	*
	1.30	**0.47**

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

a. Security deposits mainly includes utility deposits. These deposits are without any fixed period of maturity and are held for purposes other than financing.

b. The term deposits are held as lien with Harabhanghi Irrigation Division/Deputy Director of Mines.

9 Deferred Tax Assets

	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets	1,488.82	1,387.34
Deferred Tax Liabilities	1,206.22	959.23
Net Deferred Tax Assets [Refer note '33 d']	**282.60**	**428.11**
Net Deferred Tax Assets Recognised	-	-

a. Company is having deferred tax liabilities amounting to Rs. 1,206.22 Crore (Rs. 959.23 Crore as at March 31, 2017) in respect of temporary differences arising mainly on account of depreciation which are fully adjusted against deferred tax assets arising mainly on account of business losses and unabsorbed depreciation. In accordance with its accounting policy, balance deferred tax assets amounting to Rs. 282.60 Crore (Rs. 428.11 Crore as at March 31, 2017) have not been recognized in the financial statements.

Non-Current Tax Assets

Non-Current Tax Assets are Rs. 3.08 Crore (As at March 31, 2017 : Rs. 4.75 Crore) which are net of provisions of Rs. 18.28 Crore (As at March 31, 2017: Rs. 0.41 Crore).

b. The Company has not recognised MAT Credit Entitlement of Rs. 18.22 Crore during the year ended March 31, 2018 as there is no convincing evidence that sufficient taxable profit will be available to recover the MAT credit.

Utkal Alumina International Limited

Singhi & Co. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

10 Other Assets

	As at March 31, 2018	As at March 31, 2017
(i) Other Non-Current Assets		
Capital Advances	8.13	2.13
Advances to Suppliers	20.35	24.64
Prepaid Rent on Leasehold land	78.77	79.32
Prepaid Expenses	5.33	8.38
	112.58	**114.47**
(ii) Other Current Assets		
Advances to Suppliers	48.66	13.74
Prepaid Rent on Leasehold Land	1.11	1.10
Prepaid Expenses	8.12	8.42
Export and other Incentives	0.17	0.78
Balance with Excise, Customs and Sales Tax Authorities	6.43	25.17
Gratuity Fund Balance (net) [Refer note '48 II']	1.82	-
Others [Refer note 'a' below]	1.15	-
	67.46	**49.21**

a. Includes Rs. 1.00 Crore remaining unadjusted against future liability of Cess payable to District Mineral Fund. [Refer note '32']

11 Inventories

	As at March 31, 2018			As at March 31, 2017		
	In Hand	**In Transit**	**Total**	**In Hand**	**In Transit**	**Total**
Stores and Spares [Refer note 'b' below]	59.76	1.60	61.36	66.73	1.35	68.08
Packing Material	0.20	-	0.20	1.14	-	1.14
Raw Materials [Refer note 'c' below]	46.17	47.30	93.47	34.48	15.97	50.45
Coal and Fuel	44.56	17.00	61.56	41.16	19.29	60.45
Work-in-Progress	221.44	-	221.44	203.01	-	203.01
Finished Goods	6.34	-	6.34	7.09	-	7.09
	378.47	**65.90**	**444.37**	**353.61**	**36.61**	**390.22**

a. Entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and stock-in trade pertaining to the company's business, both present and future are having first ranking pari passu charge / mortgage/ Security Interest against the Cash Credit facilities availed by the Company.

b. During the year ending March 31, 2018, the Company has made provision of Rs. 4.63 Crore towards slow moving spares. Due to this adjustment, the inventory of stores and Spares as at March 31, 2018 has reduced by Rs. 4.63 Crore with corresponding increase in 'Consumption of Stores and Spares' in the Statement of Profit and Loss for the year.

c. The Company has re-classified the carrying amount of Caustic Soda in Process from Raw Material Inventory to Work-in-Progress as at April 01, 2016 and March 31, 2017 by Rs. 58.83 Crore and Rs. 63.28 Crore respectively. Due to the above adjustment, there is increase in 'Cost of material consumed' by Rs. 4.45 Crore and decrease in 'Changes in Inventories of Finished Goods and Work-in-Progress' by Rs. 4.45 Crore. However, there is no impact on the profit and loss due to the adjustment.

12 Trade Receivables

Unsecured, Considered Good

	As at March 31, 2018	As at March 31, 2017
Receivables from related parties [Refer note '34']	405.02	207.10
Others	-	69.56
	405.02	**276.66**

a. As per management assessment, no provision is made for expected credit loss due to low credit risk of receivables. Further management has also considered past experience of losses on receivables. The Company has not recognised provision for doubtful receivables in any of the previous years.

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

13 Cash and Cash Equivalents

	As at March 31, 2018	As at March 31, 2017
Cash on hand	-	-
Balances with Banks		
-In current accounts	0.29	2.05
Deposits with initial maturity of less than 3 months	100.00	-
Liquid Investments in Mutual Funds	66.87	-
	167.16	**2.05**

a. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

14 Bank Balances other than Cash and Cash Equivalents

	As at March 31, 2018	As at March 31, 2017
Term Deposits with less than 12 months maturity [Refer Note 'a' below]	0.91	0.01
	0.91	**0.01**

a. The term deposits are held as lien with Harabhanghi Irrigation Division/Deputy Director of Mines.

15 Non-current assets held for distribution to owners

	As at March 31, 2018	As at March 31, 2017
Non-current assets held for distribution to owners [Refer note 'a' below]	-	-
	-	-

a. The de-registration application for Utkal Alumina Technical and General Services Limited, the wholly owned subsidiary of the Company (UATGSL) has been filed which is pending with regulator. Accordingly, investment in UATGSL has been classified as Non-current assets held for distribution to owner. This is measured at the lower of its carrying amount and fair value less costs to distribute.

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

16 Equity Share Capital

	As at March 31, 2018	As at March 31, 2017
Authorized Share Capital #		
7,470,000,000 (As at March 31, 2017 : 4,970,000,000) equity shares of Rs. 10 each	7,470.00	4,970.00
30,000,000 (As at March 31, 2017 : 30,000,000) preference shares of Rs. 10 each	30.00	30.00
	7,500.00	5,000.00
Issued, Subscribed and Paid up Share Capital		
6,251,482,818 (As at March 31, 2017 : 3,971,764,068) equity shares of Rs. 10 each fully paid up	6,251.48	3,971.76
	6,251.48	3,971.76

The Company has increased the authorised equity share capital to Rs. 7,470 Crore divided into 7,470,000,000 equity shares of Rs. 10 each in the extra ordinary general meeting held on June 05, 2017 as compared to Rs. 4,970 Crore divided into 4,970,000,000 equity shares of Rs. 10 each

a. **Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting year :-**

	As at March 31, 2018		As at March 31, 2017	
	Nos.	Rs. in Crore	Nos.	Rs. in Crore
At the beginning of the year	3,971,764,068	3,971.76	3,971,764,068	3,971.76
Issued during the year [Refer note 'd' below]	2,279,718,750	2,279.72	-	-
Outstanding at the end of the year	6,251,482,818	6,251.48	3,971,764,068	3,971.76

b. **Terms and rights attached to equity shares:-**
The Company has one class of equity shares having a par value of Rs. 10 per share. Every shareholder is eligible to one vote per each share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share.

c. **Details of shareholders more than 5% of the aggregate shares in the Company and shares held by Holding Company:-**
Entire issued, subscribed and paid up equity shares are held by Hindalco Industries Limited, the Company, and its nominees.

d. The Company has issued 893,737,500 Equity shares and 1,385,981,250 Equity shares of Rs. 10 each to its parent Company, Hindalco Industries Limited on July 14, 2017 and August 30, 2017 respectively. The funds raised by issuance of the equity shares have been utilised for the purpose of voluntary pre-payment of term loan with banks.

17 Other Equity

	As at March 31, 2018	As at March 31, 2017
Retained Earnings / (Accumulated Deficit) [Refer note 'a' below']	(680.44)	(1,241.82)
Capital Contribution from Holding Company [Refer note 'b' below']	74.41	74.41
	(606.03)	(1,167.41)

a. **Retained Earnings / (Accumulated Deficit)**

	As at March 31, 2018	As at March 31, 2017
Opening Balance	(1,241.82)	(1,127.87)
Net profit / (loss) for the year	561.29	(114.18)
Items of Other Comprehensive Income recognised in Retained Earnings for the year		
-Re-measurement Gain on defined benefit obligation	0.09	0.23
Closing Balance	(680.44)	(1,241.82)

b. **Capital Contribution from Holding Company #**

Opening Balance	74.41	74.55
Share based payment expenses	*	0.03
Re-payment towards Share based payment expenses	(*)	(0.17)
Closing Balance	74.41	74.41

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

c. **Other Comprehensive Income**

Opening Balance	-	-
Re-measurement gain on defined benefit obligation (net of tax)	0.09	0.23
Transfer to Retained Earnings	(0.09)	(0.23)
Closing Balance	-	-

The Holding Company, Hindalco Industries Limited awards its shares to certain employees of the Company as per its equity settled shared based payment scheme for which it recharges the Company.

Capital Contribution from Holding Company includes Rs. 74.41 Crore (As at March 31, 2017 Rs. 74.41 Crore) which represents the fair value benefit of the financial guarantee benefit provided by the Holding Company in respect of the Term Loan availed by the Company.

Utkal Alumina International Limited

Singhi & Co. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

18 Borrowings
(i) Non-Current

	Maturity Date	Non-Current Portion	Current Maturities*	As at March 31, 2018 Total
Secured, at Amortised Cost				
Term Loans				
From Banks [Refer note 'a' below']	September 30, 2030	2,348.48	-	2,348.48
Finance Lease Obligation		-	-	-
		2,348.48	**-**	**2,348.48**

	Maturity Date	Non-Current Portion	Current Maturities*	As at March 31, 2017 Total
Secured, at Amortised Cost				
Term Loans				
From Banks [Refer note 'a' below']	September 30, 2030	4,597.15	43.08	4,640.23
Finance Lease Obligation		-	0.03	0.03
		4,597.15	**43.11**	**4,640.26**

* Current maturities of non-current borrowings have been disclosed under "Other Financial Liabilities-Current".

Term loan from banks comprises the following:

	Rate of Interest	As at March 31, 2018		As at March 31, 2017	
		Gross	Carrying Value	Gross	Carrying Value
Axis Bank	SBI MCLR (3 Months)+10 bps/ Axis Bank MCLR	635.25	615.75	1,191.85	1,173.16
State Bank of India	SBI MCLR (3 Months) +10 bps	1,436.25	1,391.15	2,829.41	2,783.53
State Bank of India	SBI MCLR (3 Months) +10 bps	352.50	341.58	694.43	683.54
		2,424.00	**2,348.48**	**4,715.69**	**4,640.23**

a. The loan is secured by (a) first ranking pari passu mortgage/ Security Interest in respect of all the immovable properties (excluding the forest land and land surrendered for rehabilitation and resettlement colony) (b) first ranking charge on movable assets (including movable machinery, machinery spares, tools and accessories) both present and future, pertaining to the project (c) second charge on the current assets of the Company (excluding cash, cash equivalents and investments) both present and future. (d) corporate guarantee of Hindalco Industries Limited, the Holding Company.

Term Loans are repayable in 60 quarterly instalments as per the agreed repayment schedule commenced from December 31, 2015. During the year ended March 31, 2018, the Company has voluntarily prepaid all repayment instalments falling due from September 30, 2017 to September 30, 2025 in case of State Bank of India amounting to Rs. 1,726.14 Crore and all instalments upto June 30, 2025 in case of Axis Bank amounting to Rs. 553.58 Crore in the month of July 2017 and August 2017. The balance principal would be paid as per earlier repayment schedule in quarterly instalments upto September 30, 2030.

18 Borrowings
(ii) Current

	Coupon Interest Rate	As at March 31, 2018	As at March 31, 2017
Secured, at Amortised Cost			
From Banks			
Cash Credit repayable on demand (Refer Note 'a' below)	[Refer note 'a' below']	12.18	174.34
		12.18	**174.34**
Unsecured			
From Banks			
Packing Credit [Refer note 'b' below']	2 Months Libor+55 bps	-	64.86
Working Capital Loan Repayable on Demand	7.95%-8.05%	-	150.00
		-	**214.86**
		12.18	**389.20**

a. Cash Credit facilities with banks are repayable on demand and carries floating interest rate at MCLR (ranging from 3 months to one year) + Spread (ranging from 25 bps to 55 bps). The Working capital demand loan carries floating interest rate at MCLR. The facilities are availed under the consortium lending arrangement and are secured by (a) first pari-passu charge by hypothecation of investments classified as "held for trading", entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares, investments classified as "available for sale", stock-in trade and book debts pertaining to the company's business, both present and future and (b) second charge on the fixed assets of the Company.

b. Packing Credit facilities are repayable in single term at the end of maturity.

All amounts in Rs. Crore, unless otherwise stated

19 Provisions

	As at March 31, 2018	As at March 31, 2017
(i) Non-Current portion of Provisions		
Asset Retirement Obligation for Redmud pond and Ash pond [Refer note 'a' and 'b' below]	8.73	8.10
Environmental Restoration (Greenbelt) [Refer note 'b' below]	2.53	2.90
Rehabilitation Cost relating to Mines [Refer note 'b' below]	28.93	24.89
	40.19	**35.89**

	As at March 31, 2018	As at March 31, 2017
(ii) Current portion of Provisions		
Employee Benefits		
Leave entitlement [Refer note '48 III']	4.58	4.98
Others		
Environmental Restoration (Greenbelt) [Refer note 'b' below]	0.24	0.10
Rehabilitation Cost relating to Mines [Refer note 'b' below]	3.55	4.75
Other Provisions [Refer note 'b' below]	0.67	-
	9.04	**9.83**

a. Rs. 8.08 Crore (As at March 31, 2017 : Rs. 7.50 Crore) is towards Asset retirement obligation of Red mud pond and Rs. 0.65 Crore (As at March 31, 2017 : Rs. 0.60 Crore) towards Asset retirement obligation of Ash pond.

b. The Company provides for the estimated provision required to rehabilitate quarries and mines developed, restore the red mud pond and ash pond area and towards environmental restoration obligations for developing green belt adjacent to refinery and mining area. The provision is provided based on the discounted net present value. Movement in provision during the year is as below:

	Environmental Restoration (Greenbelt)	Asset Retirement Obligation for Redmud pond and Ash pond	Rehabilitation Cost relating to Mines	Other Provisions
As at April 01, 2017	3.00	8.10	29.64	-
Arising during the year	0.10	-	3.88	0.67
Utilized during the year	(0.56)	-	(1.89)	-
Unwinding of discount during the year	0.23	0.63	0.85	-
As at March 31, 2018	**2.77**	**8.73**	**32.48**	**0.67**
Current	0.24	-	3.55	0.67
Non-Current	2.53	8.73	28.93	-
	2.77	**8.73**	**32.48**	**0.67**
As at April 01, 2016	2.95	7.51	26.64	-
Arising during the year	-	-	1.18	-
Utilized during the year	(0.18)	-	(0.26)	-
Unwinding of discount during the year	0.23	0.59	2.08	-
As at March 31, 2017	**3.00**	**8.10**	**29.64**	**-**
Current	0.10	-	4.75	-
Non-Current	2.90	8.10	24.89	-
	3.00	**8.10**	**29.64**	**-**

20 Trade and other Payables

	As at March 31, 2018	As at March 31, 2017
Trade Payables	186.12	158.47
Accrued Payroll	6.17	5.55
	192.29	**164.02**

All amounts in Rs. Crore, unless otherwise stated

21 Other Financial Liabilities

Other Financial Liabilities : Current

	As at March 31, 2018	As at March 31, 2017
Capital Creditors [Refer note 'a' below']	77.98	142.20
Current maturities of Long-Term Borrowings [Refer note '18']	-	43.08
Current maturities of Finance Lease Obligations [Refer note '18']	-	0.03
Interest accrued but not due on borrowings	16.42	28.92
Debentures [Refer note 'b' below']	3.00	3.00
Dues payable to related parties [Refer note '34']	0.07	0.23
Derivative Liability [Refer note '47']	0.51	-
Other	0.03	0.03
	98.01	**217.49**

a. Capital creditors includes an amount of Rs. 20 Crore payable to Orissa Mining Corporation Limited (OMCL) pursuant to an agreement dated October 1, 2007 and subsequent addendum dated January 31, 2011 (' The agreement'). Pursuant to the above agreement, the Company has agreed to issue 15% Fully Convertible Cumulative Preference Shares amounting to Rs. 20 Crore with face value of Rs. 10 each at par in consideration for transfer of prospecting license, mining leases and all rights thereto, rendering of related technical services etc. by OMCL. These preference shares are redeemable to the extent the same are not converted to equity shares. Pending issuance of such Preference Shares, the obligation is recognized and included as a part of capital creditors.

b. In terms of Debenture Subscription Agreement between the Company and Orissa Mining Corporation Limited ('OMCL'), the Company issued during the Year ended December 31, 2017, a Zero Coupon Unsecured Redeemable Non-Convertible Debentures of Rs. 3 Crore to OMCL towards its obligation to pay OMCL an amount equivalent to 15% per annum on Rs. 20 Crore as return up to March 31, 2018 which is due for redemption at par on September 30, 2018.

22 Other Current Liabilities

	As at March 31, 2018	As at March 31, 2017
Statutory Dues Payable	78.44	53.93
Advance from Customers	0.09	0.07
Other Liabilities	0.08	0.05
	78.61	**54.05**

All amounts in Rs. Crore, unless otherwise stated

23 Revenue from Operations

	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of Products (including excise duty)	2,862.69	2,368.90
Other Operating Revenues	0.68	5.91
	2,863.37	2,374.81

24 Other Income

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income [Refer note 'a' below']	4.10	3.48
Profit on Fixed Assets sold/ discarded (Net)	-	0.02
Gain on sale of Current Investments (Net)	0.62	-
Fair value gain on Liquid Investments	0.25	-
Gain on foreign currency transactions and translation (Net)	1.44	1.57
Miscellaneous Income [Refer note 'b' below']	16.18	2.70
	22.59	7.77

a. Includes Rs. 2.80 Crore (Previous year : Rs. 3.06 Crore) towards interest income earned on advances to supplier, Rs. 0.39 Crore (Previous year : Rs. 0.22 Crore) towards interest income on security deposits, Rs. 0.76 Crore (Previous year : Rs. 0.08 Crore) towards interest income on term deposits and Rs. 0.15 Crore (Previous Year : Rs. 0.12 Crore) towards interest received from Income Tax Department.

b. Due to favourable reduction in spread related to the interest on Term Loan from Banks, the Company has evaluated the impact and accordingly recognised gain of Rs. 12.58 Crore (Previous Year : Rs. Nil) towards difference between the present value of restructured debt and carrying amount of the existing debt.
Further Miscellaneous income includes rental income of Rs. 0.04 Crore (Previous Year : Rs. 0.03 Crore).

25 Cost of Materials Consumed

	Year Ended March 31, 2018	Year Ended March 31, 2017
Raw Material Consumed		
Caustic Soda [Refer note '11 c']	372.82	294.92
Lime	18.52	23.03
Others	13.27	13.68
Packing Material Consumed	1.16	3.45
	405.77	335.08

26 Changes in Inventories of Finished Goods and Work-in-Progress

	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening Inventories		
Work-In-Progress [Refer note '11 c']	203.01	164.98
Finished Goods	7.09	47.98
Total	210.10	212.96
Closing Inventories		
Work-In-Progress [Refer note '11 c']	221.44	203.01
Finished Goods	6.34	7.09
Total	227.78	210.10
(Increase) / Decrease in Inventory	(17.68)	2.86
Add: Decrease of Excise Duty on Inventories	(0.82)	(5.88)
	(18.50)	(3.02)

Utkal Alumina International Limited

Singhi & Co. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

27 Employee Benefit Expense

	Year Ended	
	March 31, 2018	March 31, 2017
Salaries and Bonus	49.54	48.01
Contribution to Provident and other Funds [Refer note '48 I']	2.57	2.38
Gratuity [Refer note '48 II']	0.89	0.97
Employee Share based payment expenses [Refer note 'a' below']	*	0.03
Staff Welfare expenses	4.44	3.74
	57.44	**55.13**

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

a. Certain employees of the Company have been granted Employee Stock Options of Hindalco Industries Limited, the Holding Company in earlier years and towards the same, the Holding Company has charged the Company.

28 Power and Fuel

	Year Ended	
	March 31, 2018	March 31, 2017
Power and Fuel	632.77	547.49
	632.77	**547.49**

29 Finance Cost

	Year Ended	
	March 31, 2018	March 31, 2017
Interest Expense [Refer note 'a' below']	305.62	483.16
Finance charges paid on Finance Lease	*	*
Unwinding of Discount on Provisions [Refer note '19']	1.71	2.90
Net Loss on foreign exchange transactions and translations [Refer note 'b' below']	0.08	1.00
Other Finance Cost [Refer note 'c' below']	12.63	4.83
	320.04	**491.89**

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

a. Includes Rs. 292.48 Crore (Previous Year : Rs. 458.01 Crore) towards interest on Term Loan from Banks, Rs. 10.11 Crore (Previous Year : Rs. 22.05 Crore) towards interest on Short-term Borrowings and Rs. 3.03 Crore (Previous Year : Rs. 3.10 Crore) towards other interest expenses.

b. Represents the net exchange differences arising on Packing Credit facilities availed during the year in foreign currency to the extent considered as an adjustment to the interest cost.

c. Includes Rs. 7.98 Crore (Previous Year : Rs. 0.63 Crore) towards amortisation of debt issuance cost incurred towards availment of term loan and Rs. 4.54 Crore (Previous Year : Rs. 4.16 Crore) towards amortisation of fair value benefit of the financial guarantee benefit provided by the Holding Company in respect of the Term Loan availed by the Company.

30 Depreciation and Amortisation

	Year Ended	
	March 31, 2018	March 31, 2017
Depreciation on Property, Plant and Equipment	297.80	293.26
Amortisation on Intangible Assets	1.01	1.05
	298.81	**294.31**

Utkal Alumina International Limited

Singhi & Co. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

31 Other Expense

	Year Ended March 31, 2018	Year Ended March 31, 2017
Mining Expenses	147.28	135.49
Explosive Cost	8.39	8.08
Royalty	102.17	104.38
	257.84	247.95
Consumption of Stores and Spares [Refer note '11 b']	68.69	57.43
Repair and Maintenance-Plant and Equipment	90.51	85.52
Repair and Maintenance-Others [Refer note 'a' below]	24.58	21.42
Rates and Taxes	5.38	4.80
Operating Lease payments (including Rent) [Refer note '36']	3.19	2.73
Insurance charges	6.95	8.66
Payment to Auditors [Refer note 'b' below]	0.49	0.66
Freight and Forwarding Expenses	1.44	25.26
Legal, Professional and Consultancy Fees	5.26	3.98
Travelling and conveyance	9.20	8.69
Expenditure on Corporate social responsibility activities [Refer note 'c' below]	7.31	6.69
Directors' Fees	0.03	0.02
Loss on Fixed Assets sold/ discarded (Net)	0.36	-
Loss on Change in Fair Value of Derivatives (Net)	0.51	*
Security Expenses	9.23	7.29
Impairment in value of non-current assets held for distribution [Refer note '15 a']	0.05	-
Miscellaneous Expenses	70.23	71.77
	561.25	**552.87**

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

a. Includes Rs. 1.49 Crore [Previous year : Rs. 2.03 Crore] incurred towards repairs and maintenance of building.

b. Payment to Auditors

	March 31, 2018	March 31, 2017
Statutory Auditors		
Statutory Audit fees	0.33	0.45
Tax Audit fees	0.05	0.06
Other services*	0.08	0.13
Reimbursement of expense	0.02	0.01
Cost Audit Fees and Expenses	0.01	0.01
	0.49	**0.66**

** Includes Rs. 0.03 Crore paid to erstwhile statutory auditors*

c. Considering the fact that the Company has incurred losses in each of the preceding three financial years, it is not required to incur expenditure towards corporate social responsibility as required under Section 135 of the Companies Act, 2013.

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

32 Exceptional Income

Based on the amendment in The Mines and Minerals (Development and Regulation) Act, 1957, the Company has paid Cess to District Mineral Fund ("DMF") amounting to Rs. 56.58 Crore for the period from January 12, 2015 to August 31, 2017. However, as per the order of Honourable Supreme Court of India, the liability shall be from September 17, 2015 onwards and not retrospectively from January 12, 2015. Accordingly, the excess amount paid to DMF and charged as expense to Statement of Profit and Loss for the period from January 12, 2015 to September 16, 2015 aggregating to Rs 11.44 Crore has been recognised as Exceptional income. Further as per the order of Honourable Supreme Court, the said excess payment will be adjusted with future liability.
As at March 31, 2018, out of Rs. 11.44 Crore, Rs. 10.44 Crore is adjusted towards with the liability arising during the year and the balance Rs. 1.00 Crore will be adjusted with future liability.

33 Income Tax

	As at March 31, 2018	As at March 31, 2017
a. Income tax expenses recognised in Statement of Profit and Loss		
Current Tax	18.22	-
Deferred Tax	-	-
	18.22	-
b. Reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported In statement of comprehensive income		
Income from continued operations before income taxes	**579.51**	**(114.18)**
Indian Statutory Income Tax Rate*	**34.61%**	**34.61%**
Estimated income tax expenses	**200.56**	**(39.52)**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income Tax adjusted with brought forward Loss	(201.54)	-
Tax Assets for the year not recognised	-	36.98
Tax payable at different rate	(0.09)	-
Tax payable at MAT	18.22	-
Expenses not deductible in determining taxable profit	2.71	2.54
Other adjustments	(1.64)	-
	(182.34)	**39.52**
Income Tax expense recognised in Profit and Loss	**18.22**	-

* Applicable Indian Statutory Income Tax rate for Fiscal 2018 and Fiscal 2017 is 34.608%. However, the Company is required to pay tax u/s 115JB of Income Tax Act 1961.

	As at March 31, 2018	As at March 31, 2017
c. Income Tax expense recognised in Other Comprehensive Income		
Re-measurement gain on defined benefit obligation	0.04	-
	0.04	-
d. Deferred tax assets/(liabilities) arise from:		
Deferred income tax assets		
Provision for Employee benefits	1.60	1.54
Other Timing Differences	4.45	3.43
Carried forward Business loses and Unabsorbed depreciation	1,482.77	1,382.37
	1,488.82	**1,387.34**
Deferred income tax liabilities		
Depreciation and Amortization	1,201.73	956.79
Fair value measurements of financial instruments	0.13	-
Others	4.36	2.44
	1,206.22	**959.23**

All amounts in Rs. Crore, unless otherwise stated

e. **Movement in Deferred tax assets and liabilities**

	As at March 31,2017	Restatement Of Opening Liability*	Recognised in statement of Profit and loss	As at March 31,2018
Deferred Income tax assets (A)				
Provision for Employee benefits	1.54	0.20	(0.14)	1.60
Other Timing Differences	3.43	0.45	0.57	4.45
Carried forward Business loses and Unabsorbed depreciation	1,382.37	180.92	(80.52)	1,482.77
	1,387.34	**181.57**	**(80.09)**	**1,488.82**
Deferred Income tax Liability (B)				
Depreciation and Amortization	956.79	125.22	119.72	1,201.73
Fair value measurements of financial instruments	-	-	0.13	0.13
Others	2.44	0.32	1.60	4.36
	959.23	**125.54**	**121.45**	**1,206.22**
Net Deferred Tax assets (A-B)	**428.11**	**56.03**	**(201.54)**	**282.60**

	As at March 31,2016	Restatement Of Opening Liability	Recognised in statement of Profit and loss	As at March 31,2017
Deferred Income tax assets (A)				
Provision for Employee benefits	1.63	-	(0.09)	1.54
Other Timing Differences	2.25	-	1.18	3.43
Carried forward Business loses and Unabsorbed depreciation	1,230.40	-	151.97	1,382.37
	1,234.28	**-**	**153.06**	**1,387.34**
Deferred Income tax Liability (B)				
Depreciation and Amortization	860.29	-	96.50	956.79
Fair value measurements of financial instruments	-	-	-	-
Others	2.63	-	(0.19)	2.44
	862.92	**-**	**96.31**	**959.23**
Net Deferred Tax assets (A-B)	**371.36**	**-**	**56.74**	**428.11**

* Represents impact of reinstatement of opening tax asset/liability at tax rate of 34.944% against previously recognised tax rate of 30.90%

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

34 Related Party Transactions

(A) **Holding Company**

The Company is controlled by the following entity:

Name	Principal Activity	Place of Incorporation	Ownership Interest %	
			As at March 31, 2018	As at March 31, 2017
Hindalco Industries Limited	Manufacturing of Aluminium and Copper products	India	100%	100%

(B) **Subsidiary**

Name	Principal Activity	Place of Incorporation	Ownership Interest %	
			As at March 31, 2018	As at March 31, 2017
Utkal Alumina Technical and General Services Limited [Refer Note '15']	Business Auxiliary	India	100%	100%

(C) **Other Related Party**

Name	Principal Activity	Place of Incorporation
UAIL Employees Gratuity Fund	Gratuity benefit plan	India

(D) **Key management personnel**	
	Mr. N. Nagesh (Chief Executive Officer w.e.f. August 01, 2016) Mr. Madhukar Manilal Bhagat (Non-Executive Director) Mr. Bharat Bhushan Jha (Non-Executive Director) Mrs. Pragnya Ram (Non-Executive Director) Mr. Surya Kanta Mishra (Non-Executive Director) Mr. A K. Machher (Non-Executive Director) Mr. Jagdish Khattar (Non-Executive Director, resigned w.e.f. March 30, 2018) Mr. Vijay Sapra (Whole Time Director and Chief Executive Officer upto July 31, 2016) Mr. Rabindra Mishra (Non-Executive Director upto April 06, 2017)

Managerial remuneration to Key management personnel :

	Year Ended March 31, 2018	Year Ended March 31, 2017
Short-term employee benefits	1.01	1.33
Post-employment benefits	0.04	1.14
Long-term employee benefits	0.04	0.04
Professional Fees	1.68	-
Sitting fees paid	0.03	0.02
	2.80	**2.53**

(E) The following transactions were carried out during the period with the related parties

I. **Holding Company**	Year Ended March 31, 2018	Year ended March 31, 2017
Purchase of Goods	0.11	0.69
Sale of Goods (including excise duty**)	2,845.98	2,033.98
Re-imbursement of expenses to the Company (including taxes***)	198.77	168.40
Share based payment expenses [Refer note '27']	*	0.03
Inter-Corporate Deposits Received	100.00	740.00
Repayment of Inter-Corporate Deposits	(100.00)	(740.00)
Interest paid on Inter-Corporate Deposits	1.63	10.42
Issuance of Equity Shares	2,279.72	-
Rental of Fixed Assets	0.59	-
Purchase of Fixed Assets	0.01	-
Sale of Fixed Assets	*	-
Corporate Guarantee cancelled	-	(26.88)

II. **UAIL Employees Gratuity Fund**

Contribution made	2.58	1.49

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

** Excise duty amounting to Rs. 60.65 Crore for the year ended March 31, 2018 (Rs. 221.60 Crore for the year ended March 31, 2017)

*** Includes Rs. 22.57 Crore for the period ended March 31, 2018 (Rs. 21.96 Crore for the year ended March 31, 2017) towards taxes.

As there were no transactions with other parties, no disclosure has been made

Utkal Alumina International Limited

All amounts in Rs. Crore, unless otherwise stated

(F) The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Holding Company	As at March 31, 2018	As at March 31, 2017
Receivable against sale of goods	405.02	207.10
Other Payable	0.07	0.23
Payable against procurement of services	0.19	-
Capital Contribution from Parent Company [Refer note '17']	74.41	74.41
Corporate Guarantee	4,852.50	4,852.50

As there were no balances outstanding against transactions with other parties, no disclosure has been made

Terms and Conditions:
The above stated balances of financial assets and liabilities are unsecured and to be settled in cash

35 Earnings/ (Loss) Per Share (Basic and Diluted)

	Year Ended March 31, 2018	March 31, 2017
Profit / (Loss) after tax as per the Statement of Profit and Loss (Rs. in Crore)	561.29	(114.18)
Weighted Average number of Equity shares outstanding	5,42,34,50,301	3,97,17,64,068
Earnings/ (Loss) per share (Basic and Diluted) (in Rupees)	1.03	(0.29)
Nominal value of an Equity Share (in Rupees)	10	10

36 The Company has entered into various leasing arrangements for office, leasehold land, residential premises, machineries and godowns which includes both cancellable and non-cancellable leases.

	Year Ended March 31, 2018	March 31, 2017
With respect to all operating leases:		
Minimum Lease payments recognised in the Statement of Profit and Loss during the year [Refer note '31']	3.19	2.73
	3.19	**2.73**

Non-cancellable operating leases for leasehold land have no future minimum lease payment commitment as the Company has made upfront payment of lease rentals. Apart from that there are no other commitment for future minimum lease payment.

37 The Company has entered into a finance lease arrangement for office equipment. Future minimum lease payments under finance lease and the present value of the net minimum lease payments are as follows:-

	Minimum Lease Payments	Present Value of Minimum Lease Payment
	As at March 31, 2018	
Within One Year	-	-
After One Year but not more than Five Years	-	-
More than Five Years	-	-
Total Minimum Lease Payments	-	-
Less: Finance Charges	-	-
Present Value of Minimum Lease Payments	-	-
	As at March 31, 2017	
Within One Year	0.04	0.03
After One Year but not more than Five Years	-	-
More than Five Years	-	-
Total minimum Lease Payments	0.04	0.03
Less: Finance Charges	(0.01)	-
Present Value of Minimum Lease Payments	**0.03**	**0.03**

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

38 The carrying value of Financial Instruments by category:

	As at March 31, 2018		As at March 31, 2017	
Financial Assets	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**
Investment in Equity Instruments	-	-	0.05	-
Loans	0.71	-	0.66	-
Trade Receivables	405.02	-	276.66	-
Cash and Cash Equivalents	100.29	66.87	2.05	-
Bank Balances other than Cash and Cash Equivalents	0.91	-	0.01	-
Other Financial Assets	4.00	-	4.03	-
	510.93	**66.87**	**283.46**	-
Financial Liabilities	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**
Borrowings	2,360.66	-	4,986.35	-
Current maturities of Long-Term Borrowings	-	-	43.08	-
Current maturities of Finance Lease Obligations	-	-	0.03	-
Trade and other Payables	192.29	-	164.02	-
Other Financial Liabilities	97.50	0.51	174.38	-
	2,650.45	**0.51**	**5,367.86**	-

39 Fair Value of financial assets and financial liabilities measured at amortised cost

	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Financial Liabilities Carried at Amortised Cost				
Non-Current Borrowings (including Current maturities)	2,348.48	2,429.29	4,640.23	4,817.59

a. The Company is having non-current financial assets amounting to Rs. 2.96 Crore (As at March 31, 2017 : Rs. 2.99 Crore). The fair value of these non-current financial assets is not materially different from its carrying value.

b. The carrying amounts of trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, trade payables, other current financial liabilities and short term borrowings are considered to be same as their fair values, due to their short term nature.

Valuation Technique

The fair value of non-current borrowings was calculated based on cash flows discounted using the current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to use of unobservable inputs, including own credit risk.

40 The following table provides the fair value measurement hierarchy of Assets and Liabilities

	As at March 31, 2018		As at March 31, 2017	
	Fair Value measurement using Significant observable inputs			
	Level 1	**Level 2**	**Level 1**	**Level 2**
Financial Assets/Liabilities measured at Fair Value				
Financial Assets				
Cash and Cash Equivalents				
Liquid Investments in Mutual Funds	66.87	-	-	-
	66.87	-	-	-
Financial Liabilities				
Derivative Liabilities	-	0.51	-	-
	-	**0.51**	-	-

41 Assets and Liabilities which are measured at amortised cost for which fair values are disclosed

	As at March 31, 2018	As at March 31, 2017
	Fair Value measurement using Significant observable inputs Level 3	
Financial Assets/Liabilities measured at Amortised Cost		
Financial Liabilities		
Borrowings	2,429.29	4,817.59

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

42 Contingent Liabilities and Commitments

		As at March 31, 2018	As at March 31, 2017
A.	**Claims against the Company not acknowledged as debt:**		
	Following demands are disputed by the Company and are not provided for :		
(i)	Demand Notice dated December 30, 2015 from Income Tax Department, Bhubaneswar, Odisha, levying demand towards interest as per assessment order u/s 143(3) for the Assessment Year 2013-14. In response, the Company has filled a rectification petition u/s 154 of the Income Tax Act, 1961 for rectifying the assessed interest amount. The case is pending for disposal before the Asst.Commissioner of Income Tax, Bhubaneswar.	-	0.01
(ii)	Show cause cum demand notices from Central Excise Department, Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the period from December 2007 to June 2014. The case is pending for disposal before the Commissioner of Central Excise, Bhubaneswar.	11.48	11.48
(iii)	Show cause cum demand notice dated July 22, 2015 from Central Excise Department, Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the period from July 2014 to December 2014. The case is pending for disposal before the Commissioner of Central Excise, Bhubaneswar.	0.37	0.37
(iv)	As per assessment order dated November 30, 2015 under the CST Act for the year 2012-13 and 2013-14, the Joint Commissioner of Sales Tax, Koraput has raised a demand for interest under the Central Sales Tax (Orissa) Rules, 1957 and adjusted the demand with the assessed refund under the Orissa Entry Tax Act. The case was heard in favour of the Company by the Additional commissioner of sales tax, Odisha, Cuttack.	-	0.14
(v)	As per assessment order dated November 30, 2015 under the Odisha VAT Act for the year 2012-13 and 2013-14, the Joint Commissioner of Sales Tax, Koraput has raised a demand under the Act and adjusted the demand with the assessed refund under the Entry Tax Act. As per Appellate order, the Company has accepted the demand and charged the demand to Statement of profit and loss.	-	0.03
(vi)	Show cause cum demand notice dated August 22, 2016 from Central Excise, Customs and Service Tax Department (Audit), Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the period August 2011 to March 2014. The case is pending for disposal before the Commissioner of Central Excise, Customs and Service Tax, Bhubaneswar.	0.32	0.32
(vii)	Show cause cum demand notice dated April 8, 2016 from Central Excise, Customs and Service Tax Department (Audit), Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the year 2011-12. The case is pending for disposal before the Commissioner of Central Excise, Customs and Service Tax, Bhubaneswar.	1.79	1.79
(viii)	Show cause cum demand notice dated May 30, 2017 from Central Excise, Customs and Service Tax Department (Audit), Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the year 2015-16. The Case is pending for disposal before the Asst. Commissioner, Central Excise, Rayagada Division.	0.03	-
(ix)	Show cause cum demand notice dated July 28, 2017 from Director General of Central Excise and Intelligence, Visakhapatnam, Andhra Pradesh, levying demand towards disallowance of cenvat credit availed by the Company during the period July 2012 to March 2016. The Case is pending for disposal before the Commissioner, GST, Central Excise & Custom, Bhubaneswar	34.69	-
(x)	Show cause cum demand notice dated July 26, 2017 from Central Excise, Customs and Service Tax Department , Rayagada, Odisha, levying demand towards disallowance of cenvat credit on Capital goods availed by the Company during the period July 2015 to December 2015. The Case is pending for disposal before the Asst. Commissioner GST, Central Excise & Custom, Bhubaneswar	0.04	-
(xi)	Show cause cum demand notice dated July 24, 2017 from Central Excise, Customs and Service Tax Department (Audit), Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit goods availed by the Company during the year 2014-15. The Case is pending for disposal before the Commissioner GST, Central Excise & Custom, Bhubaneswar	0.58	-
(xii)	Show cause cum demand notice dated January 24, 2018 from GST and Central Excise Department, Rayagada, Odisha, levying demand towards disallowance of cenvat credit on Capital goods availed by the Company during the period January 2016 to June 2017. The Case is pending for disposal before the Commissioner GST, Central Excise & Custom, Bhubaneswar	0.18	-
		49.48	**14.14**

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

B. Capital commitment :

	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	101.42	29.52

C. Performance Guarantee :

	As at March 31, 2018	As at March 31, 2017
Guarantee given by Banks on behalf of the Company	0.75	0.75

43 Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

	As at March 31, 2018	As at March 31, 2017
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.48	0.26
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.06	0.05
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	0.65	0.69
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.01	0.01
(g) Further interest remaining due and payable for earlier years.	0.05	0.04

44 Segment Information

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis. The Company has determined its business segment as Alumina Refinery as the Company is engaged in manufacture of Alumina.

A. Description of segment

The Company is principally engaged in a single business segment viz., Alumina based on the nature of products, risk, returns and the internal business reporting system.

B. Geographical Information

	Year ended March 31, 2018	Year ended March 31, 2017
i) Segment Revenue from external Customer		
Within India	2,847.63	2,052.57
Outside India	15.74	322.24
Total	**2,863.37**	**2,374.81**

	As at March 31, 2018	As at March 31, 2017
ii) Carrying value of Non-Current assets (other than financial instruments)		
Within India	7,334.62	7,549.09
Outside India	-	-
Total	**7,334.62**	**7,549.09**

Non-Current Assets for this purpose consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets, Non-Current Tax Assets and Other Non-Current Assets.

iii) Extent of reliance on major customers

Revenue (including excise duty) from a single major customer amounted to Rs. 2,845.98 Crore (99% of total revenue)[Year ended March 31,2017: Rs. 2,033.98 Crore (86% of total revenue)] arising from sale of Alumina.

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

45 Financial Risk Management

I. Market Risk

Other Price Risk

Alumina

The Company is engaged in a single business segment viz., Alumina. Substantial portion of Company's revenue is generated through domestic sales. In case of overseas sales, the pricing of alumina is dependent on price published on Metal Bulletin (MB). Since Alumina is not traded in any exchange, suitable instrument to hedge price fluctuation in Alumina is not available. Thus the Company remains exposed to the risk in Alumina price fluctuation in international market.

Coal

Alumina refinery and other associated operations require significant amount of power. Such power is mostly supplied through captive power generation units which are coal based. In order to meet the gap between requirement of coal and its availability in domestic market, coal is also imported. The domestic prices of coal are not linked to any internationally traded price whereas the imported coal is linked to internationally traded prices. The Company has not entered into coal commodity derivative as timing and quantum of import is not firm and depends on the availability of coal in domestic market.

Foreign Currency Exchange Risk

The net unhedged exposure towards foreign currency is insignificant and thus foreign currency derivatives are not entered into.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follows:

	As at March 31, 2018				As at March 31, 2017			
Currency Pair	**AUD**	**USD**	**EURO**	**ZAR**	**AUD**	**USD**	**EURO**	**ZAR**
Financial Liabilities								
Borrowings	-	-	-		-	64.86	-	-
Trade Payable	0.07	65.02	1.02	0.36	0.02	53.76	0.21	-
Other Current Financial Liabilities	-	4.21	-	-	-	4.18	-	-
	0.07	69.23	1.02	0.36	0.02	122.80	0.21	
Financial Assets								
Trade Receivables	-	-	-	-	-	69.56	-	-
	-	-	-	-	-	69.56	-	
Net Exposure	**0.07**	**69.23**	**1.02**	**0.36**	**0.02**	**53.24**	**0.21**	**-**
Less: Net Exposure Hedged	-	-	-	-	-	-	-	-
Unhedged Exposure	**0.07**	**69.23**	**1.02**	**0.36**	**0.02**	**53.24**	**0.21**	**-**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments as under:

Particulars	**Impact on Profit after Taxation**	
	March 31, 2018	**March 31, 2017**
AUD Sensitivity		
INR/AUD - increase by 10%	0.01	*
INR/AUD - decrease by 10%	(0.01)	(*)
USD Sensitivity		
INR/USD - increase by 10%	5.45	5.32
INR/USD - decrease by 10%	(5.45)	(5.32)
EUR Sensitivity		
INR/USD - increase by 10%	0.08	0.02
INR/USD - decrease by 10%	(0.08)	(0.02)
ZAR Sensitivity		
INR/ZAR - increase by 10%	0.03	-
INR/ZAR - decrease by 10%	(0.03)	-

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

II. Interest Rate Risk

The Company is exposed to interest rate risk on borrowing, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates.

Interest Rate Risk Exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	**March 31, 2018**	**March 31, 2017**
Variable rate of interest	2,360.66	4,879.43
Fixed rate of interest	-	150.03
Total Borrowings	2,360.66	5,029.46

At the end of the reporting period, the Company had the following variable rate borrowings

Particulars	As at March 31, 2018			As at March 31, 2017		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Cash Credit, Term Loan from banks	7.98%	2,360.66	100.0%	9.28%	4,879.43	97.0%

Profit or loss is sensitive to higher /lower interest rate expense from borrowings as a result of changes in interest rates.

Particulars	Impact on Profit after taxation	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest rate - increase by 50 basis points	13.23	24.43
Interest rate - decrease by 50 basis points	(13.23)	(24.43)

All amounts in Rs. Crore, unless otherwise stated

III. Liquidity Risk

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. Surplus funds not immediately required are invested in certain products (including mutual fund) which provide flexibility to liquidate at short notice and are included in current investments. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

Available liquidity is as follows :

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents	167.16	2.05
Availability under committed credit facilities	480.15	410.80
Total liquidity	**647.31**	**412.85**

The Cash credit facilities may be drawn at any time and may be terminated by the bank without notice.

The contractual maturities of the Company's financial liabilities are as below:-

As at March 31, 2018	Less than 1 Year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
Non-Derivative						
Borrowings (excluding Finance Lease)- Refer note 'a'	205.52	193.87	580.03	3,409.51	4,388.93	2,360.66
Trade and Other Payables	192.29	-	-	-	192.29	192.29
Finance Lease Obligation	-	-	-	-	-	-
Other Financial Liabilities	97.50	-	-	-	97.50	97.50
Total	**495.31**	**193.87**	**580.03**	**3,409.51**	**4,678.72**	**2,650.45**
Derivative	0.51	-	-	-	0.51	0.51
	0.51	-	-	-	**0.51**	**0.51**

As at March 31, 2017	Less than 1 Year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
Non-Derivative						
Borrowings (excluding Finance Lease)- Refer note 'a'	878.67	532.29	1,955.26	5,474.10	8,840.32	5,029.43
Trade and Other Payables	164.02	-	-	-	164.02	164.02
Finance Lease Obligation	0.04	-	-		0.04	0.03
Other Financial Liabilities	174.38	-	-	-	174.38	174.38
Total	**1,217.11**	**532.29**	**1,955.26**	**5,474.10**	**9,178.76**	**5,367.86**
Derivative	-	-	-	-	-	-
	-	-	-	-	-	-

a. Contractual Cash flows towards borrowings includes Rs. 1952.75 Crore (As at March 31, 2017 : Rs. 3,735.43 Crore) towards future obligation for interest outgo on borrowings.

IV. Credit Risk

The Company is majorly exposed to counter party credit risk from trade receivables. The trade receivables are mainly due from holding Company, Hindalco Industries Limited. The company do not anticipate any credit risk and thus no expected credit loss provision has been made for counterparty credit risk. The other receivables due from third parties are secured against letter of credit or advance payment. No provision for bad debt has been recognised in any of the previous years.

Credit risk against other financial assets majorly comprises security deposits held with government authorities and involves insignificant credit risk.

46 Capital Management

Risk Management:

The Company's objectives when managing capital are to

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares to reduce debt.

Consistent with other companies/ enterprises in the industry, the Company monitors capital on the basis of the following gearing ratio:

	As at March 31, 2018	As at March 31, 2017
Net debt	2,209.92	5,056.33
Total equity	5,645.45	2,804.35
Net debt to equity ratio	0.39:1	1.80:1

Net Debt represents Long-term Borrowings (including current maturities), short term borrowings, finance lease obligation (including current maturities), interest accrued but not due as reduced by cash and cash equivalents.

Loan Covenants:

The Company has complied with applicable covenants throughout the reporting periods.

All amounts in Rs. Crore, unless otherwise stated

47 Derivative Instruments and Unhedged Foreign Currency Exposure

a. The following table presents the outstanding position and fair value of outstanding foreign exchange derivative instruments :

	Non-designated Hedges As at March 31, 2018	Non-designated Hedges As at March 31, 2017
Liability [Refer note '21']	0.51	-
Net Fair Value	**0.51**	-

b. The following table represents the outstanding position and fair value of foreign exchange derivative financial instruments:

Foreign currency forwards	Currency Pair	Average Exchange Rate	Notional Value	Fair Value Gain/ (Loss)
	As at March 31, 2018			
Buy	USD-INR	67.66	3.67	(0.51)
Total				**(0.51)**

c. Gain /Loss on Change in Fair Value of Derivatives (Net)

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Gain /(Loss) on Change in Fair Value of Derivatives (Net)	(0.51)	*
	(0.51)	*

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

d. The following table represents the estimated potential changes in the fair values of the foreign currency derivative instruments given a 10% change in their respective indexes

Currency Pair	Change in Exchange Rate	Change in Fair Value (Rs. in Crore)	Change in the Statement of Profit and Loss
	As at March 31, 2018		
USD – INR	10%	1.86	1.86

e. Net Foreign Currency exposures that are not covered by derivative instruments are as follows:

Particulars	As at March 31, 2018			
	Payable		Receivable	
	Foreign Currency Amount (in '000)	Rs. In Crore	Foreign Currency Amount (in '000)	Rs. In Crore
USD	10,631.93	69.23	-	-
AUD	14.25	0.07	-	-
EURO	126.77	1.02	-	-
ZAR	644.13	0.36	-	-
Total		**70.68**		-

Particulars	As at March 31, 2017			
	Payable		Receivable	
	Foreign Currency Amount (in '000)	Rs. In Crore	Foreign Currency Amount (in '000)	Rs. In Crore
AUD	3.73	0.02	-	-
USD	18,933.33	122.80	10,725.75	69.56
EURO	30.20	0.21	-	-
Total		**123.03**		**69.56**

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

48 Employee Benefits Schemes

The Company has classified the various benefits provided to employees as under -

I Defined Contribution Plan

a. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed by Central Government of India. During the year, the Company has recognised Rs. 2.00 Crore (Previous Year : Rs. 1.84 Crore) under "Contribution to Provident and other Funds" [Refer note '27']

b. The Company contributes a certain percentage of salary for all eligible employees in managerial cadre towards Superannuation Funds managed by Birla Sun Life Insurance. The amount debited to Statement of Profit and Loss during the year is Rs. 0.57 Crore (Previous Year : Rs. 0.54 Crore).[Refer note '27']

II Defined Benefit Plan

Gratuity

Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company make contributions to the fund. The Company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The amount of gratuity payable on retirement / resignation is the employees last drawn basic salary per month computed proportionately based on years of service.

Period of Continuous Service	Normal Retirement	Resignation
Less than 5 years	Nil	Nil
Between 5 and 10 years	15/26*Salary*No of years of service	15/26*Salary*No of years of service
Between 10 and 15 years	21/26*Salary*No of years of service	21/26*Salary*No of years of service
More than 15 years	Salary*No of years of service	21/26*Salary*No of years of service

a. The major assumptions used to determine the present value of defined benefit obligation are as follows:

	For the Year ended March 31, 2018	March 31, 2017
Financial Assumptions:		
	(% p.a.)	(% p.a.)
Discount Rate	7.50	7.00
Salary Escalation Rate[@]	8.00	7.00

[@] The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Demographic Assumptions:		
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	1%-5%	0.10%-0.50%
Retirement Age-Workmen	58 Years	58 Years
Retirement Age-Management	60 Years	60 Years

All amounts in Rs. Crore, unless otherwise stated

	As at March 31, 2018	As at March 31, 2017
b. Change in the Present Value of Obligation		
Defined Benefit Obligation at the beginning of the year	5.84	5.87
Current Service Cost	1.02	0.97
Interest Cost	0.41	0.39
Benefits paid	(0.03)	(1.42)
Actuarial gain/(losses) arising from changes in demographic assumptions	(0.58)	-
Actuarial gain/(losses) arising from changes in financial assumptions	0.30	(0.41)
Actuarial gain/(losses) arising from changes in experience adjustments	(0.04)	0.44
Closing Present Value of Obligation	**6.92**	**5.84**

c. Change in Fair Value of Plan Assets

	As at March 31, 2018	As at March 31, 2017
Opening Fair Value of Plan Assets	5.84	5.12
Contributions	2.58	1.49
Expected Return on Plan Assets	0.54	0.39
Actuarial Gain/ (Losses)	(0.19)	0.26
Benefits paid	(0.03)	(1.42)
Closing Fair Value of Plan Assets	**8.74**	**5.84**
Actual Return on Plan Assets	**0.35**	**0.65**

d. Reconciliation of Present Value of Defined Benefit Obligation and the fair value of Asset

	As at March 31, 2018	As at March 31, 2017
Present Value of Obligation as at the end of the Year	6.92	5.84
Fair Value of Plan Assets as at the end of the Year	8.74	5.84
Surplus/(Deficit) Funded Status at the end of the Year [(Refer Note 10 (ii)]	1.82	-
Unfunded Net Obligation	-	-
Deficit of gratuity plan	-	-

e. The following payments are expected contributions to the Defined Benefit Plan in future years:

	As at March 31, 2018	As at March 31, 2017
Within the next 1 year	0.52	0.05
Between 1 and 2 Years	0.72	0.30
Between 2 and 5 Years	2.20	0.77
Over 5 Years	66.64	4.51
	70.08	**5.63**

The weighted average duration of the defined benefit obligation as at March 31, 2018 is 10 years (As at March 31, 2017 is 15 years).

f. Expenses Recognised during the year

	For the year ended March 31, 2018	March 31, 2017
Current Service Cost	1.02	0.97
Interest Cost	0.41	0.39
Expected Return on Plan Assets	(0.54)	(0.39)
Net Actuarial (Gain)/ Losses	-	-
Total Expenses recognised in the Statement of Profit and Loss [Refer note '27']	**0.89**	**0.97**

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

g. Recognised in Other Comprehensive Income during the year

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Remeasurement of the net defined benefit liability		
Actuarial losses arising from changes in demographic assumptions	(0.58)	-
Actuarial losses arising from changes in financial assumptions	0.30	(0.41)
Actuarial losses arising from changes in experience adjustments	(0.04)	0.44
Remeasurement of the net defined benefit liability	**(0.32)**	**0.03**
Remeasurement - return on plan assets	0.19	(0.26)
	(0.13)	**(0.23)**

h. Composition of Plan Assets

	As at March 31, 2018 Percentage (Unquoted)	As at March 31, 2018 Rs. In Crore (Unquoted)	As at March 31, 2017 Percentage (Unquoted)	As at March 31, 2017 Rs. In Crore (Unquoted)
Insurance Funds	100%	8.74	100%	5.84
	100%	**8.74**	**100%**	**5.84**

All the plan assets are held within India.

i. A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below :

Assumptions	Discount rate		Salary growth rate	
Sensitivity Level	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Impact on Defined Benefit Obligation	(0.59)	0.69	0.68	(0.59)

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below :

Assumptions	Discount rate		Salary growth rate	
Sensitivity Level	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Impact on Defined Benefit Obligation	(0.72)	0.87	0.86	(0.72)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

III Other Employee Benefit

The liability for leave entitlement as at the year end is Rs. 4.58 Crore (As at March 31, 2017: Rs.4.98 Crore)[Refer note '19 (ii)'].

The amount of provision is presented as current since the Company does not have an unconditional right to defer settlement of any of these obligations. However based on past experience, the Company does not expect all employees to take full amount of accrued leave or require payment within the next twelve months.

	As at March 31, 2018	As at March 31, 2017
Current leave entitlement expected to be settled within one year	0.42	0.22

IV Risk Exposure

The risks commonly affecting the liabilities and the financial results are expected to be :

a. Interest rate risk :

The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields falls the defined benefit obligation will tend to increase.

b. Salary inflation risk:

Higher than expected increase in salary will increase the defined benefit obligation.

c. All the plan assets are invested in insurance funds.

Utkal Alumina International Limited

SINGHI & CO. Chartered Accountants

All amounts in Rs. Crore, unless otherwise stated

49 Aditya Birla Management Corporation Private Limited (ABMCPL), an Aditya Birla Group Company, limited by guarantee provides common facilities and resources to certain companies of Aditya Birla Group with a view to optimize the benefits of specialization and minimize costs for group companies of Aditya Birla Group. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL which are accounted for under the head "Other Expenses". The expenses incurred during the year ended March 2018 is Rs. 15.11 Crore (Year ending March 2017 : Rs. 15.03 Crore).

50 Previous year figures have been reclassified to conform to the current year's classification which are as below :

	Note No.	Line Item	Earlier Amount	Re-classified Amount	Reason
a.	**Reclassifications in "Statement of Profit and Loss"**				
	24	Interest Income	3.36	3.48	In line of presentation of Holding Company
	24	Miscellaneous Income	2.82	2.70	In line of presentation of Holding Company
	25	Cost of Material Consumed			
		-Raw Material Consumed-Caustic Soda	290.47	294.92	In line of presentation of Holding Company
	26	Changes in Inventories of Finished Goods and Work-in-Progress :			
		-Opening Inventories - Work-In-Progress	106.15	164.98	In line of presentation of Holding Company
		-Closing Inventories - Work-In-Progress	139.73	203.01	In line of presentation of Holding Company
	28	Power and Fuel	539.39	547.49	For Better presentation
	31	Miscellaneous Expenses	79.87	71.77	For Better presentation
	29	Interest Expense	483.06	483.16	In line of presentation of Holding Company
	29	Other Finance Cost	4.93	4.83	In line of presentation of Holding Company
b.	**Reclassifications in "Balance Sheet"**				
	11	Inventories :			
		Raw Materials	113.73	50.45	In line of presentation of Holding Company
		Work-in-Progress	139.73	203.01	In line of presentation of Holding Company
c.	**Reclassifications in "Cash Flow Statement"**				
		Interest Income	(3.36)	(3.48)	In line of presentation of Holding Company
		Interest Received	0.30	0.42	In line of presentation of Holding Company

51 The Company has availed exemption from preparing the consolidated financial statements in accordance with paragraph 4(a) of Ind AS 110. It meets the conditions as specified by Companies (Accounts) Amendment Rules, 2016 for availing exemption from preparing consolidated financial statements.

52 The management has evaluated all activity of the Company till May 03, 2018 and concluded that there were no additional subsequent events required to be reflected in the Company's financial statements.

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Rajiv Singhi
Partner
Membership No. 53518

Place: Mumbai
Date : May 03, 2018

For and on behalf of the Board of Directors

S.K.Mishra
Director
DIN: 02544268

Place: Mumbai
Date : May 03, 2018

A.K.Machher
Director
DIN: 02797592

Place: Mumbai
Date : May 03, 2018

Shree Nath Mishra
Chief Financial Officer

Place: Mumbai
Date : May 03, 2018

Sunita Narayan
Company Secretary

Place: Mumbai
Date : May 03, 2018

Singhi & Co.
Chartered Accountants
B2 402 B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013. India
Tel : +91 (0) 22-6662 5537 / 38 E-mail : mumbai@singhico.com website : www.singhico.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDALCO-ALMEX AEROSPACE LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other Comprehensive income), cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (As amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

SINGHI & CO. Chartered Accountants

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

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

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

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

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

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

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

    e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

    f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

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

        i. The Company has disclosed the impact, if any, of pending litigations as at 31st March, 2018 on its financial position in its Ind AS financial statements – Refer Note 30 (a).

        ii. The Company has long-term contracts as at 31st March, 2018 for which there were no material foreseeable losses. The company does not have derivative contracts as at 31st March, 2018.

SINGHI & CO. ★ Chartered Accountants ★

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

For Singhi & Co.
Chartered Accountants
Firm's registration number: 302049E

Sudesh Choraria
Partner
Membership number: 204936

Place: Mumbai
Dated: 26th April, 2018

Annexure – A to the Independent Auditor's Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Hindalco-Almex Aerospace Limited on the Ind AS financial Statements as of and for the year ended 31st March, 2018.

We report that:

i. In respect of its fixed assets:

  a) According to information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

  b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

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

ii. As explained to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods and by products. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.

iii. As informed to us, the company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provision of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the company.

iv. As informed to us, the company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore the provision of clause 3(iv) of the said Order are not applicable to the company.

v. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed thereunder.

vi. We have broadly reviewed the books of accounts maintained by the company in respect of its products, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie ,the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and the records of the Company examined by us:

  a) The Company is generally regular, except for minor delays, in depositing undisputed statutory dues including Employees' state insurance, Provident fund, Income Tax, Sales tax, Service Tax, Value added tax, Goods and Service tax, Customs Duty, Excise Duty, cess and other material statutory dues, as applicable, with appropriate authorities

  According to the records and information and explanations given to us no undisputed amount payable in respect of Income Tax, Sales Tax, Service Tax, Goods and Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues is outstanding as at 31st March 2018, for a period of more than six months from the date they became payable.

SINGHI & CO

b) There are no dues of Income tax, Sales tax, Service tax, Goods and Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us and based on our examination of the records of the company, the company has not availed any loan from financial institution, bank, or Government, nor has it issued any debenture during the year. Thus, the provisions of clause 3(viii) of the order are not applicable to the company.

ix. According to the information and explanation given to us by the management, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company had not availed term loans from Bank. Thus, the provisions of clause 3(ix) of the order are not applicable to the company.

x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

xi. The company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order are not applicable to the company.

xiii. According to the information and explanations provided to us and based on our examination of the records of the Company and as confirmed by the management, the transactions entered into with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the Ind AS Financial Statements in accordance with the applicable accounting standards;

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.

xv. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of the clause 3(xv) of the Order are not applicable to the company.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.Accordingly, the provisions of the clause 3(xvi) of the Order are not applicable to the company.

For Singhi & Co.
Chartered Accountants
Firm's registration number: 302049E

SINGHI & CO. Chartered Accountants

Sudesh Choraira
Partner
Membership Number: 204936

Place: Mumbai
Dated: 26th April, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Hindalco-Almex Aerospace Limited on the Ind AS financial Statements for the year ended 31st March, 2018

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

1. We have audited the internal financial controls over financial reporting of Hindalco-Almex Aerospace Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

3. 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.

4. 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.

5. 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.

SINGHI & CO. * Chartered Accountants *

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. 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:

   a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

   c. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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

7. 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

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

For Singhi & Co.
Chartered Accountants
Firm's registration number: 302049E

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraira
Partner
Membership Number: 204936

Place: Mumbai
Dated: 26th April, 2018

Hindalco-Almex Aerospace Limited
Financial statements - March 31, 2018

Financial statements

- Balance sheet as at March 31, 2018
- Statement of profit and loss for the period ended March 31, 2018
- Statement of changes in equity for the period ended March 31, 2018
- Statement of cash flows for the period ended March 31, 2018
- Notes comprising significant accounting policies and other explanatory information
- Comparative information in respect of preceding year ended March 31, 2017

Hindalco-Almex Aerospace Limited
Balance sheet as at March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,167.54	5,356.64
Capital work in progress	3	16.92	-
Intangible assets	4	-	-
Financial assets			
i. Loans	5(c)	0.08	0.32
ii. Other financial assets	5(e)	2.00	2.00
Other non-current assets	6	79.35	76.29
Total non-current assets		5,265.89	5,435.25
Current assets			
Inventories	7	1,024.75	649.35
Financial assets			
i. Investments	5(a)	1,663.40	1,573.20
ii. Trade receivables	5(b)	827.96	638.21
iii. Cash and cash equivalents	5(d)	15.38	36.82
iv. Loans	5(c)	0.24	0.27
v. Other financial assets	5(e)	-	-
Tax assets (net)	13	16.93	-
Other current assets	8	46.86	62.59
Total current assets		3,595.52	2,960.44
Total Assets		8,861.41	8,395.69
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9(a)	8,855.79	8,855.79
Other equity			
Reserve and surplus	9(b)	(880.19)	(1,137.59)
Total equity		7,975.60	7,718.20
Liabilities			
Non-current liabilities			
Provisions	10	149.76	102.35
Deferred tax liabilities (net)	11	-	-
Total non-current liabilities		149.76	102.35
Current liabilities			
Financial Liabilities			
i. Trade and other payables	12(a)	479.66	408.75
ii. Other financial liabilities	12(b)	33.20	-
Provisions	10	150.24	95.45
Current tax liabilities	13	-	20.72
Other current liabilities	14	72.95	50.22
Total current liabilities		736.05	575.14
Total liabilities		885.81	677.49
Total equity and liabilities		8,861.41	8,395.69

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For **SINGHI & CO.**
Firm Registration No: 302049E
Chartered Accountants

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraria
Partner
Membership No. 204936

Place: Mumbai
Dated: April 26,2018

For and on behalf of the Board of Directors

Director
DIN No.

Place: Mumbai
Dated: April 26,2018

Director
DIN No.

Place: Mumbai
Dated: April 26,2018

Shrikant Turalkar

Suchit Naidu

Hindalco-Almex Aerospace Limited
Statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

	Notes	For year ended March 31, 2018	For year ended March 31, 2017
Income			
Revenue from operations	15	6,394.27	5,175.25
Other income (net)	16	58.49	52.61
Total income		**6,452.76**	**5,227.86**
Expenses			
Cost of materials consumed	17	4,514.32	3,386.50
Changes in inventories of work-in-progress and finished goods	18	(237.30)	(38.26)
Employee benefit expenses	19	542.99	400.92
Power and Fuel expenses	20	314.65	240.62
Depreciation expenses	21	389.45	382.35
Other expenses	22	571.87	607.35
Finance costs	23	20.78	10.80
Total expenses		**6,116.76**	**4,990.28**
Profit/ (loss) before tax		336.00	237.58
Income tax expense:	24		
- Current tax		67.02	20.02
Total tax expense		**67.02**	**20.02**
Profit for the year		**268.98**	**217.56**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations		(11.58)	(1.72)
Total comprehensive income for the year		**257.40**	**215.84**
Earning/ (loss) per equity share			
- Basic and diluted (in Rs.)	31	0.15	0.12

The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the statement of profit and loss referred to in our report of even date.

For **SINGHI & CO.**
Firm Registration No: 302049E
Chartered Accountants

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraria
Partner
Membership No. 204936

Place: Mumbai
Dated: April 26,2018

For and on behalf of the Board of Directors

Director
DIN No.

Place: Mumbai
Dated: April 26,2018

Director
DIN No.

Place: Mumbai
Dated: April 26,2018

Shrikant Turalkar
Company Secretary

Place: Mumbai
Dated: April 26,2018

Suchit Naidu
Chief Financial Officer

Place: Mumbai
Dated: April 26,2018

Hindalco-Almex Aerospace Limited
Statement of changes in equity
(All amounts in Rs. Lakhs, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at April 1, 2016		8,855.79
Changes in equity share capital	9(a)	-
As at March 31, 2017		**8,855.79**
Changes in equity share capital	9(a)	-
As at March 31, 2018		**8,855.79**

B. Other equity

Reserves and Surplus

	Retained Earnings	Remeasurements of post employment benefit obligations (OCI)	Total Amount
Balance at April 1, 2016	(1,347.96)	(5.47)	(1,353.43)
Profit for the year	217.56	-	217.56
Other comprehensive income	-	(1.72)	(1.72)
Total comprehensive income for the year	**217.56**	**(1.72)**	**215.84**
Balance at March 31, 2017	**(1,130.40)**	**(7.19)**	**(1,137.59)**
Balance at April 1, 2017	(1,130.40)	(7.19)	(1,137.59)
Profit for the year	268.98	-	268.98
Other comprehensive income	-	(11.58)	(11.58)
Total comprehensive income for the year	**268.98**	**(11.58)**	**257.40**
Balance at March 31, 2018	**(861.42)**	**(18.77)**	**(880.19)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the statement of changes in equity referred to in our report of even date.

For SINGHI & CO.
Firm Registration No: 302049E
Chartered Accountants

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraria
Partner
Membership No. 204936

Place: Mumbai
Dated: April 26,2018

For and on behalf of the Board of Directors

Director
DIN:

Place: Mumbai
Dated: April 26,2018

Director
DIN:

Place: Mumbai
Dated: April 26,2018

Shrikant Turalkar
Company Secretary

Place: Mumbai
Dated: April 26,2018

Suchit Naidu
Chief Financial Officer

Place: Mumbai
Dated: April 26,2018

Hindalco-Almex Aerospace Limited

Statement of cash flows for the year ended March 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

	For year ended March 31, 2018	For year ended March 31, 2017
Cash flow from operating activities		
Profit/ (loss) before tax	336.00	237.58
Adjustments for:		
Depreciation expenses	389.45	382.35
Loss on sale of property, plant and equipment	-	8.30
Remeasurements of post employment benefit obligations	(11.58)	(1.72)
Unrealised (loss)/ gain on foreign currency transactions and translation (Net)	0.07	(0.11)
Allowance for doubtful debts- trade receivables	5.80	-
Finance costs	20.78	10.80
Net gain on redemption of mutual funds (net)	(48.75)	(54.91)
Net gain on financial asset measured at fair value through profit or loss	(11.45)	(10.39)
	680.32	**571.90**
Changes in operating assets and liabilities		
(Increase)/ decrease in trade receivables	(195.55)	(481.41)
Decrease in loans	0.27	0.62
(Increase)/ decrease in inventories	(375.40)	(47.38)
Decrease/ (Increase) in other non-current assets	(3.07)	2.65
(Increase)/ decrease in other current assets	15.74	(25.22)
Increase/(decrease) in trade and other payables	70.83	166.58
Increase in provisions	102.20	91.87
Increase in other current liabilities	22.73	8.50
Cash generated from operations	**318.07**	**288.11**
Income tax Paid / refund (Net)	(105.27)	0.14
Net cash inflow from operating activities	**212.80**	**288.27**
Cash flow used in investing activities		
Payments for property, plant and equipment	(184.06)	(73.49)
Proceeds from sale of property, plant and equipment	-	1.00
Payments for purchase of current investments	(3,845.00)	(2,941.00)
Proceeds from sale of current investments	3,815.00	2,755.00
Net cash outflow used in investing activities	**(214.06)**	**(258.49)**
Cash flow used in financing activities		
Finance cost paid	(20.18)	(9.77)
Net cash outflow used in financing activities	**(20.18)**	**(9.77)**
Net increase/ (decrease) in cash and cash equivalents	**(21.44)**	**20.01**
Cash and cash equivalents at the beginning of the year	36.82	16.81
Cash and cash equivalents at the end of the year	15.38	36.82
Net increase/ (decrease) in cash and cash equivalents	**(21.44)**	**20.01**

The above statement of cash flows should be read in conjunction with the accompanying notes.

This is the statement of cash flows referred to in our report of even date.

For SINGHI & CO.
Firm Registration No: 302049E
Chartered Accountants

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraria
Partner
Membership No. 204936

Place: Mumbai
Dated: April 26,2018

For and on behalf of the Board of Directors

Director
DIN:

Place: Mumbai
Dated: April 26,2018

Director
DIN:

Place: Mumbai
Dated: April 26,2018

Shrikant Turalkar
Company Secretary

Place: Mumbai
Dated: April 26,2018

Suchit Naidu
Chief Financial Officer

Place: Mumbai
Dated: April 26,2018

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Background

Hindalco-Almex Aerospace Limited is a Company limited by shares incorporated and domiciled in India. The Company is exclusively engaged in the business of manufacturing, processing and dealing in aluminium billets. The Company has been granted approval to set-up authorised SEZ operations vide letter no. SEEPZ SEZ/NEW SEZ/MIDC-Shendre/01/LOA-01/2007-08/2198 dated April 5, 2007, by Government of India, Office of the Development Commissioner SEEPZ Special Economic Zone ('SEZ'), Ministry of Commerce and Industry, at the SEZ developed by MIDC Shendre at Aurangabad.

The registered office of the Company is at "Ahura Centre", B Wing , 1st Floor, Mahakali Caves Road, Andheri (East) , Mumbai - 400 093 and it has its principal place of business at Plot no. AL-1, SEZ, MIDC, Shendra, Aurangabad - 431 007. These financial statements are presented in Rupees (Rs.) Lakhs

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preperation of these financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that is measured at fair value as stated in subsequent policies.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The chief operating decision maker is the Unit Head. Refer note 28 for segment information presented.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. These gains/ (losses) are presented in the statement of profit and loss on a net basis within other income.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of value added taxes/ Goods and service tax.

The Company recognises revenue when
- (a) the Company has transferred to the buyer the significant risk and reward of ownership of goods.
- (b) the amount of revenue can be reliably measured.
- (c) it is probable that future economic benefits associated with the transaction will flow to the Company.

(e) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into certain derivative contracts to hedge risk which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

SINGHI & CO. ★ Chartered Accountants ★

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

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

(h) Impairment of assets

All assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(k) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases after deducting rebates and discounts. Cost of work-in- progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure but excluding interest expense, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Cost of raw material and stores and spares is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Investments and other financial assets

(i) Classification
The Company classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

SINGHI & CO. ★ Chartered Accountants ★

(ii) Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

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

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets
A financial asset is derecognised only when
- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Financial liabilities

Measurement:
Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss. Liabilities from finance lease agreements are measured at the lower of fair value of the leased asset or present value of minimum lease payments.

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

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

SINGHI & CO

(All amounts in Rs. Lakhs, unless otherwise stated)

(n) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods and estimated useful lives
Depreciation is calculated using straight-line method over the estimated useful life of the assets as given below. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 except in respect of plant and machinery and building wherein the estimated useful lives are different than those under Schedule II to the Companies Act, 2013 based on a technical evaluation done by the Management.

Asset	Useful life FY 17-18	Useful life FY 16-17
Plant and Machinery	8/ 25 years	8/ 25 years
Building	3/10/30 years	30 years
Computers	3 years	3 years
Office equipments	5 years	5 years
Servers	6 years	6 years
Furniture	10 years	10 years
Motor cars	8 years	8 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

(o) Intangible assets

Intangible assets are amortised over their estimated useful lives on straight line basis. Amortisation on additions/ deletions to intangible assets is calculated pro-rata from/ up to the date of such additions/ deletions.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(q) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(r) Employee benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations
The liability for earned leave and sick leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations
The Company operates the following post-employment schemes:

(a) defined benefit plans for gratuity; and
(b) defined contribution plans such as provident fund, employee pension scheme and superannuation fund.

SINGHI & CO. ★ Chartered Accountants ★

(a) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Gratuity liability is funded with the Life Insurance Corporation of India.

The present value of the defined benefit obligation denominated in Rs. Lakhs is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

- Provident fund and employee pension scheme

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

- Superannuation fund

The Company contributes on a defined contribution basis to superannuation towards post employment benefits, which is administered by Life Insurance Corporation (LIC) administered superannuation fund and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Contributed equity

Equity shares are classified as equity.

(u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirement of Schedule III, unless otherwise stated.

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 2: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

i **Useful life and impairment of property, plant and equipment**

Useful life:

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, considering useful life as per Companies Act 2013. Increasing an asset's expected life would result in a reduced depreciation charge in the income statement.

The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Historically, changes in useful lives have not resulted in material changes to the Company's depreciation charge.

Impairment:

Ind AS requires management that the Company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- long-term growth rates and
- the selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results. The Company's review includes the key assumptions related to sensitivity in the cash flow projections.

ii **Recognition of deferred tax assets**

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the approved budgets of the Company. Where the temporary differences are related to losses, local tax law is considered to determine the availability of the losses to offset against the future taxable profits as well as whether there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Significant items on which the Company has exercised accounting judgement include recognition of deferred tax assets in respect of losses. The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgement as described above.

iii **Actuarial valuation**

Employee Benefits requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected long- term increase in salary costs and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the Company's retirement benefit obligation and pension assets.

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

	Building	Plant and Machinery	Computers and servers	Office Equipment	Motor Cars	Furniture	Total	Capital work-in-progress
Year ended March 31, 2017								
Gross carrying amount								
Opening gross carrying amount	1,535.83	7,359.94	40.81	31.26	22.32	36.74	9,026.90	-
Additions	-	26.96	13.19	-	28.76	0.30	69.21	-
Disposals	-	-	-	-	19.00	-	19.00	-
Transfer	-	-	-	-	-	-	-	-
Closing gross carrying amount	**1,535.83**	**7,386.90**	**54.00**	**31.26**	**32.08**	**37.04**	**9,077.11**	**-**
Accumulated Depreciation								
Opening accumulated depreciation	375.31	2,888.07	27.97	25.33	9.09	22.04	3,347.81	-
Depreciation charge during the year	51.40	311.91	7.80	3.07	3.25	4.92	382.35	-
Disposals	-	-	-	-	9.70	-	9.70	-
Closing accumulated depreciation	**426.71**	**3,199.98**	**35.77**	**28.40**	**2.64**	**26.96**	**3,720.46**	**-**
Net carrying amount	1,109.12	4,186.92	18.23	2.86	29.44	10.08	5,356.65	-
Year ended March 31, 2018								
Gross carrying amount								
Opening gross carrying amount	1,535.83	7,386.90	54.00	31.26	32.08	37.04	9,077.11	-
Additions	128.97	65.63	1.35	4.39	-	-	200.34	16.92
Disposals	-	-	-	-	-	-	-	-
Closing gross carrying amount	**1,664.80**	**7,452.53**	**55.35**	**35.65**	**32.08**	**37.04**	**9,277.45**	**16.92**
Accumulated Depreciation								
Opening accumulated depreciation	426.71	3,199.98	35.77	28.40	2.64	26.96	3,720.46	-
Depreciation charge during the year	55.54	314.71	7.98	2.27	4.02	4.93	389.45	-
Disposals	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**482.25**	**3,514.69**	**43.75**	**30.67**	**6.66**	**31.89**	**4,109.91**	**-**
Net carrying amount	1,182.55	3,937.84	11.60	4.98	25.42	5.15	5,167.54	16.92

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 4: Intangible assets

	Name Use License	Technology and Software License	Total
Year Ended March 31, 2017			
Gross carrying amount			
As at April 1, 2016	2,757.20	2,865.68	5,622.88
Additions	-	-	-
Closing gross carrying amount	**2,757.20**	**2,865.68**	**5,622.88**
Accumulated amortisation			
As at April 1, 2016	2,757.20	2,865.68	5,622.88
Amortisation charge during the year	-	-	-
Closing accumulated amortisation	**2,757.20**	**2,865.68**	**5,622.88**
Net carrying amount	-	-	-
Year Ended March 31, 2018			
Gross carrying amount			
Opening gross carrying amount	2,757.20	2,865.68	5,622.88
Additions	-	-	-
Closing gross carrying amount	**2,757.20**	**2,865.68**	**5,622.88**
Accumulated amortisation			
Opening accumulated amortisation	2,757.20	2,865.68	5,622.88
Amortisation charge during the year	-	-	-
Closing accumulated amortisation	**2,757.20**	**2,865.68**	**5,622.88**
Net carrying amount	-	-	-

SINGHI & CO. ★ Chartered Accountants ★

(All amounts in Rs. Lakhs, unless otherwise stated)

Note 5: Financial assets

5(a) Current investments

	As at March 31, 2018	As at March 31, 2017
Investments in mutual funds at FVTPL		
Unquoted		
Aditya Birla Sun Life Cash Plus - Growth- Direct Plan- 595,530 Units (March 31, 2017: 602,046 Units)	1,663.40	1,573.20
Total current investments	**1,663.40**	**1,573.20**
Aggregate amount of unquoted investments	**1,663.40**	**1,573.20**

5(b) Trade receivables - current

	As at March 31, 2018	As at March 31, 2017
Trade Receivables	839.92	644.37
	839.92	644.37
Less: Allowance for Doubtful Debts	(11.96)	(6.16)
Total receivables	**827.96**	**638.21**
Break up of security details		
Unsecured, Considered Good	827.96	638.21
Unsecured, Considered Doubtful	11.96	6.16
Total	839.92	644.37
Allowance for Doubtful Debts	(11.96)	(6.16)
Total trade receivables	**827.96**	**638.21**

5(c) Loans

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, Considered Good				
Loan to employees	0.24	0.08	0.27	0.32
Total loans	**0.24**	**0.08**	**0.27**	**0.32**

5(d) Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Balance with banks		
- in current and cash credit accounts	15.23	36.67
Cash on hand	0.15	0.15
Total cash and cash equivalents	**15.38**	**36.82**

There are no repatriation restriction with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

5(e) Other financial assets

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, Considered Good				
- Security Deposits	-	2.00	-	2.00
- Unapplied Advance with Asset Management Company for purchase of Mutual funds	-	-	-	-
Total other financial assets	**-**	**2.00**	**-**	**2.00**

SINGHI & CO

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

Note 6: Other non-current assets

	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	4.34	0.43
Prepaid rent - leasehold land (un-amortised expenditure)	71.62	72.47
Others	3.39	3.39
Total other non-current assets	**79.35**	**76.29**

Note 7: Inventories

	As at March 31, 2018	As at March 31, 2017
Raw Materials	269.65	157.40
Stores and Spares	246.74	220.89
Work-in-Progress (Aluminium billets)	508.36	271.06
Finished Goods (Aluminium billets)	-	-
Total inventories	**1,024.75**	**649.35**
Detail of inventories in transit		
Raw Materials	48.83	-
Total inventories in transit	**48.83**	-

Note 8: Other current assets

	As at March 31, 2018	As at March 31, 2017
Prepaid rent - leasehold land (un-amortised expenditure)	0.84	0.84
Prepaid expenses	8.68	2.45
Advance to suppliers and others	24.84	47.62
Service Tax Receivable	-	2.85
Value Added Tax Receivable	-	3.98
Balance with Custom Authorities	12.50	4.85
Total other current assets	**46.86**	**62.59**

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 9: Equity share capital and other equity

9(a) Equity share capital

Authorised equity share capital

	Number of Shares (in Lakhs)	Amount
As at April 01, 2016	4,500.00	22,500.00
Increase during the year	-	-
As at March 31, 2017	**4,500.00**	**22,500.00**
Increase during the period	-	-
As at March 31, 2018	**4,500.00**	**22,500.00**

(i) Movements in equity share capital

	Number of Shares (in Lakhs)	Amount
As at April 01, 2016	1,771.16	8,855.79
Increase during the year	-	-
As at March 31, 2017	**1,771.16**	**8,855.79**
Increase during the year	-	-
As at March 31, 2018	**1,771.16**	**8,855.79**

Terms/ rights attached to equity shares:
Equity shares have a par value of Rs.5. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Shares of the Company held by holding company

	Number of Shares (in Lakhs)	
	March 31, 2018	March 31, 2017
Hindalco Industries Limited (holding company)	1,721.16	1,721.16

(iii) Details of shareholders holding more than 5% Shares in the Company:

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares (in Lakhs)	% of Holding	Number of Shares (in Lakhs)	% of Holding
Hindalco Industries Limited	1,721.16	97.18	1,721.16	97.18

9(b) Reserves and surplus

	As at March 31, 2018	As at March 31, 2017
Retained Earnings	(880.19)	(1,137.59)
Total reserves and surplus	**(880.19)**	**(1,137.59)**

Retained Earnings

	As at March 31, 2018	As at March 31, 2017
Opening balance	(1,137.59)	(1,353.43)
Net profit for the year	268.98	217.56
Item of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligations	(11.58)	(1.72)
Closing balance	**(880.19)**	**(1,137.59)**

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 10: Provisions

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Provisions for employee benefits				
Leave Obligations	5.03	59.32	4.39	51.70
Gratuity	-	90.44	8.26	50.65
Total Provisions for employee benefits	**5.03**	**149.76**	**12.65**	**102.35**
Other provisions:				
Provision for SEZ charges	101.20	-	82.80	
Provision for Wage settlement	44.01	-		-
Total other provisions	**145.21**	**-**	**82.80**	**-**
Total provisions	**150.24**	**149.76**	**95.45**	**102.35**

(i) Information about individual other provisions

a) SEZ Charges

On the basis of demand raises by developer for SEZ charges amounting to Rs.73.60 Lakhs for the period from April 28, 2009 to September 28, 2012,provision for Rs 18.40 Lakhs is provided y the company for the year ended March 31,2018.

b) Workers Wage Settlement

During the year the company had offered a settlement plan to the unionised workers. Certain workers had accepted the offer and the payments were accordingly made. Remaining workers are yet to accept the offer. Pending final settlement, the management has made appropriate provision for the same in the financial statements

(ii) Movement in other provisions

Movement in provision during the financial year are set out below:

	SEZ Charges	Wage Settlement	Total Amount
As at April 1, 2017	82.80	-	82.80
Charged to profit or loss	18.40	44.01	62.41
Amounts paid during the year	-	-	
As at March 31, 2018	**101.20**	**44.01**	**145.21**

SINGHI & CO. ★ Chartered Accountants ★

(All amounts in Rs. Lakhs, unless otherwise stated)

Note 11: Deferred Tax Liabilities (Net)

	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities:		
Property, plant and equipment	615.18	537.35
Financial asset measured at fair value through profit or loss	3.54	3.21
	618.72	540.56
Deferred Tax Assets to the extent of deferred tax liability:		
Set-off of deferred tax liabilties pursuant to set-off provisions	618.72	540.56
	618.72	540.56
Deferred Tax Liabilities (Net)	-	-

(i) The following deferred tax assets have not been recognised at the reporting date:

Unabsorbed Depreciation (to be utilised for indefinite period)	2,294.64	2,513.28
Business Loss		
- FY 2008-09 (to be utilised till FY 2016-17)	-	386.01
- FY 2009-10 (to be utilised till FY 2017-18)	21.48	21.48
Total	**2,316.12**	**2,920.77**

Note 12: Financial liabilities - current

12(a) Trade and other payables

	As at March 31, 2018	As at March 31, 2017
Trade payables		
Micro and Small Enterprises (Refer Note 33)	1.66	-
Other than Micro and Small Enterprises	213.75	220.67
Trade Payables to related parties (Note 29)	238.22	164.62
Total trade payables	**453.63**	**385.29**
Other payables		
Accrued payroll:		
- Key Managerial Personnel ("KMP")	2.89	2.20
- Others	23.14	21.26
Total other payables	**26.03**	**23.46**
Total trade and other payables	**479.66**	**408.75**

12(b) Other financial liabilities

	As at March 31, 2018	As at March 31, 2017
Creditors for capital expenditure	33.20	-
Total other financial liabilities	**33.20**	**-**

Note 13: Current tax liabilities /(Asset) (Net)

	As at March 31, 2018	As at March 31, 2017
Opening balance	20.72	-
Add: current tax payable for the year (including interest)	67.62	21.05
Less: Taxes paid	105.27	0.33
Closing balance	**(16.93)**	**20.72**

Note 14: Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance received from customer	61.98	14.52
Statutory dues	10.97	35.70
Total other current liabilities	**72.95**	**50.22**

SINGHI & CO.

Hindalco-Almex Aerospace Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

Note 15: Revenue from Operations

	For year ended March 31, 2018	For year ended March 31, 2017
Sale of products		
Finished goods (Aluminium billets)	6,335.46	5,131.39
Other operating revenues		
Scrap sales	58.81	43.86
Total revenue from operations	**6,394.27**	**5,175.25**

Note 16: Other income

	For year ended March 31, 2018	For year ended March 31, 2017
Interest on Income Tax Refund	-	0.03
Net gain on redemption of mutual funds	48.76	54.91
Net gain on financial asset measured at fair value through profit or loss	11.45	10.39
Loss on Foreign Currency Transactions and Translation (net)	(0.06)	(1.80)
(Loss)/ gain on settlement of derivatives (net)	(1.66)	(10.92)
Total other income	**58.49**	**52.61**

Note 17: Cost of Materials Consumed

Raw material at the beginning of the year	157.40	169.53
Add : Purchases	4,626.57	3,374.37
Less : Raw material at the end of the year	269.65	157.40
Total cost of materials consumed	**4,514.32**	**3,386.50**

Note 18: Changes in Inventories of Work-in-Progress and Finished Goods

	For year ended March 31, 2018	For year ended March 31, 2017
Opening balance		
Work-in-Progress	271.06	232.80
Total opening balance	**271.06**	**232.80**
Less: Closing balance		
Work-in-Progress	508.36	271.06
Total closing balance	**508.36**	**271.06**
Total changes in Inventories of Work-in-Progress and Finished Goods	**(237.30)**	**(38.26)**

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 19: Employee benefit expenses

	For year ended March 31, 2018	For year ended March 31, 2017
Salaries, Wages, Allowances and Other Benefits	477.88	356.00
Contribution to Provident and Other Funds (Refer note below)	25.96	23.70
Gratuity [Refer note 35 (ii) and (iii)]	19.95	12.04
Staff and Labour Welfare expenses	19.20	9.18
Total employee benefit expenses	542.99	400.92

Note:
Defined contribution plans:
a. Employers' Contribution to Provident Fund and Employee's Pension Scheme, 1995
b. Superannuation fund

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

	For year ended March 31, 2018	For year ended March 31, 2017
Employers' Contribution to Provident Fund and Employee's Pension Scheme	20.41	17.97
Superannuation fund	5.55	5.73
Total Expenses recognised in the Statement of Profit and Loss	25.96	23.70

Note 20: Power and fuel expenses

	For year ended March 31, 2018	For year ended March 31, 2017
Electricity charges	76.44	74.42
Fuel charges	238.21	166.20
Total power and fuel expenses	314.65	240.62

Note 21: Depreciation expenses

	For year ended March 31, 2018	For year ended March 31, 2017
Depreciation expenses	389.45	382.35
Total depreciation expenses	389.45	382.35

Note 22: Other expenses

	For year ended March 31, 2018	For year ended March 31, 2017
Consumption of stores and spares	96.47	56.56
Rates and taxes	33.16	164.82
Lease rent expenses [Refer note 32(a)]	40.12	38.34
Amortisation of leasehold land [Refer note 32(b)]	0.84	0.84
Communication expenses	2.75	2.59
Travelling and conveyance	64.25	49.58
Printing and stationery	3.08	3.08
Legal and professional fees	39.74	31.69
Payment to Auditors (Refer Note below)	12.75	13.69
Freight expense	1.72	0.05
Insurance	10.84	13.40
Repairs to Buildings	10.87	18.57
Repairs to Machinery	138.62	111.71
Packing expenses	11.73	10.79
Water charges	8.36	7.51
Allowance for doubtful debts- trade receivables	5.80	-
Bad debts written off	-	14.98
Less: Allowance for doubtful debts utilised	-	(14.98)
Watch and ward expenses	28.89	27.19
Information technology maintenance	20.04	21.39
Loss on sale of property, plant and equipment	-	8.31
Miscellaneous expenses	41.84	27.24
Total other expenses	571.87	607.35

Note:
Details of payment to auditors

	For year ended March 31, 2018	For year ended March 31, 2017
As Auditors:		
Audit Fee	9.00	11.50
Interim Financial Statements	2.25	-
Tax audit Fee	1.50	1.50
Reimbursement of expenses	-	0.69
Total	12.75	13.69

SINGHI & CO. ★ Ch ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 23: Finance costs

	For year ended March 31, 2018	For year ended March 31, 2017
Interest Expenses	18.68	8.67
Interest on shortfall of advance tax	0.60	1.03
Bank Charges	1.50	1.10
Total finance costs	**20.78**	**10.80**

Note 24: Income tax expense

	For year ended March 31, 2018	For year ended March 31, 2017
Current tax on profit for the year	67.02	20.02
Total income tax expense	**67.02**	**20.02**

(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	For year ended March 31, 2018	For year ended March 31, 2017
Profit/ (loss) before tax and interest on shortfall of advance tax	336.61	238.61
Tax amount at the rate of Indian tax rate of 33.063%	**111.29**	**78.89**
Reconciling items:		
- Difference in tax at normal rate and MAT	(42.66)	(30.24)
- Set-off of book losses as per the provisions of Section 115JB of the Income Tax Act, 1961	-	(29.03)
- OCI Items that will not be reclassified to profit or loss for F.Y. 2017-18	(2.36)	(0.35)
- Net gain on financial asset mandatorily measured at fair value through profit or loss	0.75	0.75
	67.02	**20.02**

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 25: Fair Value Measurements

Financial instruments by category

Particulars	As at March 31, 2018		As at March 31, 2017	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
-Investments	1,663.40	-	1,573.20	-
-Trade receivables	-	827.96	-	638.21
-Cash and cash equivalents	-	15.38	-	36.82
-Loans to employees	-	0.32	-	0.59
-Other financial assets				
-Security Deposit	-	2.00	-	2.00
-Unapplied Advance with Asset Management Company for purchase of Mutual funds	-	-	-	-
Total financial assets	**1,663.40**	**845.66**	**1,573.20**	**677.62**
Financial liabilities				
-Trade Payables	-	479.66	-	408.75
-Creditors for capital expenditure	-	33.20	-	-
Total financial liabilities	**-**	**512.86**	**-**	**408.75**

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial Assets measured at Fair Value-recurring fair value measurements

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Investments in Mutual funds-Growth plan	5(a)	-	1,663.40	-	1,663.40
Total financial asset		-	**1,663.40**	-	**1,663.40**

Assets measured at amortised cost for which fair value is disclosed

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
-Security Deposit	5(e)	-	-	2.00	2.00
-Loans to Employees	5(c)	-	-	0.32	0.32
Total financial asset		-	-	**2.32**	**2.32**

Financial Assets measured at Fair Value-recurring fair value measurements

As at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Investments in Mutual funds-Growth plan	5(a)	-	1,573.20	-	1,573.20
Total financial asset		-	**1,573.20**	-	**1,573.20**

Assets measured at amortised cost for which fare value is disclosed

As at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
-Security Deposit	5(e)	-	-	2.00	2.00
-Loans to Employees	5(c)	-	-	0.59	0.59
Total financial asset		-	-	**2.59**	**2.59**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. There are no items falling under Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has investments in mutual funds for which all significant inputs required to fair value an instrument are observable and hence, the same falls under **level 2**.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Note:
There are no financial liabilities which are measured at fair value - recurring fair value measurements or at amortised cost for which fair values are required to be disclosed.

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

(iii) Fair Value of Financial Asset and Liabilities measured at amortised cost

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
-Security Deposit [Refer note (ii)]	2.00	2.00	2.00	2.00
-Loans to Employees [Refer note (ii)]	0.32	0.32	0.59	0.59
Total financial assets	**2.32**	**2.32**	**2.59**	**2.59**

Note:

i. The carrying amounts of trade receivables, trade payables, creditors for capital expenditure, cash and cash equivalents and unapplied advance with Asset Management Company for purchase of mutual funds are considered to be the same as their fair values, due to their short-term nature.

ii. The carrying amounts and fair value of security deposit and loans to employees are materially the same.

SINGHI & CO. ★ Chartered Accountants ★

(All amounts in Rs. Lakhs, unless otherwise stated)

Note 26: Financial Risk Management

The Company's principal financial liability represents trade payables. The main purpose of this financial liability is to pay for Company's operations. The Company's principal financial assets consists of trade receivables and cash and cash equivalents that are derived directly from its operations. The Company also holds FVTPL investments.

The Company's activities exposes it to credit risk, liquidity risk and market risk. The Company's unit head oversees the management of these risks which are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(A) Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. It is managed by unit head and sales head.

Credit risk from operating activities is derived from 2 major aspects:

I. <u>Credit risk due to failure on part of customer to meet its contractual obligation</u>
<u>Risk:</u>
There is a risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

<u>Measures to mitigate risk:</u>
Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. Majority of the sales are on advance term.

Also, trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises the receivable for write off when a debtor fails to make contractual payments greater than 6 months; the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

However, the past trends of the Company suggests that there are negligible/ very low cases of doubtful debts.

Accordingly, the risk exposure of Company in relation to credit risk is low.

II. <u>Credit risk due to customer concentration/ dependency</u>
<u>Risk:</u>
The Company generates approximately 63% of revenue from 4-5 customers. Hence, the Company faces the risk of customer concentration or dependency on few customers.

<u>Measures to mitigate risk</u>
The Company manufactures high-strength aluminium alloys for applications in the aerospace, sporting goods and surface transport industries. This is a first-of-its-kind facility in India, which is exclusively devoted to high- performance aluminium alloys. The Company is committed to adhere to all stringent requirements of the aerospace industry. It is an AS 9100, ISO 140001 and OHSAS 18001 compliant Company. It is one of the few companies in India holding all three prestigious certifications.

Provided that there are few customers based on the nature of industry under which it operates and the Company's commitment to provide high quality product which is evident from the past trend of no sales return till date coupled with "MAKE IN INDIA" Initiative of Government of india, the Company evaluates risk on account of customer concentration to be low.

(B) Liquidity risk
Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and liquid funds and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The business is funded through liquid funds parked in investments and if required through working capital lines with banks. Moreover, as explained in para (A)(I) of credit risk above, most of the sales are on advance payment terms.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Since, most of the customers are on advance payment terms and vendors are on credit terms, the Company evaluates the associated liquidity risk to be very low.

<u>Maturity of financial liabilities</u>

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The Company does not have any derivative liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

For the year ended March 31, 2018

Contractual maturities of financial liabilities	Less than 3 months	Above 3 months	Total
Trade and other payables	479.66	-	479.66
Other financial liabilities	33.20	-	33.20
Total non-derivative liabilities	**512.86**	**-**	**512.86**

SINGHI & CO

For the year ended March 31, 2017

Contractual maturities of financial liabilities	Less than 3 months	Above 3 months	Total
Trade and other payables	408.75	-	408.75
Other financial liabilities	-	-	-
Total non-derivative liabilities	**408.75**	**-**	**408.75**

(c) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest risk, currency risk, investment price risk and other risks i.e. commodity risk.

(i) Interest risk
The Company does not have any borrowings. Hence, there is no interest risk in the Company.

(ii) Foreign currency risk
Foreign currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments such as foreign exchange forward contracts and commodity forward contracts to minimise risk. Derivatives are not used as trading or speculative instruments.

The Company purchases materials against a fixed sales order only. Hence, the exposure on account of foreign currency risk is low.

(iii) Investment Price risk
Investments of surplus funds are made only with approved high rated investments under mutual fund. Investments are reviewed by the Company on a regular basis. Hence, the Company's exposure to investment's price risk is low.

<u>(iv) Other risks</u>

<u>Commodity risk</u>
The Company's operating activities requires primarily purchase and manufacture of aluminium billets and therefore require a continuous supply of aluminium being a major component in raw material. Hence, the Company is exposed to the risk for supply of aluminium.

The Company purchases majority of the aluminium from it's holding Company at an arm's length price and hence, price is not considered to be the risk. Even other suppliers are readily available in market in case of no supply available from the holding company. Hence, the risk of availability of commodity is very low.

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 27: Capital management

(a) Risk management

The Company's objectives when managing capital are to:
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure

The Company's capital structure consists of only equity share capital and has no debts which suggests that there is no risk for management of capital.

(b) Loan covenants

The Company has no debts as at and for the reporting year and prior year. Hence, there are no loan covenants.

(c) Dividends

The Company has not declared dividends in the current reporting year as well as prior year.

Note 28: Segment Information

(i) Description of segments and principle activities

The Company's chief operating decision maker consists of the Manager (i.e. Unit Head) who examines the Company's performance only from the product perspective and has accordingly, identified only one reportable segment which is manufacturing, processing and dealing in aluminium billets.

(ii) The chief operating decision maker primarily uses a measure of profit before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit or loss in the financial statements.

(iii) Revenue from major external customers is as follows:

For the period ended	Number of customers	Amount	% to revenue from operations
March 31, 2018	5	5,274.04	83%
March 31, 2017	4	3,257.15	63%

(iv) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers	March 31, 2018	March 31, 2017
India	6,293.87	5,104.86
Other countries	41.59	26.53
Total	6,335.46	5,131.39

(v) The total of the non-current assets (other than financial instruments) are located only in India as at March 31, 2018, March 31, 2017 .

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018

(All amounts in Rs. Lakhs, unless otherwise stated)

Note 29: Related Party Transactions

(a) Parent entity

Name	Type	Place of Incorporation	Ownership interest	
			March 31, 2018	March 31, 2017
Hindalco Industries Limited	Parent Company	India	97.18%	97.18%

(b) Key managerial personnel compensation

Nature of payment	For year ended March 31, 2018	For year ended March 31, 2017
- Abhey Agarwal	76.87	68.04

(c) Transactions with Related Parties

	For year ended March 31, 2018	For year ended March 31, 2017
Transactions with Hindalco Industries Limited ('HIL')		
- Reimbursement of expenses to HIL	5.04	5.46
- Interest expenses	18.65	8.56
- Purchase of raw material	3,003.01	2,062.53
- Sale of finished goods	218.52	141.06
- Reimbursement of expenses by HIL	-	-
Transactions with Idea Cellular Limited (associate of parent entity)		
- Communication expenses	1.56	1.80
Transactions with Mr. Madhukar Manilal Bhagat, Director		
- Sitting fees	1.40	0.80
Transactions with Mr. Yazdi Dandiwala, Director		
- Sitting fees	1.40	0.80

(d) Outstanding balances arising from sales/ purchases of goods or services

	As at March 31, 2018	As at March 31, 2017
Trade payables [Refer note 12(a)]		
- Hindalco Industries Limited	237.62	163.82
- Director's sitting fees payable	0.60	0.80
Accrued payroll [Refer note 12(a)]		
- Payable to Key Managerial Personnel	2.89	2.20
Total payables to related parties	**241.11**	**166.82**

(e) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.
All outstanding balances are unsecured and are payable in cash.

SINGHI & CO. ★ Chartered Accountants ★

Note 30: Contingent Liability and Contingent Asset

	As at March 31, 2018	As at March 31, 2017
(a) Contingent Liabilities		
Claims against the Company not acknowledged as debt:		
- Labour Law Matters	3.39	3.39
(b) Contingent Assets		
- Income Tax MAT Refund claims	21.08	-

Note 31: Earning/(Loss) Per Equity Share

	For year ended March 31, 2018	For year ended March 31, 2017
Profit/ (loss) for the year	268.98	217.56
Weighted Average number of equity shares (in Lakhs) outstanding during the year	1,771.16	1,771.16
Basic and diluted earning/ (loss) per share (in Rs.)	0.15	0.12
Nominal value of an equity share (in Rs.)	5.00	5.00

Note: There is no movement in equity share capital and neither there is change in the nominal value per share during the period ended March 31, 2018 and March 31, 2017.

Note 32: Operating lease transactions

The Company has entered in to leasing arrangements under operating lease:

(a) For material handling lease expenses that are renewable on a periodic basis and cancellable in nature. Rent for operating leases included in the statement of profit and loss for the year is Rs. 40.12 Lakhs (March 31, 2017: Rs. 38.34 Lakhs).

(b) Land for original lease period of 95 years. Amortisation of leasehold land included in the statement of profit and loss for the year is Rs. 0.84 Lakh (March 31, 2017: Rs. 0.84 Lakh).

Note 33: Micro, Small and Medium Enterprises Development Act, 2006

Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Principal amount and the interest due on the above at the end of the accounting year		
	- Principal	1.66	-
	- Interest due there on	-	-
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	Total	1.66	-

Note 34: Offsetting financial assets and financial liabilities

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2018, March 31, 2017 since, the entity neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simaltaneoulsy. Further, the Company has no enforceable master-netting arrangements and other similar arrangements as at March 31, 2018, March 31, 2017.

SINGHI & CO

(All amounts in Rs. Lakhs, unless otherwise stated)

Note 35: Assets and liabilities relating to employee benefits

(i) Leave obligations
The leave obligations cover the Company's liability for earned leave and sick leave.

(ii) Post-employment obligations - Gratuity
The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

This defined benefit plans expose the Company to actuarial risks, such as interest rate risk and market (investment) risk.

(iii) Balance sheet amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2016	93.64	(39.43)	54.21
Current Service Cost	7.49	-	7.49
Past service cost - Plan amendments	0.82		0.82
Interest expense/(income)	7.01	(3.28)	3.73
Total amount recognised in profit or loss	**15.32**	**(3.28)**	**12.04**
Re-measurements			
Experience loss	7.82	-	7.82
Loss from change in financial assumptions	(5.74)	-	(5.74)
Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.36)	(0.36)
Total amount recognised in other comprehensive income	**2.08**	**(0.36)**	**1.72**
Employer contributions	-	(9.06)	(9.06)
Benefit payments	(0.45)	0.45	-
March 31, 2017	**110.59**	**(51.68)**	**58.91**

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2017	110.59	(51.68)	58.91
Current Service Cost	9.67	-	9.67
Past service cost - Plan amendments	6.16	-	6.16
Interest expense/(income)	7.74	(3.62)	4.12
Total amount recognised in profit or loss	**23.57**	**(3.62)**	**19.96**
Re-measurements			
Experience loss	4.69	-	4.69
Loss / (Gain) from change in financial assumptions	6.89	-	6.89
Return on plan assets, excluding amounts included in interest expense/ (income)	-	-	-
Total amount recognised in other comprehensive income	**11.58**	-	**11.58**
Employer contributions	-	-	-
Benefit payments	-	-	-
March 31, 2018	**145.74**	**(55.30)**	**90.44**

SINGHI & CO. ★ Chartered Accountants ★

(iv) The net liability disclosed above relating to funded and unfunded plans are as follows:

	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	145.73	110.59
Fair value of plan assets	(55.29)	(51.68)
Deficit of funded plan	**90.44**	**58.91**
Unfunded plans	-	-
Deficit of gratuity plan	**90.44**	**58.91**

(v) Significant Actuarial assumptions are as follows:

	March 31, 2018	March 31, 2017
Discount rate	7.50%	7.00%
Salary growth rate	8.00%	7.00%

(vi) Sensitivity analysis

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

Assumptions	Impact on defined benefit obligation							
	Change in assumption		Increase			Decrease		
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
Discount rate	1.00%	1.00%	Decrease by	13.45	10.57	Increase by	15.70	12.23
Salary growth rate	1.00%	1.00%	Increase by	15.35	12.01	Decrease by	13.43	10.58

(vii) 100% of the plan assets are invested in Insurer Managed Fund which is in India.

(viii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which is Asset volatility. The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan assets are invested by the company in insurer manager fund wholly with the Life Insurance Corporation of India ("LIC"). The Company intends to maintain this investment in the continuing years.

(ix) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plans for the year ending March 31, 2019 is Rs. 1.18 lakhs (March 31, 2018: Rs.Nil).

The weighted average duration of the defined benefit obligation is 10 years (2017 - 10 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2018	5.76	6.31	22.57	126.02	160.66
March 31, 2017	5.30	5.76	20.30	116.76	148.12

SINGHI & CO. ★ Chartered Accountants ★

Hindalco-Almex Aerospace Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 36: New standards/ amendments to existing standards issued but not yet adopted

The new Accounting Standards / amendments to existing Accounting Standards issued but not yet effective upto the date of issuance of the Company's Financial Statements, to the extent applicable to the company, are disclosed below:

1) Ind AS 115-Revenue from Contracts with Customers-

The Ministry of Corporate Affairs (MCA) on 28th March 2018 has notified new Indian Accounting Standard Ind AS 115 .The new accounting standard will come into force from accounting period commencing on or after 1st April 2018. It replaces existing recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction contracts. The Accounting standard is likely to affect the measurement, recognition and disclosure of revenue. The Company has evaluated and there is no material impact of this amendment on the financial statements of the company except for disclosures. The Company will adopt Ind AS 115 on the required effective date.

2) Amendment to Ind AS 21, The Effect of Changes in Foreign Exchange Rates -

The MCA on 28th March 2018 issued certain amendments to Ind AS 21 by incorporating the same in Appendix B to Ind AS 21. The said amendment addresses the issue of determining the date of transaction for the purpose of applying the exchange rate on initial recognition of related assets , expenses or income in a situation where the entity has received or paid advances in foreign currencies, . The amendment will come into force from accounting period commencing on or after 1st April 2018. The Company has evaluated this amendment and impact of this amendment will not be material.

For **SINGHI & CO.**
Firm Registration No: 302049E
Chartered Accountants

SINGHI & CO. ★ Chartered Accountants ★

Sudesh Choraria
Partner
Membership No. 204936

Place: Mumbai
Dated: April 26,2018

For and on behalf of the Board of Directors

Director
DIN No.

Place: Mumbai
Dated: April 26,2018

Director
DIN:

Place:
Dated: April 26,2018

Shrikant Turalkar

Place: Mumbai
Dated: April 26,2018

Suchit Naidu
Chief Financial Officer

Place: Mumbai
Dated: April 26,2018

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUCKNOW FINANCE COMPANY LIMITED

Report on the Standalone IND AS Financial Statements

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

Management's Responsibility for the IND AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("IND AS") specified under section 133 of the Act read with relevant rules issued there under. 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 Standalone IND AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone IND AS financial statements are free from material misstatement.

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

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone IND AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS, of the state of affairs of the Company as at March 31, 2018, and its profits (financial performance including other comprehensive income), its changes in equity and 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; issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 ("the Order"), and the basis of examination of the books and records of the Company as we considered appropriate and according to the information and explanations given to use, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion the Company has kept proper books of account as require so far as appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the IND AS specified under section 133 of the Act read with relevant rules issued thereunder;

   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls system over financial reporting of the Company and the operating effectiveness of such control as at March 31, 2018, refer to our separate report in **Annexure "B"** attaches with this Report 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 does not have any pending litigations as at March 31, 2018 which would impact its financial position.

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

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

iii. There was no amount, which was required to be transferred to the investor Education and Protection Fund by the Company.

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

(DHARMESH SOLANKI)
Partner
Membership No. 120483

Place: Mumbai
Date : April 30, 2018

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

Annexure "A" referred in paragraph 1 of the Independent Auditors Report of even date to the Members of LUCKNOW FINANCE COMPANY LIMITED on the Standalone IND AS financial Statements as of and for the year ended March 31, 2018 under the heading "Report to Legal and Regulatory Requirements"

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

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

   (b). The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

   (c). The title deeds of the immovable properties as disclosed in Investment Property to the Standalone IND AS financial statements are held in the name of the Company.

2. There were no stock of goods during the year with the Company; hence, comments on its physical verification and Material discrepancies are not required and accordingly the provisions of clause 3(ii) of the order, is not applicable to the Company.

3. The Company has not granted any loans, Secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and accordingly, provisions of clause 3 (iii), (iii) (a), (iii) (b) &(iii) (c) of the order, are not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee or security where provisions of section 185 and 186 of the Companies Act, 2013 are applicable, hence, provision of clause 3(iv) of the order, is not applicable to the Company.

5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed thereunder apply.

6. According to the information, explanations given to us and the books & records examined by us, the Company is not carrying out any manufacturing activity during the year therefore maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company.

7. (a). According to the information and explanations given to us, the provisions of Provident Fund, Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty and VAT are not applicable to the Company. The Company is regular in depositing Income tax, Service tax, GST and any other applicable statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at March 31, 2018 for a period exceeding six months from the date they became payable.

   (b). According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Income Tax, Wealth Tax, Service Tax, GST etc. as at March 31, 2018.

8. The Company has not availed any loan from financial institution or Banks, government or debenture holders during the current year as well as in the previous year and accordingly the provision of clause 3 (viii) of the order is not applicable to the Company.

9. In our opinion, and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.

10. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the year.

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

11. In our opinion, and according to the information and explanations given to us, the Company has not paid any amount to its Directors as a Managerial Remuneration as prescribed by the provision of section 197 read with schedule V of the Companies Act, 2013 and accordingly the provision of clause 3 (xi) of the order is not applicable to the Company.
12. In our opinion, the Company is not a Nidhi company and accordingly the provision of clause 3 (xii) of the order is not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us, the Company has not carried out any transactions with the related parties as defined in section 177and 188 of the Companies Act, 2013. However, the details of related party transactions have been disclosed in the Standalone IND AS financial statements as required under Applicable Indian Accounting Standards (IND AS) specified under section 133 of the Act.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with the directors, accordingly the provisions of clause 3 (xv) of the order is not applicable to the Company.
16. Initially, the Company was registered as Non-Banking Financial Company (NBFC) under Section 45-IA of the Reserve Bank of India Act, 1934. Later, the Company has voluntary exited from the business of NBFC and accordingly the RBI has cancelled its registration in year 2009. Accordingly, the provisions of clause (xvi) of paragraph 3 of the Order not applicable.

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

Dharmesh

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

(DHARMESH SOLANKI)
Partner
Membership No. 120483

Place: Mumbai
Date : April 30, 2018

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

Annexure "B" referred in paragraph 2 (f) of the Independent Auditors Report of even date to the Members of LUCKNOW FINANCE COMPANY LIMITED on the Standalone IND AS financial Statements as of and for the year ended March 31, 2018 under the heading "Report to Legal and Regulatory Requirements"

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

We have audited the internal financial controls over financial reporting of **LUCKNOW FINANCE COMPANY LIMITED** ("the Company) as of March 31, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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:

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

MANOJ VIPIN & CO.
Chartered Accountants
407, 4th Floor, Nirman Kendra,
Dr E Moses Road, Famous Studio Lane, Mahalaxmi
Mumbai 400 011
Email: dharmesh@camanojvipin.com
Phone: +91 9892817529

1. Pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For MANOJ VIPIN & CO.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

(DHARMESH SOLANKI)
Partner
Membership No. 120483

Place: Mumbai
Date : April 30, 2018

LUCKNOW FINANCE COMPANY LIMITED

Balance Sheet as at March 31, 2018

(Amount in ₹)

	Note	As at 31/03/2018	As at 31/03/2017
ASSETS			
Non-Current Assets			
Investment Property	'5'	93,481,292	95,546,480
Financial Assets:			
Non-Current Investments	'6'	107,310	106,655
		93,588,602	95,653,135
Current Assets			
Financial Assets:			
Current Investments	'7'	103,996,820	83,472,530
Cash and Cash Equivalents	'8'	2,072,639	40,663
Other Financial Assets	'9'	32,245	6,880,219
Current Tax Assets (Net)	'10'	1,480,098	895,300
		107,581,802	91,288,712
		201,170,404	186,941,847
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	'11'	99,025,000	99,025,000
Other Equity	'12'	92,763,708	76,837,837
		191,788,708	175,862,837
LIABILITIES			
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	'13'	1,014,641	2,736,804
		1,014,641	2,736,804
Current Liabilities			
Financial Liabilities:			
Trade Payables	'14'	190,436	44,800
Other Financial Liabilities	'15'	7,845,450	7,845,450
Other Current Liabilities	'16'	331,169	451,956
		8,367,055	8,342,206
		9,381,696	11,079,010
		201,170,404	186,941,847
Significant Accounting Policies	'3'		

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483

MANOJ VIPIN & CO. ★ CHARTERED ACCOUNTANTS ★

D.C. Kabra
DIN - 00579509

Atul Mehra
DIN - 00584586

Kishan Kumar Agarwal
Company Secretary

Place: Mumbai
Date: April 30, 2018

LUCKNOW FINANCE COMPANY LIMITED ★

LUCKNOW FINANCE COMPANY LIMITED

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

(Amount in ₹)

	Note	Year ended 31/03/2018	Year ended 31/03/2017
REVENUES			
Other Income	'17'	28,314,243	29,021,849
Total Income		28,314,243	29,021,849
EXPENSES			
Finance Costs	'18'	-	32
Depreciation and Amortization	'19'	2,065,188	2,116,308
Other Expenses	'20'	8,321,002	2,227,180
Total Expenses		10,386,190	4,343,520
Profit before Tax		17,928,053	24,678,329
Income Tax Expenses:	'21'		
Current Tax		3,725,000	4,715,988
Deferred Tax		(1,718,421)	1,815,681
Profit for the period		15,921,474	18,146,660
Other Comprehensive Income:	'22'		
Items that will not be reclassified to Profit and Loss		655	59,345
Tax on items that will not be reclassified to Profit and Loss		3,742	-
Items that will be reclassified to Profit and Loss		-	-
Tax on items that will be reclassified to Profit and Loss		-	-
Other Comprehensive Income (Net of Tax)		4,397	59,345
Total Comprehensive Income for the period		15,925,871	18,206,005
Earnings per Share (EPS):	'23'		
Basic EPS		1.61	1.83
Diluted EPS		1.61	1.83
Significant Accounting Policies	'3'		

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

MANOJ VIPIN & CO. ★ CHARTERED ACCOUNTANTS ★

D.C. Kabra
DIN- 00579509

Anil Mathew
DIN- 00584356

Bishnu Kumar Agarwal
Company Secretary

LUCKNOW FINANCE COMPANY LIMITED ★

LUCKNOW FINANCE COMPANY LIMITED

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

A. Equity Share Capital

	Note	Amount in ₹
Balance as at April 01, 2016		99,025,000
Change in Share Capital during the period		-
Balance as at March 31, 2017	'11'	99,025,000
Change in Share Capital during the period		-
Balance as at March 31, 2018	'11'	99,025,000

B. Other Equity

(Amount in ₹)

	Note	Reserve and Surplus			Other Reserve	
		Capital Redemption Reserve	Special Reserve	Retained Earnings	Equity Instruments FVTOCI	Total Other Equity
Balance as at April 01, 2016		21,000,000	15,162,059	22,436,568	33,205	58,631,832
Profit for the period		-		18,146,660	-	18,146,660
Other Comprehensive Income for the period	'22'	-	-	-	59,345	59,345
Total Comprehensive Income for the period		-	-	18,146,660	59,345	18,206,005
Dividend Paid (including Dividend Distribution Tax)		-	-	-	-	-
Balance as at March 31, 2017	'12'	21,000,000	15,162,059	40,583,228	92,550	76,837,837
Profit for the period		-	-	15,921,474	-	15,921,474
Other Comprehensive Income for the period	'22'	-	-	-	4,397	4,397
Total Comprehensive Income for the period		-	-	15,921,474	4,397	15,925,871
Dividend Paid (including Dividend Distribution Tax)		-	-	-	-	-
Balance as at March 31, 2018	'12'	21,000,000	15,162,059	56,504,702	96,947	92,763,708

Significant Accounting Policies '3'

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483
Place: Mumbai
Date: April 30, 2018

MANOJ VIPIN & CO. * CHARTERED ACCOUNTANTS *

D.C. Kabra
DIN - 00579509

Anil Mathews
DIN - 00584386

LUCKNOW FINANCE COMPANY LIMITED *

Bishnu Kumar Agarwal
Company Secretary

LUCKNOW FINANCE COMPANY LIMITED

Cash Flow Statement for the Year ended March 31, 2018

(Amount in ₹)

	Note	Year ended 31/03/2018	Year ended 31/03/2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax:		17,928,053	24,678,329
Adjustment for :			
Finance Costs	'18'	-	32
Depreciation and Amortization	'19'	2,065,188	2,116,308
Bad debt, loans, advances and receivables written off/ (written back) (Net)	'20'	6,094,330	-
Dividend Income	'17'	(325,377)	(638,519)
(Gains)/ losses on financial Assets measured at FVTPL (Net)	'17'	(5,588,914)	(5,905,227)
Other Non-operating Income/ Expenses (Net)		-	-
Operating profit before working capital changes		20,173,280	20,250,923
Changes in working Capital:			
(Increase)/ Decrease in Trade and Other Receivables (Net)		753,644	(268,298)
Increase/ (Decrease) in Trade and Other Payables (Net)		24,849	10,323
Cash generation from Operation before Tax		20,951,773	19,992,948
(Payment)/ Refund of Income Tax (Net)		(4,309,798)	(4,715,022)
Net Cash Generated/ (Used) - Operating Activities		16,641,975	15,277,926
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments in Mutual Funds		(14,935,376)	(38,200,205)
Redemption of Investments in Mutual Funds		-	22,217,896
Dividend Received		325,377	638,519
Net Cash Generated/ (Used) - Investing Activities		(14,609,999)	(15,343,790)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Finance Cost Paid		-	(32)
Dividend Paid (including Dividend Distribution Tax)		-	-
Net Cash Generated/ (Used) - Financing Activities		-	(32)
Net Increase/ (Decrease) in Cash and Cash Equivalents		2,031,976	(65,896)
Add : Opening Cash and Cash Equivalents		40,663	106,559
Closing Cash and Cash Equivalents		2,072,639	40,663

Reconciliation of Closing Cash and Cash Equivalents as per Statement of Cash Flow:

(Amount in ₹)

	Note	As at 31/03/2018	As at 31/03/2017
Closing Cash and Cash Equivalents	'11'	2,072,639	40,663
Adjustment in Closing Cash and Cash Equivalents		-	-
Balance as per Statement of Cash Flow		2,072,639	40,663

Significant Accounting Policies '3'

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

MANOJ VIPIN & CO. * CHARTERED ACCOUNTANTS *

D C Kabra
DIN - 00579507

Anil Malhotra
DIN - 00584366

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

LUCKNOW FINANCE COMPANY LIMITED *

Bishnu Kumar Agarwal
Company Secretary

1. Company Overview:

Lucknow Finance Company Limited ("the Company") was incorporated on May 31, 1989 having its registered office at Hindalco Industries Limited, Renukoot, Sonebhadra, Uttar Pradesh, 231217. The Company has a commercial building at Mumbai, which has been leased out for earning rental income.

The Company is a wholly owned subsidiary of Hindalco Industries Limited, a public limited company whose equity shares are listed on the Indian Stock Exchanges (National Stock Exchange and Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

2. Basis of Preparation:

The financial statements of Lucknow Finance Company Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India. The financial statements for the year ended March 31, 2018 have been approved by the Board of Directors of the Company in their meeting held on April 30, 2018.

The financial statements have been prepared under the historical cost convention on accrual basis except for financial instruments, which have been measured at fair value.

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 take 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.

In addition, for financial reporting purposes, fair value measurements are categorized 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 Company 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.

In preparing the financial statements in conformity with Ind-AS requires management to make estimates and assumptions that affect reported Amount of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the Amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period in which the same is determined.

The financial statements are presented in Indian Rupees (INR/₹) which is the Functional Currency of the Company.

3. Significant Accounting Policies:

A. Investment Property

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property is at the carrying amount of the property.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives. Depreciation on Investment Property has been provided using Straight Line Method at the rates and manner prescribed under Schedule II of the Companies Act, 2013.

Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value-in-use and net selling price. Value-in-use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

B. Financial Instruments

All financial assets are recognized on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value.

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

Equity Instruments

The Company's investment in equity instruments is strategic in nature and has been held for a substantial period of time. The company does not acquire equity instruments for the purpose of selling in the near term for short term profit taking. The company has therefore made an irrevocable election to measure equity instruments at Fair Value through Other Comprehensive Income (FVTOCI).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is directly reclassified to retained earnings. For equity instruments measured at fair value through other comprehensive income no impairments are recognized in the statement of profit and loss.

Dividends on these investments in equity instruments are recognized in the statement of profit and loss in investment income 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 and the amount of the dividend can be measured reliably.

Debt Instruments

The Company's primary objective of the investment in the mutual fund is to maximize yield while maintaining liquidity to meet business fluctuations/opportunities. The company has therefore decided to measure debt instruments at Fair Value through Profit and Loss (FVTPL).

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs. These are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in the statement of profit and loss as 'Gains/ loss on financial Instruments measured at FVTPL'. Periodical income or interest and gain and loss on sale/ transfer on derecognition of debt instruments at FVTPL is included in the statement of profit and loss as net gain or loss.

LUCKNOW FINANCE COMPANY LIMITED

MANOJ VIPIN * CHARTERED ACCOUNTANTS

C. **Fair Value Measurement**

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

D. **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

E. **Income Taxes**

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

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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of Amount expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

Current and deferred tax for the period

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

F. **Revenue Recognition**

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Interest, Dividend and other income on investments is accounted for when the right to receive the payment is established. The Amount where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

Revenue excludes taxes that are collected on behalf of Government Authorities.

G. **Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. In case of litigation, the Company may entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

4. **Critical accounting judgment and key sources of estimation uncertainty:**

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

(a) Taxes

The Company calculates income tax expense based on income reported. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures all of which may be uncertain. Economic conditions may change and lead to a different conclusion regarding recoverability. Tax authorities may challenge the Company's computation of tax payable from prior periods. Such process may lead to changes to prior periods taxable income, resulting in change to income tax expenses in the period of change.

LUCKNOW FINANCE CO.

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

(b) **Recoverability of advances/ receivables**

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgment based on financial position of the counter-parties, market information and other relevant factor.

(c) **Fair value measurements**

the Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(d) **Contingent assets and liabilities, uncertain assets and liabilities**

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether the Company will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of Amount, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

5. Investment Property:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Cost	134,871,479	134,871,479
Less: Accumulated Depreciation and Impairment	(41,390,187)	(39,324,999)
Net carrying amount	93,481,292	95,546,480

	Buildings	Total
Cost		
As at April 01, 2016	134,871,479	134,871,479
Disposal/ Adjustments	-	-
As at March 31, 2017	134,871,479	134,871,479
Disposal/ Adjustments	-	-
As at March 31, 2018	134,871,479	134,871,479
Accumulated Depreciation and Impairment		
As at April 01, 2016	37,208,691	37,208,691
Depreciation for the period	2,116,308	2,116,308
As at March 31, 2017	39,324,999	39,324,999
Depreciation for the period	2,065,188	2,065,188
As at March 31, 2018	41,390,187	41,390,187
Net carrying amount		
As at March 31, 2017	95,546,480	95,546,480
As at March 31, 2018	93,481,292	93,481,292
Usefule life of investment properties	60 years	

(a). Amount recognized in profit and loss for investment properties are as under:

(Amount in ₹)

	Year ended	
	31/03/2018	31/03/2017
Rental Income	22,399,952	22,473,205
Less: Direct operating expenses, including repair and maintenance, generating rental income	(2,161,733)	(2,156,005)
Profit or loss from investment properties before depreciation	20,238,219	20,317,200
Less: Depreciation	(2,065,188)	(2,116,308)
Profit or loss from investment properties	18,173,031	18,200,892

(b). All of the Investment Properties of the Company are held under freehold interest.

(c). the Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(d). The fair value of the Company's investment properties have been carried out by external valuer. Information of fair value of investment properties and level of air value hierarchy are given below:

i. Fair value of investment properties given below:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Buildings	298,465,902	289,056,589

ii. Fair value hierarchy of Investment properties given below:

(Amount in ₹)

	As at 31/03/2018		As at 31/03/2017	
	Level 1	Level 2	Level 1	Level 2
Buildings	-	298,465,902	-	289,056,589

LUCKNOW FINANCE COMPANY LTD

MANOJ VIPIN & CO. * CHARTERED ACCOUNTANTS *

6. **Non-Current Investments:**

(Amount in ₹)

	Face value per Unit	Numbers - As at 31/03/2018	Numbers - As at 31/03/2017	Value - As at 31/03/2018	Value - As at 31/03/2017
Quoted Investments					
Investment in Equity Instruments (Fully paid-up)					
Gujarat Narmada Valley Fertilizers & Chemicals Limited	₹ 10	100	100	36,395	28,705
Gujarat State Fertilizers & Chemicals Limited	₹ 2	500	500	57,050	65,500
Southern Petrochemical Industries Limited	₹ 10	100	100	3,350	2,350
Madras Fertiliser Limited	₹ 10	100	100	3,195	1,925
Rashtriya Chemicals and Fertilizers Limited	₹ 10	100	100	7,320	8,175
				107,310	106,655

(a). Aggregate amount of quoted and unquoted investments, market value of quoted investments and aggregate amount of impairment in value of Investments are given below:

	31/03/2018	31/03/2017
Aggregate amount of quoted investments and market value thereof	107,310	106,655
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

7. **Current Investments:**

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Quoted Investments		
Investment in Mutual Funds:		
Aditya Birla Capital Mutual Funds	86,939,801	67,371,178
Baroda Pioneer Mutual Funds	11,323,404	10,688,013
IDFC Mutual Funds	5,733,615	5,413,339
	103,996,820	83,472,530

(a). Aggregate amount of quoted and unquoted investments, market value of quoted investments and aggregate amount of impairment in value of Investments are given below:

	31/03/2018	31/03/2017
Aggregate amount of quoted investments and market value thereof	103,996,820	83,472,530
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

8. **Cash and Cash Equivalents:**

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Balance with Banks - Current Accounts	2,072,040	40,019
Cash on hand	599	644
	2,072,639	40,663

(a). There are no repatriation restrictions with regard to cash and cash equivalents.

9. **Other Financial Assets:**
(Unsecured, considered good unless otherwise stated)

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Receivables against Rent	32,245	6,759,980
Advance for Mutual Fund Investment	-	120,000
Other Receivable	-	239
	32,245	6,880,219

10. **Current Tax Assets (Net):**

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Advance Tax Assets (Net)	1,480,098	895,300
	1,480,098	895,300

11. **Equity Share Capital:**

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
Authorized:		
12,500,000 (31/03/2017: 12,500,000) Equity Shares of ₹ 10/- each	125,000,000	125,000,000
	125,000,000	125,000,000
Issued, Subscribed and Paid-up:		
9,902,500 (31/03/2017: 9,902,500) Equity Shares of ₹ 10/- each - (a)	99,025,000	99,025,000
	99,025,000	99,025,000

(a). Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	Year ended 31/03/2018		Year ended 31/03/2017	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Equity Shares outstanding at the beginning of the period	9,902,500	99,025,000	9,902,500	99,025,000
Equity Shares outstanding at the end of the period	9,902,500	99,025,000	9,902,500	99,025,000

(b). Rights, Peferences and Restrictions attached to Equity Shares:

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential Amount, in proportion to their shareholding.

(c). Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at 31/03/2018		As at 31/03/2017	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Hindalco Industries Limited and its nominees	9,902,500	100.00%	9,902,500	100.00%

(d). The Company during the preceding 5 years:

i. Has not allotted shares pursuant to contracts without payment received in cash.
ii. Has not issued shares by way of bonus shares.
iii. During the year ended March 31, 2015, the Company has bought back 2,100,000 Equity Shares of ₹ 10/- each.

12. Other Equity:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Reserve and Surplus		
Capital Redemption Reserve	21,000,000	21,000,000
Special Reserve	15,162,059	15,162,059
Retained Earnings	56,504,702	40,583,228
	92,666,761	76,745,287
Other Reserves		
Equity Instruments Fair Value through OCI	96,947	92,550
	96,947	92,550
	92,763,708	76,837,837

(a). Brief description of items of other equity are given below:

i. **Capital Redemption Reserve**

This is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The provisions relating to the capital redemption reserve are set out in section 69 of the Companies Act 2013.

ii. **Special Reserve**

The Company was earlier registered as Non-Banking Financial Company ("NBFC") under Section 45-IC of the Reserve Bank of India Act, 1934. Every NBFC is required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company has exited from the business as NBFC. Accordingly the RBI has cancelled its registration as NBFC in year 2009 and the Company discontinued to create this reserve since that period.

iii. **Retained Earnings**

Amount of retained earnings represents accumulated profit and losses of the company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI.

iv. **Equity Instruments Fair Value through OCI**

The Company has elected to recognise changes in the fair value of investments in equity securities through other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

(b). Movement of each item of other equity is presented in the Statement of Changes in Equity.

13. Deferred Tax Liabilities (Net):

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Deferred Tax Liabilities	1,014,641	2,736,804
Less: Deferred Tax Assets	-	-
	1,014,641	2,736,804

(a). Major components of Deferred Tax Liabilities (Net) arising on account of temporary timing differences and movement therein are given below:

(Amount in ₹)

	FV of Financial Instruments	
	FY 2018	FY 2017
Deferred Tax Liabilities		
As at April 01	2,736,804	921,123
Recognised in Statement of Profit and Loss	(1,718,421)	1,815,681
Recognised in OCI	(3,742)	-
As at March 31	1,014,641	2,736,804
Less: Deferred Tax Assets		
As at April 01	-	-
Recognised in Statement of Profit and Loss	-	-
Recognised in OCI	-	-
As at March 31	-	-
Deferred Tax Liabilities (Net)	1,014,641	2,736,804

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

(d). **Unrecognised Deferred Taxes**

The Company has not recognised deferred tax assets and tax credits for certain items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. The details of such items and its period of expiry are given below:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
i. Unrecognised Deferred Tax Assets:		
Long-term Capital losses	2,462,099	2,438,425
Period of expiry	FY 2020 - 2025	FY 2020 - 2025
ii. Unused Tax Credits:		
MAT Credit	1,367,440	149,742
Period of expiry	FY 2027 - 2028	FY 2027

14. Trade Payables:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Trade Payables	190,436	44,800
	190,436	44,800

15. Other Financial Liabilities:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Security and other Deposits - (a)	7,845,450	7,845,450
	7,845,450	7,845,450

(a). Includes ₹ 1,845,450 (31/03/2017: ₹ 1,845,450) from Hindalco Industries Limited, parent of the Company.

16. Other Current Liabilities:

(Amount in ₹)

	As at	
	31/03/2018	31/03/2017
Statutory dues Payables	331,169	451,956
	331,169	451,956

17. Other Income:

(Amount in ₹)

	Year ended	
	31/03/2018	31/03/2017
Dividend Income		
On Non-current Investments	-	1,210
On Current Investments	325,377	637,309
Gains (losses) on Financial Assets measured at fair value through Profit and Loss (Net) - (a)	5,588,914	5,905,227
Rent Income from Investment Properties	22,399,952	22,473,205
Other Miscellaneous Income	-	4,898
	28,314,243	29,021,849

(a). Includes realised gain on sale of current investments of ₹ NIL (31/03/2017: ₹ 128,213)

18. Finance Costs:

(Amount in ₹)

	Year ended	
	31/03/2018	31/03/2017
Interest Expenses	-	32
	-	32

19. Depreciation and Amortisation Expenses:

(Amount in ₹)

	Year ended	
	31/03/2018	31/03/2017
Depreciation of Investment Properties	2,065,188	2,116,308
	2,065,188	2,116,308

20. Other Expenses:

(Amount in ₹)

	Year ended	
	31/03/2018	31/03/2017
Repairs to Buildings	1,420,553	1,414,825
Rates and Taxes	746,647	746,580
Payments to Auditors:		
Statutory Audit Fees	30,000	30,000
Taxation Matters	15,000	8,000
Reimbursement of expenses	12,200	7,559
Bad debt, loans, advances and receivables written off/ (written back) (Net)	6,094,330	-
Miscellaneous Expenses	2,272	20,216
	8,321,002	2,227,180

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

21. **Income Tax Expenses:**

The Company's income tax expenses and effective tax rate reconciliation given below:

(a). **Amount recognised in Statement of Profit and Loss**

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
i. **Current Tax**		
Current tax on profits for the year	3,725,000	4,879,825
Adjustments for current tax of prior periods (Net)	-	(163,837)
Total current tax expenses	3,725,000	4,715,988
ii. **Deferred Tax**		
Deferred Tax for the year	(1,718,421)	1,815,681
Tax adjustments for earlier years (Net)	-	-
Total deferred tax expenses	(1,718,421)	1,815,681
Total Income Tax Expenses	2,006,579	6,531,669

(b). **Reconciliation of Effective Tax Rate**

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
Profit before Tax	17,928,053	24,678,329
Statutory Income Tax Rate applicable to the Company *	27.5525%	31.9609%
Tax expenses using applicable income tax rate	4,939,627	7,887,416
Tax effect of adjustments to reconcile income tax expenses:		
Expenses allowed on notional basis for income from house property	(1,790,260)	(2,083,725)
Expenses not deductible in determining taxable profit	978,301	1,151,340
Income exempt from tax (Dividends)	(89,650)	(204,076)
Difference in tax rates	(2,031,439)	(55,449)
Adjustments pertaining to prior years	-	(163,837)
Income Tax Expenses recognised in the Statement of Profit and Loss	2,006,579	6,531,669

* Applicable income tax rate for Fiscal 2018 and 2017 is 27.5525% and 31.9609% respectively. However, the Company is required to pay MAT under section 115JB of the Income Tax Act 1961.

22. **Other Comprehensive Income:**

The disaggregation of changes to other comprehensive income (OCI) by each class is given below:

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
(a). **Items that will not be reclassified to Profit and Loss**		
Change in fair value of equity instruments FVTOCI	655	59,345
Income tax effect on above	3,742	-
	4,397	59,345
(b). **Items that will be reclassified to Profit and Loss**		
Change in fair value of debt instruments FVTOCI	-	-
Income tax effect on above	-	-
	-	-
Total Other Comprehensive Income	4,397	59,345

23. **Earnings per Share (EPS):**

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
Profit for the period (As per Statement of Profit and Loss)	15,921,474	18,146,660
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of equity shares for basic EPS	9,902,500	9,902,500
Dilutive potential equity shares	-	-
Weighted average number of equity shares for diluted EPS	9,902,500	9,902,500
Face value of per equity share	10.00	10.00
Earnings per Share:		
Basic EPS	1.61	1.83
Diluted EPS	1.61	1.83

24. **Impairment Loss:**

The Company has carried out impairment test of assets and find that there is no impairment loss during the year.

25. The provisions of the Corporate Social Responsibility under Section 135 of the Companies Act 2013 is not applicable to the Company as the Company does not fall in the applicability criteria set out in the Act .

FINANCE COMPANY LIMITED LUCKNOW

MANOJ VIPIN & CO. CHARTERED ACCOUNTANTS

26. **Financial Instruments:**

A. **Fair Value Measurements**

(a). The following table shows the carrying amount and fair values of financial assets and financial liabilities by category.

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Amortised Cost	Fair value through OCI	Fair value through P&L	Amortised Cost	Fair value through OCI	Fair value through P&L
Financial Assets						
Investments in Equity Instruments						
Quoted Equity Instruments	-	107,310	-	-	106,655	-
Unquoted Preference Shares *	-	-	-	-	-	-
Investments in Debt Instruments						
Mutual Funds	-	-	103,996,820	-	-	83,472,530
Cash and Cash Equivalents						
Cash and Bank*	2,072,639	-	-	40,663	-	-
Other Financial Assets*	32,245	-	-	6,880,219	-	-
Total Financial Assets	2,104,884	107,310	103,996,820	6,920,882	106,655	83,472,530
Financial Liabilities						
Trade Payables*	190,436	-	-	44,800	-	-
Other Financial Liabilities*	7,845,450	-	-	7,845,450	-	-
Total Financial Liabilities	8,035,886	-	-	7,890,250	-	-

* Fair values for these financial instruments have not been disclosed because their carrying Amount are a reasonable approximation of their fair values.

(b). Financial income by financial instruments category wise given below:

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Amortised Cost	Fair value through OCI	Fair value through P&L	Amortised Cost	Fair value through OCI	Fair value through P&L
Interest Income	-	-	-	-	-	-
Dividend Income	-	-	325,377	-	1,210	637,309
	-	-	325,377	-	1,210	637,309

B. **Fair Value Hierarchy**

The following table shows the details of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(Amount in ₹)

	As at 31/03/2018			As at 31/03/2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments in Equity Instruments						
Quoted Equity Instruments	107,310	-	-	106,655	-	-
Investments in Debt Instruments						
Mutual Funds	103,996,820	-	-	83,472,530	-	-
Total Financial Assets	104,104,130	-	-	83,579,185	-	-

Level 1 - This hierarchy includes financial instruments valued using quoted market prices. Listed equity intruments and traded debt instruments which are traded in the stock exchanges are valued using the closing at the reporting date. Mutual funds are valued using the closing NAV.

Level 2 - This hierarchy includes financial instruments that are not traded in active market. This includes debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in level 2.

Level 3 - If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants. Valuations for certain derivatives for which forward prices are not observable, have valued using forward prices for a nearby geographical market and adjusted for historical spreads between cash prices of the two the markets.

C. **Financial Risk Management:**

The Company's activities exposes it to various risks such as Market risk, Credit risk and Liquidity risk. This section explains the risks which the Company is exposed to and how it manages the risks.

(a). **Market Risk**

The Company's exposure to equity securities price risk arises from movement in market price of related securities classified either as fair value through OCI or as fair value through statement of profit and loss. The Company manages the price risk through diversified portfolio as well as regular monitoring of share prices.

The table below summarizes the impact of increase/ decrease in the equity share prices on the Company's equity and profit for the period.

(Amount in ₹)

		31/03/2018		31/03/2017	
	Change in Rate/Price	Change in Statement of Profit and Loss	Change in Other Components of Equity	Change in Statement of Profit and Loss	Change in Other Components of Equity
Investment in Equity securities	10%	-	10,731	-	10,666

(b). **Credit Risk**

Credit risks is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

(c). **Liquidity Risk**

The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain products (including mutual fund) which provide flexibility to liquidate at short notice and are included in current investments.

Maturity Analysis

The table below shows the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The Amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)

	< 1 Year	1-2 Years	2- 5 Years	> 5 Years	Total
Contractual maturities of financial liabilities as at March 31, 2018					
Trade payables	190,436	-	-	-	190,436
Other financial liabilities	7,845,450	-	-	-	7,845,450
	8,035,886	-	-	-	8,035,886
Contractual maturities of financial liabilities as at March 31, 2017					
Trade payables	44,800	-	-	-	44,800
Other financial liabilities	7,845,450	-	-	-	7,845,450
	7,890,250	-	-	-	7,890,250

27. **Offsetting Financial Assets and Financial Liabilities:**

The following table presents the financial assets and financial liabilities subject to offsetting, enforceable master netting arrangement and similar arrangement.

(Amount in ₹)

	Effects on Balance sheet			Related Amount not offset		
	Gross Amount	Gross amount set off in the balance sheet	Net amount in the balance sheet	Amount subject to master netting	Financial Instrument collateral	Net Amount
As at March 31, 2018:						
Financial Assets						
Cash and cash equivalents	2,072,639	-	2,072,639	-	-	2,072,639
Other financial assets	32,245	-	32,245	-	-	32,245
Total Financial Assets	2,104,884	-	2,104,884	-	-	2,104,884
Financial Liabilities						
Trade Payables	190,436	-	190,436	-	-	190,436
Other financial Liabilities	7,845,450	-	7,845,450	-	-	7,845,450
Total Financial Liabilities	8,035,886	-	8,035,886	-	-	8,035,886
As at March 31, 2017:						
Financial Assets						
Cash and cash equivalents	40,663	-	40,663	-	-	40,663
Other financial assets	6,880,219	-	6,880,219	-	-	6,880,219
Total Financial Assets	6,920,882	-	6,920,882	-	-	6,920,882
Financial Liabilities						
Trade Payables	44,800	-	44,800	-	-	44,800
Other financial Liabilities	7,845,450	-	7,845,450	-	-	7,845,450
Total Financial Liabilities	7,890,250	-	7,890,250	-	-	7,890,250

28. **Segment Information:**

In accordance with Ind AS 108, Operating Segment used to present the segment information are identified on the basis of internal report used by the Company's management to allocate resources to the segment and assess their performances. The Board of the directors of the Company is collectively Chief Operating Decision Maker (CODM). The Company's activities comprising of Renting of Immovable Property and Investment Activity are in one single reportable segment and also are in one geographical segment (within India). Therefore, there is no other significant class of operating segment or geographical segment.

29. **Related Party Transactions:**

Hindalco Industries Limited is the Parent of the Company. The details of transactions and outstanding balances with the parent are given below:

(a). **Transactions**

(Amount in ₹)

	Year ended 31/03/2018	Year ended 31/03/2017
i. **Services Rendered**		
Rent received (Excluding taxes)	5,566,893	5,516,871

(Amount in ₹)

	As at 31/03/2018	As at 31/03/2017
(b). **Outstanding Balances**		
Security Deposit (Refundable)	1,845,450	1,845,450

30. Previous period figures have been reclassified/ regrouped wherever required to conform to the presentation of current period.

As per our report annexed.

For Manoj Vipin & Co.
Chartered Accountants
Firm Registration No. 124804W

DHARMESH SOLANKI
Partner
Membership No. 120483

Place: Mumbai
Date: April 30, 2018

D C Kabra
DIN - 00579509

Atul Madheria
DIN - 00584356

Bushra Kumar Agarwal
Company Secretary

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

Price Waterhouse & Co Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park Nesco Complex, Gate No. 3 Western Express Highway, Goregaon East, Mumbai – 400 063
T: +91 (22) 61198000, F: +91 (22) 61198799

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

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

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

Opinion

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

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013, who, vide their report dated May 30, 2017, expressed an unmodified opinion on those Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

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

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 31;

ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;

iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 38.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Vipin R Bansal
Partner
Membership Number: 117753

Place: Mumbai
Date: May 3, 2018

DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED
Balance Sheet as at 31st March, 2018

(Rs. In Lakhs)

Particulars	Note No.	As At 31st March, 2018	As At 31st March, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4,5	2,827.63	3,490.44
Financial Assets			
Other Financial Assets	6	5.00	5.00
Other Non-Current Assets	7	118.27	118.27
		2,950.90	**3,613.71**
Current Assets			
Financial Assets			
Investments	8	4,914.46	4,680.50
Trade Receivables	9	85.87	235.66
Cash and Cash Equivalents	10	3,190.21	1,376.52
Other Current Assets	11	39.90	53.19
Income Tax Assets (Net)	12	343.06	303.24
		8,573.50	**6,649.11**
		11,524.40	**10,262.82**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	5,000.00	5,000.00
Other Equity	14	4,910.11	3,324.18
		9,910.11	**8,324.18**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	15	225.00	225.00
Provisions	16	56.90	48.56
Deferred Tax Liabilities (Net)	17	951.07	983.74
		1,232.97	**1,257.30**
Current Liabilities			
Financial Liabilities			
Trade Payables	18	295.06	598.30
Provisions	19	4.18	2.98
Other Current Liabilities	20	82.07	80.06
		381.31	**681.34**
		1,614.28	**1,938.64**
		11,524.40	**10,262.82**
Basis of preparation and Significant Accounting Policies	1-3		

The accompanying notes are integral part of the financial statements

As per our attached report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No : 304026E/E-300009

Vipin R Bansal
Partner
Membership No: 117753

Place : Mumbai
Date : 3rd May, 2018

For and on behalf of the Board of Directors

Sanjay R. Sarkar
Director

Anil Mathew
Director

Sayali Patkar
Company Secretary

Ketan Shah
Chief Financial Officer

DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. In Lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
Revenue from Operations	21	7,901.59	7,227.69
Other Income	22	332.90	549.96
Total Income		**8,234.49**	**7,777.65**
EXPENSES			
Vessel Handling and Cargo Handling Expenses	23	1,315.26	1,263.40
Employee Benefits Expense	24	195.79	169.01
Finance Costs	25	0.24	3.46
Depreciation and Amortisation	4,5	662.81	376.47
Other Expenses	26	811.44	1,195.01
Total Expenses		**2,985.54**	**3,007.35**
Profit Before Tax		**5,248.95**	**4,770.30**
Tax Expenses	27		
Current Tax		1,288.52	1,029.88
Deferred Tax		(32.69)	651.23
		1,255.83	**1,681.11**
Profit for the Year		**3,993.13**	**3,089.19**
Other Comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit and loss			
i) Remeasurement of defined benefit obligation		(0.06)	2.24
Income tax effect of items that will not be reclassified subsequently to profit and loss		0.02	0.53
		(0.04)	**2.77**
Total Comprehensive Income for the Year		**3,993.09**	**3,091.96**
Earnings per equity share			
Basic and Diluted	28	7.99	6.18

The accompanying notes are integral part of the financial statements

As per our attached report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No : 304026E/E-300009

Vipin R Bansal
Partner
Membership No: 117753

Place : Mumbai
Date : 3rd May, 2018

For and on behalf of the Board of Directors

Sanjay R. Sarkar
Director

Anil Mathew
Director

Sayali Patkar
Company Secretary

Ketan Shah
Chief Financial Officer

DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED

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

(Rs. In Lakhs)

'A' Equity Share Capital

Particulars	Amount
Equity Share capital As at 1st April, 2016	**5,000.00**
Changes in Equity share capital during 2016-17	-
Balance as at 31st March, 2017	**5,000.00**
Changes in Equity share capital during 2017-18	-
Equity Share capital As at 31st March, 2018	**5,000.00**

'B' Other Equity

Particulars	General Reserve	Retained Earnings	Other comprehensive income: Actuarial Gain(Loss) on Defined Benefit Obligation	Total
Balance as at 1st April, 2016	**1,549.15**	**4,104.23**	**(5.07)**	**5,648.31**
Profit for the year	-	3,089.19	-	3,089.19
Other Comprehensive Income	-	-	2.77	2.77
Total Comprehensive income for the year	-	**3,089.19**	**2.77**	**3,091.96**
Dividends Paid (Including Dividend Distribution Tax)	-	(5,416.09)	-	(5,416.09)
Total Changes	-	**(5,416.09)**	-	**(5,416.09)**
Balance as at 1st April, 2017	**1,549.15**	**1,777.33**	**(2.30)**	**3,324.18**
Profit for the year	-	3,993.13	-	3,993.13
Other Comprehensive Income	-	-	(0.04)	(0.04)
Total Comprehensive income for the year	-	**3,993.13**	**(0.04)**	**3,993.09**
Dividends Paid (Including Dividend Distribution Tax)	-	(2,407.15)		(2,407.15)
Total Changes	-	**(2,407.15)**	-	**(2,407.15)**
Balance as at 31st March, 2018	**1,549.15**	**3,363.30**	**(2.34)**	**4,910.11**

The accompanying notes are integral part of the financial statements

As per our attached report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No : 304026E/E-300009

Vipin R Bansal
Partner
Membership No: 117753

Place : Mumbai
Date : 3rd May, 2018

For and on behalf of the Board of Directors

Sanjay R. Sarkar
Director

Anil Mathew
Director

Sayali Patkar
Company Secretary

Ketan Shah
Chief Financial Officer

DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED
Statement of Cash Flow for the Year ended 31st March, 2018

(Rs. In Lakhs)

	Note No	Year ended 31st March, 2018	Year ended 31st March, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		5,248.95	4,770.30
Adjustment for :			
Finance Costs	25	0.24	3.46
Depreciation and Amortisation	4	662.81	376.47
Net Gain/(Loss) on Financial Instruments measured at Fair value through Profit and Loss	22	(112.35)	(125.63)
(Profit)/Loss on sale of Investments measured at Fair Value through Profit and Loss	22	(77.19)	(290.82)
Dividend Income	22	(142.05)	(132.98)
Operating profit before working capital changes		**5,580.41**	**4,600.80**
Changes in working Capital:			
Trade and other Receivables		(23.09)	(42.52)
Trade receivable from Holding Company		186.17	(39.66)
Trade and other Payables		(291.70)	412.08
Cash generation from Operation before Tax		**5,451.79**	**4,930.70**
Income tax paid (net of Refund)		(1,328.34)	(1,079.55)
Net Cash generated from Operating Activities		**4,123.45**	**3,851.15**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments to acquire Property, Plant and Equipment and Intangible Assets		-	(0.54)
Purchase of investments		(1,042.04)	(3,008.00)
Sale of investments		979.35	5,112.97
Dividend Received		142.05	132.98
Net Cash Generated/ (Used In) Investing Activities		**79.36**	**2,237.41**
CASH FLOW FROM FINANCING ACTIVITIES			
Interest and other charges paid		(0.24)	(3.46)
Dividend Paid (including Dividend distribution Tax)		(2,407.15)	(5,416.09)
Net Cash (Used) in Financing Activities		**(2,407.39)**	**(5,419.55)**
Net Increase in Cash and Cash Equivalents		1,795.42	669.01
Add : Opening Cash and Cash Equivalents		1,352.78	683.77
Cash and Cash Equivalents as reported in Balance Sheet		**3,148.20**	**1,352.78**
Above Cash and Cash Equivalents comprise of:			
Current Accounts		581.99	163.39
Cash on hand (Rs 17)		0.00	0.00
Liquid Investments		2,566.21	1,189.39
Cash and Cash Equivalents before Fair Value Gain / (Loss) on liquid investments		**3,148.20**	**1,352.78**
Add: Fair Value Gain / (Loss) on liquid investments		42.01	**23.74**
Closing Cash and Cash Equivalents		**3,190.21**	**1,376.52**

i) The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Ind AS - 7 on Statement of Cash Flow as notified under Section 133 of Companies Act, 2013 and Companies (Accounts) Rules, 2015

ii) Cash Flow from Operating Activites includes Rs 110.85 lakhs (March 31, 2017 : Rs 103.42 Lakhs) being expenditure towards Corporate Social Responsibility.

The accompanying notes are integral part of the financial statements

As per our attached report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No : 304026E/E-300009

Vipin R Bansal
Partner
Membership No: 117753

Place : Mumbai
Date : 3rd May, 2018

For and on behalf of the Board of Directors

Sanjay R. Sarkar — **Director**
Anil Mathew — **Director**

Sayali Patkar — **Company Secretary**
Ketan Shah — **Chief Financial Officer**

DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED
Notes forming part of the Financial Statements

(Rs. In Lakhs)

4 Property, Plant and Equipment

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As at 1st April, 2016	Addition	Deduction	As at 31st March, 2017	As at 1st April, 2016	Addition	Deduction	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016
Plant & Equipment	164.62	-	-	164.62	150.71	5.68	-	156.39	8.23	13.91
Jetty	15,115.32			15,115.32	11,271.05	369.85		11,640.90	3,474.42	3,844.27
Office Equipment	0.95	-	-	0.95	0.44	0.10	-	0.54	0.41	0.51
Furniture & Fixtures	0.92	0.54	-	1.46	0.32	0.10	-	0.42	1.04	0.60
Vehicles	7.75	-	-	7.75	0.67	0.74	-	1.41	6.34	7.08
TOTAL	**15,289.56**	**0.54**	-	**15,290.10**	**11,423.19**	**376.47**	-	**11,799.66**	**3,490.44**	**3,866.37**

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As at 1st April, 2017	Addition	Deduction	As at 31st March, 2018	As at 1st April, 2017	Addition	Deduction	As at 31st March, 2018	As at 31st March, 2018	As at 1st April, 2017
Plant & Equipment	164.62	-	-	164.62	156.39	-	-	156.39	8.23	8.23
Jetty	15,115.32			15,115.32	11,640.90	661.83	-	12,302.73	2,812.59	3,474.42
Office Equipment	0.95	-	-	0.95	0.54	0.14	-	0.68	0.27	0.41
Furniture & Fixtures	1.46	-	-	1.46	0.42	0.10	-	0.52	0.94	1.04
Vehicles	7.75	-	-	7.75	1.41	0.74	-	2.15	5.60	6.34
TOTAL	**15,290.10**	-	-	**15,290.10**	**11,799.66**	**662.81**	-	**12,462.47**	**2,827.63**	**3,490.44**

5 Jetty represents expenses reimbursed for civil construction. The ownership of jetty vests with Gujarat Maritime Board (GMB). However, GMB has granted the Company, permission for the use of the jetty .

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

Company Overview

Dahej Harbour And Infrastructure Limited ("the Company") was incorporated in India in the year 1998 having its registered office at P.O. Dahej, Lakhigam, Bharuch-392130.

The Company has Jetty at Dahej, Dist. Bharuch in the State of Gujarat on License given by Gujarat Maritime Board on build, transfer, operate and maintain basis mainly for the purpose of handling captive cargo for its holding company M/s Hindalco Industries Ltd (Unit; Birla Copper)

1. Basis of preparation

i. These Financial Statements have been approved by the Board of Directors in their meeting held on 3rd May, 2018.

ii. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) and Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

iii. Historical Cost Convention

The financial statements have been prepared under the historical cost convention,except for the certain financing assets and liabilities is measured at fair value.

iv. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28 March 2018. The rules notify the new revenue standard Ind AS 115, Revenue from Contracts with Customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after 1 April 2018 and cannot be early adopted.
Company does not have any impact on the financial statements on account of this pronouncement.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

a) Property, Plant and Equipment

Tangible Assets

Property, plant and equipment are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads and directly attributable borrowing costs.

Depreciation

Depreciation is charged so as to write off the cost or value of tangible assets, over their estimated useful lives. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 .

The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

Particulars	Useful Life(in years)
Plant & Equipment	10-15
Office Equipment	5-15
Furniture & Fixtures	10
Vehicles	10

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the statement of profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in recoverable amount.

Jetty is reported at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged over the agreed 25 years of jetty. The estimated useful life and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Disposal of assets

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 net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

b) Revenue recognition

Revenue is measured at fair value of the consideration reliably measured and it is probable that future economic benefits associated with the transaction will flow to the Company. Dividend income from investment is accounted for when the right to receive the payment is established.

c) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set- off against the normal tax liability. Such asset is reviewed at each Balance Sheet date

d) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

e) Investments and other financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:
• Those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss) and
• Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

f) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their transaction price.

g) Trade receivables

Trade receivables are measured at their transaction price less provision for doubtful debts in case of probability of realization is doubtful.

h) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

i) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
★ Mumbai ★

j) Employee benefits

Retirement benefit, medical costs and termination benefits

For defined benefit retirement , 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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses is reflected 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 will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and 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 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 plan.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries and wages, 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 recognized 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. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

k) Earnings per share

(i) Basic earnings per share:-
Basic earnings per share is calculated by dividing:
- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

l) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee in lakhs as per the requirement of Schedule III, unless otherwise stated.

3. Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

I. Useful life and impairment of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, considering useful life as per Companies Act 2013. Increasing an asset's expected life would result in a reduced depreciation charge in the income statement.

The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Historically, changes in useful lives have not resulted in material changes to the Company's depreciation charge.

II. Estimation of Defined Benefit Obligation

Employee Benefits requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected long- term increase in Salary costs and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the Company's retirement benefit obligation.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
★ Mumbai ★

DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED
Notes forming part of the Financial Statements

(Rs. In Lakhs)

		As At 31st March, 2018	As At 31st March, 2017
6	**Other Financial Assets, Non-current**		
	(Unsecured, considered good unless otherwise stated)		
	Security and judicial deposits	5.00	5.00
	TOTAL	**5.00**	**5.00**
7	**Other Non-Current Assets**		
	Deposits with Government and other authorities	118.27	118.27
	TOTAL	**118.27**	**118.27**
8	**Investments**		
	Investments in Debt Mutual Funds		
	Birla Sun Life Dynamic Bond Fund-Retail-Growth-Direct Plan [(Face Value Rs 10, No. of Units 54,32,803 (previous year 54,32,803)]	1,676.06	1,614.50
	Birla Sun Life STF-Growth-Direct Plan [Face Value Rs 10, No of Units 4,97,619 (previous year 5,10,784)]	332.51	319.46
	IDFC Arbitrage Plus Fund-Direct Plan-Dividend [Face Value Rs 10, No of units 2,02,88,753 (previous year 1,91,34,964)]	2,503.17	2,363.34
	Quantum Dynamic Bond Fund-Growth [Face Value Rs 10, No. of Units 9,01,892 (previous year 9,01,892]	116.23	110.59
	JM Arbitrage Advantage Fund-Bonus Option [Face value Rs 10, No. of units 22,86,303 (previous year 22,86,303)]	286.49	272.61
		4,914.46	**4,680.50**
9	**Trade Receivables***		
	Unsecured, Considered Good	85.87	235.66
	Unsecured, Considered Doubtful	9.46	9.46
	Less: Allowance for Doubtful amount	(9.46)	(9.46)
	TOTAL	**85.87**	**235.66**

*Including from Holding Company, Hindalco Industries Limited Rs 33.72 Lakhs (Previous year : 219.89 Lakhs)-Refer note 30

		As At 31st March, 2018	As At 31st March, 2017
10	**Cash and Cash Equivalents**		
	Cash on hand (Rs.17 [previous year Rs. 17])	0.00	0.00
	Balances with bank		
	Current Accounts	581.99	163.39
	Short Term Liquid Investments		
	Birla Sun Life Floating Rate Fund STFP - Growth - Direct [(Face value Rs 10, No of Units 2,69,540 (Previous year 5,61,015)]	625.29	1,213.13
	Birla Sun Life Floating Rate Fund STFP - Growth [(Face value Rs 10, No of Units 8,58,139 (Previous year Nil)]	1,982.93	-
	TOTAL	**3,190.21**	**1,376.52**
11	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Advances to employees	0.93	1.39
	Advance to supplier for goods and services	9.00	19.46
	Prepaid expenses	29.97	32.34
	TOTAL	**39.90**	**53.19**
12	**Income Tax Assets (Net)**		
	Advance Tax (Net of Provisions)	343.06	303.24
	TOTAL	**343.06**	**303.24**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
★ Mumbai ★

(Rs. In Lakhs)

		As At 31st March, 2018	As At 31st March, 2017
13	**Share Capital**		
	Authorised		
	50,000,000 (Previous year 50,000,000) Equity Shares of Rs. 10/- each.	5,000.00	5,000.00
		5,000.00	**5,000.00**
	Issued		
	50,000,000 (Previous year 50,000,000) Equity Shares of Rs. 10/- each.	5,000.00	5,000.00
		5,000.00	**5,000.00**
	Subscribed and Paid-up		
	50,000,000 (Previous year 50,000,000) Equity Shares of Rs. 10/- each.	5,000.00	5,000.00
	TOTAL	**5,000.00**	**5,000.00**

(a) Reconciliation of the number of Shares outstanding:

Particulars	As At 31st March, 2018	As At 31st March, 2017
Equity shares outstanding at the beginning of the year	5,00,00,000	5,00,00,000
Equity shares outstanding at the end of the Year	5,00,00,000	5,00,00,000

(b) Shareholder holding more than 5% shares of the Company:

Particulars	As At 31st March, 2018	As At 31st March, 2017
Name of Share Holder	No of Shares Held	No of Shares Held
Hindalco Industries Limited (Holding Company)	5,00,00,000	5,00,00,000

(c) Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

		As At 31st March, 2018	As At 31st March, 2017
14	**Other Equity**		
	General Reserve		
	Balance at the beginning of the year	1,549.15	1,549.15
	Balance at the end of the year	**1,549.15**	**1,549.15**
	Retained Earnings		
	Balance at the beginning of the year	1,777.33	4,104.23
	Profit and Loss for the Period	3,993.13	3,089.19
	Less: Dividend on Equity Shares and Dividend Distribution Tax	2,407.15	5,416.09
	Balance at the end of the year	**3,363.31**	**1,777.33**
	Other Comprehensive Income		
	Items That Will Not Be Reclassified to Profit and Loss (Net of Income Tax Effect)		
	Balance at the beginning of the year	(2.30)	(5.07)
	Addition during the year	(0.04)	2.77
	Balance at the end of the year	**(2.34)**	**(2.30)**
	TOTAL	**4,910.11**	**3,324.18**

The Board of Directors has declared interim dividend of Rs.4/-per share on dated 30th June, 2017 (Previous year Rs 4/-per share on 30th June, 2016 and Rs. 5/- per share on 28th December, 2016)

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E-300009
Mumbai

(Rs. In Lakhs)

15	**Other Financial Liabilities, Non Current**		
	Security and Other deposits	225.00	225.00
	TOTAL	**225.00**	**225.00**
16	**Provisions, Non-current**		
	Provision for employee benefits		
	Provision For Gratuity (Refer Note 29)	32.36	28.27
	Provision For leave encashment	24.54	20.29
	TOTAL	**56.90**	**48.56**
17	**Deferred Tax Liabilities (Net)-Refer Note 39**		
	Deferred tax liabilities		
	Deferred Tax Liabilities	968.08	1,329.33
	Deferred Assets	(17.01)	(17.06)
	MAT Credit Entitlements	-	(328.53)
	Deferred tax liabilities (Net)	**951.07**	**983.74**
18	**Trade Payable, Current**		
	Micro Enterprises and Small Enterprises*	-	-
	Creditors other than Micro Enterprises and Small Enterprises	295.06	598.30
	TOTAL	**295.06**	**598.30**

*The company has no information from its suppliers being registered under / covered by "The Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act)"hence, no disclosure regarding amount payable & other disclosure can be made.

19	**Provisions, Current**		
	Provision for employee benefits		
	Provision for Gratuity (Refer Note 29)	1.20	0.56
	Provision for Leave	2.98	2.42
	TOTAL	**4.18**	**2.98**
20	**Other Current Liabilities**		
	Advance from customer	18.64	51.18
	Statutory dues payable	44.30	16.63
	Salary and wages payable	17.90	11.12
	Employee related statutory liabilities	1.23	1.13
	TOTAL	**82.07**	**80.06**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

(Rs. In Lakhs)

		Year ended 31st March, 2018	Year ended 31st March, 2017
21	**Revenue from Operations**		
	Revenue from Operations	7,901.59	7,227.69
	Total	**7,901.59**	**7,227.69**
22	**Other Income**		
	Dividend income from Investments measured at Fair Value through Profit and Loss	142.05	132.98
	Liability No Longer Required - Written Back	1.31	0.53
	Gain on sale of Investments measured at Fair Value through Profit and Loss	77.19	290.82
	Net Gain on financial instruments measured at Fair Value through Profit and Loss	112.35	125.63
	Total	**332.90**	**549.96**
23	**Vessel Handling and Cargo Handling Expenses**		
	Vessel Handling and Cargo Handling Expenses	1,315.26	1,263.40
	Total	**1,315.26**	**1,263.40**
24	**Employee Benefits Expense**		
	Salary ,Wages and Bonus	170.48	146.62
	Post Employment Benefits		
	Gratuity, Pension and other defined benefits (Refer note 29)	6.44	5.99
	Contribution to Provident fund and other defined contribution funds (Refer note 29)	9.47	8.47
	Staff Welfare Expenses	9.40	7.93
	Total	**195.79**	**169.01**
25	**Finance Costs**		
	Interest expenses	0.21	3.32
	Other finance cost	0.03	0.14
	Total	**0.24**	**3.46**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

(Rs. In Lakhs)

26	**Other Expenses**		
	Repairs to Machinery	88.19	512.92
	Equipment and material handling expenses	37.26	12.37
	Rates and Taxes	3.12	1.47
	Rent	50.31	55.67
	Lease Rent (Refer note 32)	407.91	407.91
	Insurance	29.68	40.12
	Payment to Auditors (Refer note (a) below)	2.50	4.01
	Corporate Social Responsibility Expenditure (refer Note (b) below)	110.86	103.43
	Miscellaneous Expenses	81.61	57.11
	Total	**811.44**	**1,195.01**
	Note:(a) Details of auditors remuneration		
	For Audit Fee	2.50	2.50
	For Tax Audit	-	0.60
	For Certification	-	0.91
	Out of pocket expense	-	-
	Total	**2.50**	**4.01**
	Date : 3rd May, 2018		
	(b) Corporate Social Responsibility Expenditure		
	Gross amount required to be spent by the company during the year	107.75	110.93
	Amount Spent during the year-		
	(i) Construction/Acquisition of an asset	-	-
	(ii) On Purpose other than (i) above	110.86	103.43
	Total	**110.86**	**103.43**
27	**Tax Expenses (Refer note 39)**		
	Current Tax		
	Current income tax expense for the year	1,288.52	990.07
	Tax Adjustment relating to earlier year	-	39.81
	Deferred Tax		
	Deferred income tax (benefit)/expense for the year	(32.69)	(73.80)
	MAT Credit Entitlement	-	725.03
	TOTAL	**1,255.83**	**1,681.11**
28	**Earning per Share**		
	Net Profit (Rs in Lakhs)	3,993.13	3,089.19
	Weighted average number of shares used in the calculation of EPS	5,00,00,000	5,00,00,000
	Face value of per share (Rs.)	10.00	10.00
	Basic and Diluted EPS	**7.99**	**6.18**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
* Mumbai *

(Rs. In Lakhs)

29. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

	31st March, 2018	31st March, 2017
Contribution to government Provident Fund	7.64	6.77
Contribution to Superannuation Scheme	1.83	1.70

(ii) Defined Benefit Plan:

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.The most recent actuarial valuation for defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31st March,2018	31st March, 2017
Net defined benefit asset	-	-
Total employee benefit asset	-	-
Net defined benefit liability	33.56	28.83
Liability for Gratuity		
Total employee benefit liabilities	33.56	28.83
Non-current	32.36	28.27
Current	1.20	0.56

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances

Disclosure of various Employee Benefit Schemes (Defined) based on Actuarial Valuation Report under Ind AS 19

	Year ended	
A. Change in Obligations over the year ended 31 March 2018	**31st March, 2018**	**31st March, 2017**
Present Value of Defined Benefit Obligation at the begning of the year	28.83	25.08
Current Service cost	4.48	4.11
Past Service Cost	0	0
Interest Cost	1.96	1.88
Curtailment cost/(credit)	0	0
Settlement cost/(credit)	0	0
Plan Amendments	0	0
Acquisitions Cost	0	0
Actuarial (gains)/ losses experience	(1.58)	(0.49)
Actuarial (gains)/ losses demogrphic assumption	(0.04)	-
Actuarial (gains)/ losses financial assumption	1.68	(1.75)
Benefits paid directly by company	(1.77)	0.00
Benefits paid from planned assets	0	0
Present Value of Defined Benefit at the end of the year	**33.56**	**28.83**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
* Mumbai *

DAHEJ HARBOUR AND INFRASTRUCTURE LIMITED
Notes forming part of the Financial Statements

(Rs. In Lakhs)

	Year ended 31st March, 2018	Year ended 31st March, 2017
C. Development of Net Balance Sheet Position		
Defined Benefit Obligation	(33.56)	(28.83)
Fair value of plan Assets	0.00	0.00
Funded Status{surplus/(Defecit)}	(33.56)	(28.83)
Effect of Assets Ceiling	0	0
Net defined benefit asset/(liability)	0	0
Amount recognised in Balance Sheet	**(33.56)**	**(28.83)**
D. Reconciliation of Net Balance Sheet Position		
Net Defined benefit asset/(Liability)at the end of prior period	(28.83)	(25.08)
Service cost	(4.48)	(4.11)
Net Interest on net defined benefit liability/(asset)	(1.96)	(1.88)
Actuarial gains/ (losses)	(0.06)	2.24
Employers contribution	0	0
Benefit paid directly by company	1.77	0
Acquisition credit/(cost)	0	0
Divestitures	0	0
Cost of terminal benefits	0	0
Net Defined benefit asset/(Liability)at the end of Current period	**(33.56)**	**(28.83)**
E. Expense recognised during the year		
Current Service cost	4.48	4.11
Past Service Cost Plan Amendment	0	0
Curtailment cost/(credit)	0	0
Settlement cost/(credit)	0	0
Service Cost	0	0
Net Interest on net defined benefit liability/(asset)	1.96	1.88
Immediate recognition of (gains)/ losses-other long term employee benefit cost	0	0.00
Total	**6.44**	**5.99**
F. Other Comprehensive Income(OCI)		
Acctturial (gain)/loss due to DBO experience	(1.58)	(0.49)
Acctturial (gain)/loss due to DBO assumption changes	1.64	(1.75)
Acctturial (gain)/loss arising during the period	0.06	(2.24)
Return on Plan Assets(greater)/less due to discount rate	0	0
Acctturial (gain)/loss recognised in OCI	**0.06**	**(2.24)**
G. Defined Benefit Cost		
Service Cost	4.48	4.11
Net Interest on net defined benefit liability/(asset)	1.96	1.88
Acctturial(gain)/loss recognised in OCI	0.06	(2.24)
Defined Benefit Cost	**6.50**	**3.75**

	As at 31st March, 2018	As at 31st March, 2017
H.Total employee benefit liabilities		
Current Liability	(1.20)	(0.56)
Non Current Liability	(32.36)	(28.27)
	(33.56)	**(28.83)**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

(Rs. In Lakhs)

I. Sensitivity Analysis

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant.Inpractice,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 obligation calculated with the projected unit credit method at the end of the reporting period) has applied as when calculating the defined benefit liability recognised in the balance sheet

	As at	
	31st March, 2018	**31st March, 2017**
Effect on DBO due to 1% Increase in Discount Rate	(3.23)	(3.11)
Effect on DBO due to 1% Decrease in Discount Rate	3.76	3.70
Effect on DBO due to 1% Increase in Salary	3.71	3.66
Effect on DBO due to 1% Decrease in Salary	(3.25)	(3.14)

J. Methodology for defined benefit obligation:

The projected Unit Credit (PUC) acturial method has been used to assess the plan's liabilities,including thos related to death-in-service and incapability benefits.

K. Expected Benefit Payment

within 1 year	1.24	0.58
1-2 year	1.43	0.68
2-3 year	1.62	0.79
3-4 year	1.82	0.9
4-5 years	2.05	1.02
5-10 years	36.31	6.65

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate	7.50%	7.00%
Expected rate of future salary increase	8.00%	7.00%

D. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Inflation risk - Higher than expected increase in salary will increase the defined benefit obligation.

B) Interest rate risk – The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

C) Demographic risk: This s the risk of variability of results due to unsystematic nature of decrements, that include mortality, withdrawl,

30. Related party Transactions as per Ind AS 24:

A. Related parties and their relationships

i Hindalco Industries Limited - Parent Company

ii Key Managerial Personnel

Name	**Relationship**
Mr J C Laddha	Director
Mr Anil Mathew	Director
Mr. Sanjay Sarkar	Director
Mr. M.M.Bhagat	Director(up to 14th December,2017)
Mr. K.N.Bhandari	Director(up to 14th December,2017)
Mr. Deepak Razdan	Manager (Designated under the Companies Act, 2013)

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

(Rs. In Lakhs)

B. Transactions with the above in the ordinary course of business

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Transactions during the year with parent company		
Services rendered	3465.63	3202.10
Services received		
Insurance Charges	27.42	34.22
Employee Related	1.44	6.54
Diesel/Petrol	0.43	1.73
Licence Fees paid	0.60	0.60
Water charges paid	3.95	2.51
Interim Dividend paid	2000.00	4500.00
Recovery of Wharfage Charges	431.48	215.20
b) Outstanding balance		
Receivables from Holding Company	33.72	219.89
C. Remuneration		
a) Director Sitting Fee		
Mr M M Bhagat	0.91	1.00
Mr K N Bhandari	1.01	1.10
b) Key Managerial Personnel Compensation		
Mr. Deepak Razdan		
Short-term employee benefits *	22.59	19.48
Post-employee benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share based payment	-	-

*Including perquisites and excluding gratuity and leave encashment provisions.

31 Contingent Liabilities and Contingent Assets and Commitments

A Contingent Liabilities

	As at 31st March,2018	As at 31st March, 2017
Demand of Service Tax pending with various Appealate Authorities	2,495.83	2,346.88
Income Tax Demand	20.32	20.32
	2,516.15	**2,367.20**

B Contingent Assets	Nil	Nil
C Capital Commitments	Nil	Nil

32 Lease Obligations

The Company has entered in to leasing arrangements under operating lease:

For material handling lease expenses that are renewable on a periodic basis and some of which are cancellable in nature. Minimum rent for cancellable and non-cancellable operating leases included in the statement of profit and loss for the year is Rs 407.91 Lakhs (Previous year Rs 407.91 Lakhs).

Future aggregate minimum lease payments under non cancellable operating lease is as under:

Not later than 1 year	407.91	407.91
Later than 1 year and not later than 5 years	68.18	476.08
Later than 5 years	-	-

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Mumbai

(Rs. In Lakhs)

33 Fair Value Measurement Note

A.Accounting classifications fair values

Financial Assets:	As at 31st March 2018		As at 31st March 2017	
	Ammotised cost	FVTPL	Ammotised cost	FVTPL
Investments in Debt Instruments				
Mutual Funds		4,914.46		4,680.50
Cash & Cash Equivalents				
Cash & Bank	581.99		163.39	
Liquid Mutual Funds		2,608.22		1,213.13
Trade Receivables	85.87		235.66	
Other financial assets	5.00		5.00	

Financial Liabilities	As at 31st March 2018		As at 31st March 2017	
	Ammotised cost	FVTPL	Ammotised cost	FVTPL
Trade Payables	**295.13**		598.32	
Other Financial Libilities	225.00		225.00	

34 Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities including their level in the fair value hierarchy:

(i) Financial asstes and financial liabilities measured as fair value - recurring fair value measurements:

Financial Assets	As at 31st March 2018			As at 31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in Debt Mutual Funds						
Mutual Funds	4,914.46			4,680.50		
Cash and Cash Equivalents						
Liquid Mutual Funds	2,608.22			1,213.13		

Fair value of financial assets and liabilities measured at amortied cost is not materialy different than their carrying amounts and hence not disclosed seprately

Level 1 hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments which are traded in the stock exchanges are valued using the closing price at the reporting date. Mutual funds are valued using the closing Net Asset Value.

Level 2 hierarchy includes financial instruments that are not traded in active market. This includes OTC derivatives and debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in level 2. Borrowings have been fair valued using market rate prevailing as on the reporting date.

Level 3 If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
* Mumbai *

(Rs. In Lakhs)

39 Movement in deferred tax balances

	As at 31st March, 2017	Recognized in P&L	Recognized in OCI	As at 31st March, 2018
Deferred Tax Assets				
Employee benefits	17.06	(0.03)	(0.02)	17.01
MAT Credit Entitlement	328.53	(328.53)	-	-
Sub- Total (a)	**345.59**	**(328.56)**	**(0.02)**	**17.01**
Deferred Tax Liabilities				
Property, plant and equipment	1,159.53	(367.04)	-	792.49
Fair value adjustment of Cash and Cash Equivalents	169.80	5.79	-	175.59
Sub- Total (b)	**1,329.33**	**(361.25)**	**-**	**968.08**
Net Deferred Tax Liability (b)-(a)	**983.74**	**(32.69)**	**0.02**	**951.07**

Amounts recognised in profit or loss

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current tax expense		
Current year	1,288.52	1,029.88
Deferred tax expense		
Origination and reversal of temporary differences	(32.69)	651.23
Total Tax Expense	**1,255.83**	**1,681.11**

Amounts recognised in Other Comprehensive Income

	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	Before tax	Tax Expense/ (Income)	Net of tax	Before tax	Tax Expense/ (Income)	Net of tax
Remeasurements of defined benefit liability	(0.06)	0.02	(0.04)	(2.24)	(0.53)	(2.77)
	(0.06)	0.02	(0.04)	(2.24)	(0.53)	(2.77)

Reconciliation of effective current tax rate

	For the year ended 31st March, 2018 Amount	For the year ended 31st March, 2017 Amount
Profit before tax	5,248.95	4,770.30
Indian Statutory Income Tax Rate	34.61%	34.61%
Estimated income tax expenses	1,816.56	1,650.91
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profit	38.82	36.40
Income exempt from tax	(49.16)	(46.02)
Reassessment of brought forward tax credit	(371.47)	39.82
Impact of tax rate change for deferred tax	(178.91)	-
Income tax expense recognised in Profit and Loss	**1,255.83**	**1,681.11**

As per our attached report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No : 304026E/E-300009

Vipin R Bansal
Partner
Membership No: 117753

Place : Mumbai
Date : 3rd May, 2018

For and on behalf of the Board of Directors

Sanjay R. Sarkar
Director

Anil Mathew
Director

Sayali Patkar
Company Secretary

Ketan Shah
Chief Financial Officer

East Coast Bauxite Mining Company Private Limited

INDEPENDENT AUDITORS' REPORT

To The Members of the Company
EAST COAST BAUXITE MINING COMPANY PRIVATE LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **EAST COAST BAUXITE MINING COMPANY PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, and the Statement of Cash Flows and the Statement of changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone IND AS Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in sub section 5 of the Section 134 of the Companies Act 2013 ["the Act"] with respect to the preparation of these standalone IND AS financial statements that give a true and fair view of the financial position, financial performance and cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under the section 133 of the Act, read with relevant rules of the Companies (Accounts) Rules, 2014 ["the Rules"].

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

N.R. MISHRA & CO. BHUBANESWAR CHARTERED ACCOUNTANTS

AUDITORS' RESPONSIBLITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IND AS financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements.

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

N.R. MISHRA & CO
BHUBANESWAR
CHARTERED ACCOUNTANTS

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the IND AS, of the state of affairs of the Company as at March 31, 2018 and its financial performance (Loss), its Cash Flows, and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in exercise of powers conferred by sub-section (11) of section 143 of the Act, is not applicable for the Company, and therefore we are not required to enclose in a statement on the matters Specified in paragraphs 3 and 4 of the Order.

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

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

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

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

 d) In our opinion, the aforesaid standalone IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules of the Companies (Accounts) Rules, 2014 issued there under.

 e) On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.

N.B. MISHRA & CO
BHUBANESWAR
CHARTERED ACCOUNTANTS

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

g) With respect to 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, we report as under

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N. R. MISHRA & CO,
Chartered Accountants

N.R. MISHRA & CO * BHUBANESWAR * CHARTERED ACCOUNTANTS

RANJAN K. SAHOO, FCA
PARTNER
MEMBERSHIP NO- 057106
FRN 319137E
Place: Bhubaneswar
Date:03/05/2018

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT-31ST MARCH, 2018

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION CLAUSE (I) OF SUB-SECTION 3 OF THE SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **EAST COAST BAUXITE MINING COMPANY PRIVATE LTD** ("the company") as of 31st March, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accounts of India ("ICAI"). The 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 ("the Act").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the "Act" to the extent applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

N.R. MISHRA & CO
CHARTERED ACCOUNTANTS
BHUBANESWAR

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 designs and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatements of the standalone IND AS financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial controls 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 controls 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 the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and:

N.R. MISHRA & CO. BHUBANESWAR CHARTERED ACCOUNTANTS

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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 the 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 2018 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For N R MISHRA & CO.
Chartered Accountants

N.R. MISHRA & CO ★ CHARTERED ACCOUNTANTS ★ BHUBANESWAR

(RANJAN K. SAHOO, FCA)
PARTNER
MEMBERSHIP NO-057106
FRN 319137E
Place: Bhubaneswar
Dated: 03/05/2018

EAST COAST BAUXITE MINING COMPANY PRIVATE LIMITED

Balance Sheet as on Mar 31st Mar, 2018

PARTICULARS	Notes	31-Mar-18	31-Mar-17
ASSETS			
Non-current assets			
Intangible assets under development	2	26,000.00	26,000.00
Total non-current assets		26,000.00	26,000.00
Current assets			
- Cash and cash equivalents	3	39,977.40	40,681.00
Total Current Assets		65,977.40	66,681.00
TOTAL ASSETS		**65,977.40**	**66,681.00**

EQUITY AND LIABILITY			
Equity			
Equity Share Capital	4	1,00,000.00	1,00,000.00
Other Equity	5	(2,94,702.60)	(2,71,520.00)
Non-controlling interest			
TOTAL EQUITY		(1,94,702.60)	(1,71,520.00)
Liabilities			
Non-current liabilities			
Financial Liabilities			
-Other Financial Liability	6	2,43,865.00	1,93,250.00
Total non-current liabilities		2,43,865.00	1,93,250.00
Current liabilities			
Financial Liabilities			
Trade and Other Payable	7	16,815.00	44,951.00
Total current liabilities		16,815.00	44,951.00
TOTAL EQUITY AND LIABILITIES		**65,977.40**	**66,681.00**

Significant Accounting Policies 1

This accompanying notes are Integral Part of these financial Statement

For N R MISHRA & CO.
Chartered Accountants

N.R. MISHRA & CO * BHUBANESWAR * CHARTERED ACCOUNTANTS

Ranjan Kumar Sahoo, FCA,DISA
Partner
Membership No. 057106
FRN:319137E
Place : Mumbai.
Date : 03/05/2018

FOR AND ON BEHALF OF BOARD

SURYA KANTA MISHRA
DIRECTOR

AMIT SENGUPTA
DIRECTOR

ꞁST COAST BAUXITE MINING COMPANY PRIVATE LIMITED

atement of Profit and Loss for the Year ended 31st Mar 2018

Amount in Rupees

PARTICULARS	Notes	For The Year Ended 31-Mar-2018	For The Year Ended 31-Mar-2017
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations		-	-
Other Income		-	-
Total Income		-	-
EXPENSES			
Other Expense	8	23,182.60	18,952.00
Total Expenses		23,182.60	18,952.00
Loss before Taxation		(23,182.60)	(18,952.00)
Tax Expenses:			
Current Tax		-	-
Deferred Tax		-	-
Loss After Taxation		(23,182.60)	(18,952.00)
Other Comprehensive income		-	-
Total Comprehensive income		(23,182.60)	(18,952.00)
Loss Per Share (Basic & Diluted) (In Rupees) [Nominal Value per Share : Rs 10]	9	(2.32)	(1.90)

Significant Accounting Policies 1

This accompanying notes are Integral Part of these financial Statement

This is the statement of Profit & Loss referred to in our Report of Even Date

For N R MISHRA & CO.
Chartered Accountants

N.R. MISHRA & CO. BHUBANESWAR CHARTERED ACCOUNTANTS

Ranjan Kumar Sahoo, FCA,DISA
Partner
Membership No. 057106
FRN:319137E
Place : Mumbai .
Date : 03/05/2018

FOR AND ON BEHALF OF BOARD

SURYA KANTA MISHRA
DIRECTOR

AMIT SENGUPTA
DIRECTOR

EAST COAST BAUXITE MINING COMPANY PRIVATE LIMITED

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

Amount in Rupees

PARTICULARS	For the Year Ended on 31st March, 2018	For The Year Ended on 31st March, 2017
Cash flow generated/(used in) operating activities		
Net Loss Before Tax	(23,182.60)	(18,952.00)
Operating Profit before Working Capital Changes	(23,182.60)	(18,952.00)
Adjustment for changes in Working Capital		
Change in Trade payables	(28,136.00)	16,388.00
Increase in Non-Current Liabilities	50,615.00	2,564.00
Net Cash Generated From Operating Activity	(703.60)	-
Cash flows Used in Investing Activities	-	-
Net Cash Used from Investing Activities	-	-
Cash flows Used in Financing Activities		-
Net Cash Used from Financing Activities	-	-
Net Increase /(Decrease) in Cash and Cash Equivalents	(703.60)	-
Cash and Cash equivalents at beginning of Period	40,681.00	40,681.00
Cash and Cash equivalents at end of the Period	39,977.40	40,681.00

EAST COAST BAUXITE MINING COMPANY PRIVATE LIMITED

Cash Flow Statement for the Year Ended 31, Mar 2018

Cash and Cash Equivalent Comprise :

Amount in Rupees

	As at 31st March, 2018	As at 31st March, 2017
Cash in hand	-	-
Balance With Bank in Current account	39,977.40	40,681.00
	39,977.40	40,681.00

This accompanying notes are Integral Part of these financial Statement

This is the Cash Flow Statement referred to in our Report of Even Date

For N R MISHRA & CO.
Chartered Accountants

N. R. MISHRA & CO. BHUBANESWAR CHARTERED ACCOUNTANTS

Ranjan Kumar Sahoo, FCA,DISA
Partner
Membership No. 057106
FRN:319137E
Place : Mumbai.
Date :03/05/2018

FOR AND ON BEHALF OF BOARD

SURYA KANTA MISHRA
DIRECTOR

AMIT SENGUPTA
DIRECTOR

EAST COAST BAUXITE MINING COMPANY PRIVATE LIMITED

Statement Of Changes in Equity for the Year Ended Mar 31, 2018

A. Equity Share Capital

Amount in Rupees

Balance as at April 01, 2016	1,00,000.00
Changes in the Equity share Capital during the Period on account of Share Issued	-
Balance as at March 31, 2017	1,00,000.00
Changes in the Equity share Capital during the Period on account of Share Issued	-
Balance as at March 31, 2018	1,00,000.00

B. Other Equity

Amount in Rupees

Particulars	**Retain Earning**
Balance as at April 01, 2016	(2,52,568.00)
A) Loss for the Period	(18,952.00)
B) Other Comprehensive Income for the Period	-
Total Comprehensive Income for the Period (A+B)	(18,952.00)
Balance as at March 31, 2017	(2,71,520.00)
A) Loss for the Period	(23,182.60)
B) Other Comprehensive Income for the Period	-
Total Comprehensive Income for the Period (A+B)	(23,182.60)
Balance as at March 31, 2018	(2,94,702.60)

For N R MISHRA & CO.
Chartered Accountants

N.R. MISHRA & CO. BHUBANESWAR CHARTERED ACCOUNTANTS

Ranjan Kumar Sahoo, FCA,DISA
Partner
Membership No. 057106
FRN:319137E
Place : Mumbai.
Date : 03/05/2018

FOR AND ON BEHALF OF BOARD

SURYA KANTA MISHRA
DIRECTOR

AMIT SENGUPTA
DIRECTOR

EAST COAST BAUXITE MINING COMPANY PRIVATE LIMITED

Notes Annexed to and forming part of Balance sheet as at 31-Mar-2018, and Statement of Profit and Loss for the Year Ended 31-Mar-2018

1. Significant Accounting Policies

1.1 Basis Of Preparation

The financial statements of East Coast Bauxite Mining Company Private Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India. The financial statements for the year ended March 31, 2018 have been approved by the Board of Directors of the Company in their meeting held on ###### ##, 2018.
The financial statements have been prepared under the historical cost convention on accrual basis except for financial instruments, which have been measured at fair value.
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 take 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.
All the financial assets and financial liabilities are measured at Amortized Cost. Further, no financial assets or liabilities are offsetted as there is no enforceable master netting arrangement for these financial instruments.

Accounting Policies relevant to East Coast Bauxite Mining Company Private Limited are given below.

1.2 Provision and Contingencies

Provisions are recognized when there is present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation . The Amount recognized as a provision is the best estimate of the consideration required to settle to present obligation at the balance sheet date, taking into account the risk and uncertainties surrounding the obligation . Where a provision is measured using the estimated cash flow to settle the present obligation. Its carrying amount is the present value of those cash flows. The discount rate used is a pre tax rate that reflects current market assessments of the time value of Money in that jurisdiction and the risks specific to the liability.

1.3 Cash and Cash Equivalents

Cash and cash equivalents comprises cash at Bank and in hand and short term deposits with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value .For the purpose of the Cash Flow Statement cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the Balance Sheet bank overdrafts are shown within borrowings in current Liabilities.

N.B. MISHRA & CO * BHUBANESWAR * CHARTERED ACCOUNTANTS

EAST COAST BAUXITE MINING COMPANY PRIVATE LIMITED

2 Intangible assets under development	As at Mar, 31 2018	As at Mar, 31 2017
Exploration and evaluation Development Work-in-progress – Mining Rights	26,000.00	26,000.00
	26,000.00	26,000.00

The Company has been incorporated in compliance with a Joint Venture Agreement dated 25th October, 2005 between the promoters, OMC Ltd and HINDALCO Industries Limited. In terms of that agreement, 26% of the issued and paid-up capital of the Company was to be allotted to OMC (the promoter) for services rendered, without any money as consideration to be received from OMC for the value of shares. Therefore the allotment of minimum 26% of the paid-up capital is allotted to OMC and the corresponding amount has been considered as an Intangible Asset under development in the books of the Company being in the nature of Exclusive Rights of Mining. The said Intangible Asset under Development has not been subjected to amortization in the current year.

3 Cash and Cash Equivalent	As at Mar, 31 2018	As at Mar, 31 2017
Cash in hand	-	-
Balance With Bank in Current account	39,977.40	40,681.00
	39,977.40	40,681.00

There is no cash in hand in the company and hence there were no balances and transactions of Specified Bank Notes (SBN) during the period 08-11-2016 to 30-12-2016.

4 Equity Share Capital

	As at Mar, 31 2018	As at Mar, 31 2017
Authorized Share capital 50000 Equity Shares of Rs. 10/- each	5,00,000.00	5,00,000.00
Issued Subscribed and Paid-up: 10000 Equity Shares of Rs. 10/- each	1,00,000.00	1,00,000.00

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

Particulars	Number of Shares	
	As at March 31, 2018	As at March 31, 2017
Hindalco Industries Limited	7400	7400
OMC Limited	2600	2600

Details of Shareholders holding more than 5% Equity Shares in the Company on Reporting Date

Name of the shareholder	Numbers of shares	Percentage of shareholding
Hindalco Industries Limited	7400	74%
OMC Limited	2600	26%

5 Other Equity

Retain Earning	As at 31-Mar- 2018	As at 31-Mar- 2017
Balance at the Beginning of the year	(2,71,520.00)	(2,52,568.00)
Add-Loss for the Year	(23,182.60)	(18,952.00)
Balance at the Year End	(2,94,702.60)	(2,71,520.00)

The Retained Earnings / Surplus represents amount remaining with the Company after considering appropriations

6 Other Financial Liability	As at 31-Mar- 2018	As at 31-Mar- 2017
Amount refundable to Hindalco Industries Limited - Interest Free Loans	2,43,865.00	1,93,250.00

7 Trade and Other Payable	As at 31-Mar- 2018	As at 31-Mar- 2017
Accrued expenses	16,815.00	44,951.00

Amount in Rupees

8 Other Expense	For The Year Ended 31-Mar-2018	For The Year Ended 31-Mar-2017
Audit fees	16,815.00	16,388.00
Bank Charges	703.60	-
Legal and professional fees	5,664.00	2,564.00
	23,182.60	18,952.00

N.R. MISHRA & CO. BHUBANESWAR CHARTERED ACCOUNTANTS

* Audit Fees for Statutory Audit

Amount in Rupees

	Earnings per share	For The Year Ended 31-Mar-2018	For The Year Ended 31-Mar-2017
9	Loss After Tax as per the Statement of Profit & Loss (A)	(23,182.60)	(18,952.00)
	Weighted Average Number of Equity Shares Outstanding (B)	10000	10000
	Loss Per Share (Basic & Diluted) (In Rupees) (A/B)	(2.32)	(1.90)
	Nominal Value of Equity shares (In Rupees)	10.00	10.00

10 The Company has not incurred any liability in respect of any Micro, Small and Medium Enterprises.

11 **Related Party Disclosure:**

The Company is a Joint Venture of M/s HINDALCO LTD and Orissa Mining Corporation Ltd having a shareholding of 74% and 26% respectively. The Directors of the Company have been nominated by the companies respectively in the ratio of 4:2 to the Board of Directors of the Company.

The Board is constituted as below:

Mr. Surya Kanta Mishra	Nominee HINDALCO
Mr. Amit Sengupta	Nominee HINDALCO
Mr. Rabindra Misra	Nominee HINDALCO

None of the Directors have received any remuneration from the Company.

Disclosure of outstanding balances payable to or receivable from Related Parties at year end:

	As at 31-Mar- 2018	As at 31-Mar- 2017
Amount refundable to Hindalco Industries Limited	2,43,865.00	1,93,250.00
Total	2,43,865.00	1,93,250.00

For N R MISHRA & CO.
Chartered Accountants

N.R. MISHRA & CO. ★ BHUBANESWAR ★ CHARTERED ACCOUNTANTS

Ranjan Kumar Sahoo, FCA,DISA
Partner
Membership No. 057106
FRN:319137E
Place : Mumbai.
Date :03/05/2018

FOR AND ON BEHALF OF BOARD

SURYA KANTA MISHRA
DIRECTOR

AMIT SENGUPTA
DIRECTOR

Singhi & Co.
Chartered Accountants

161, SARAT BOSE ROAD, KOLKATA-700 026, (INDIA)
✆ : +91(0)33-2419 6000/01/02 • E-mail : kolkata@singhico.com • Website : www.singhico.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TUBED COAL MINES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind ASfinancial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

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

OPINION

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

Emphasis of Matters

We draw attention to the following matters:-

The Supreme Court vide its judgment dated 25th August 2014 read with its Order dated 24th September 2014 had de-allocated 204 coal block including the coal block allotted to the Company and has issued necessary direction to Central Government with regard to these coal blocks. Since the Company has been incorporated by the co promoters to share the coal block allotted to them jointly and in view of the Supreme Court Judgement as mentioned above relating to de-allocation of coal block allotted to the promoters, the going concern concept has been vitiated and accordingly provision have been made in the statement of profit and loss so as to bring down the assets and liabilities to their recoverable / payable value based on the estimate made by the Management. Refer Note No. 1A to the financial statement.
Our report is not modified on this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the 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 (including other comprehensive income), the cash flow statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the aforesaid standalone Ind ASfinancial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
   e. as explained under the Emphasis of Matters paragraph above, the going concern concept has been vitiated and necessary provisions have been made in the statement of Profit & Loss based on the estimate made by the management;
   f. on the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
   g. 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

h. 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 does not have any pending litigations which would impact its financial position as on 31st March 2018;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31st March 2018.

For SINGHI & CO.
Chartered Accountants
Firm's Registration No. 302049E

(Navindra Kumar Surana)
Partner
Membership No. 053816

Place: Kolkata
Date : 30th April, 2018

Annexure 'A' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Tubed Coal Mines Ltd. (the Company)

I. All the fixed assets of the Company have been classified under the head current assets since the going concern concept has vitiated, accordingly paragraph 3 (I) of the Order is not applicable.

II. The Company has not yet commenced its commercial operation and accordingly does not have any inventory. Hence, paragraph 3(II) of the order is not applicable.

III. The Company has granted loans to two bodies corporate (Joint Venture Partners) covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company to two parties covered in the register maintained under section 189 of the Companies Act, 2013, (total loanamount granted Rs. 20,00,00,000 and balance outstanding as at balance sheet date Rs. 8,10,411 inclusive of interest) are not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

V. The Company has not accepted any deposit from the public.

VI. The Company is not required to maintain Cost Records as prescribed by the Central Government under section 148 (1) (d) of the Companies Act, 2013.

VII. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax which have not been deposited on account of any dispute as on 31st March 2018.

VIII. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Accordingly, paragraph 3(VIII) of the Order is not applicable.

IX. The company has not raised any money by way of initial public offer or further public offer including debt instruments and term loans during the year and accordingly the paragraph 3(IX) of the order is not applicable.

X. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

XI. The Company did not have any whole time director or manager during the financial year. Accordingly, paragraph 3(XI) of the Order is not applicable.

XII. The company is not a Nidhi Company. Accordingly, paragraph 3(XII) of the Order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

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

For SINGHI & CO.
Chartered Accountants
Firm Registration No.302049E

(Navindra Kumar Surana)
Partner
Membership No.053816

Place: Kolkata
Date: 30th April, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S 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 **TUBED COAL MINES LIMITED** (**"the Company"**) as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S 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 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 Ind AS financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

For SINGHI & CO.
Chartered Accountants
Firm's Registration No. 302049E

(Navindra Kumar Surana)
Partner
Membership No. 053816

Place: Kolkata
Date : 30th April, 2018

TUBED COAL MINES LIMITED

Balance Sheet as at 31st March, 2018

(Amount in Rs.)

	Note No.	As at 31/03/2018	As at 31/03/2017
ASSETS			
Non-Current Assets		-	-
		-	-
Current Assets			
Financial Assets			
Cash and Cash Equivalents	2'	18,172,263	133,056,889
Loans	3'	4,000	4,000
Other financial assets- current	4'	1,784,986	3,293,587
Other current assets	5'	12,542,353	91,836,429
		32,503,602	228,190,905
		32,503,602	**228,190,905**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6'	254,945,000	454,945,000
Other Equity	7'	(224,415,275)	(229,147,610)
Total Equity		30,529,725	225,797,390
Current Liabilities			
Financial Liabilities			
Trade Payables	8'	244,105	432,994
Other Financial Liabilities	9'	-	122,200
Provisions	10'	160,623	129,979
Other Current Liabilities	11'	1,507,117	1,501,999
Current Tax Liabilities (Net)	12'	62,032	206,343
		1,973,877	2,393,515
		32,503,602	**228,190,905**

Significant Accounting Policies '1'

The Accompanying Notes are an integral part of the Financial Statements.

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm registration No: 302049E

For and on behalf of the Board

Navindra Kumar Surana
Partner
Membership No: 053816
Place: Kolkata.
Date: 30th April, 2018

Ashok Machher
Director

Rahul Shah
Director

TUBED COAL MINES LIMITED
Statement of Profit and Loss for the year ended 31st March 2018

(Amount in Rs.)

	Note No.	Year Ended 31/03/2018	Year Ended 31/03/2017
REVENUES			
Other Income	13'	8,640,547	20,976,850
Total income		8,640,547	20,976,850
EXPENSES			
Employee Benefit Expenses	14'	873,558	2,741,229
Finance Costs	15'	-	122,200
Other Expenses	16'	795,592	1,547,439
Total Expenses		1,669,150	4,410,868
Profit/ (Loss) before tax		6,971,397	16,565,982
Tax Expense:			
Current tax	17'	2,239,062	3,097,691
Profit/ (Loss) for the year		**4,732,335**	**13,468,291**
Other Comprehensive Income:			
Items that will not be reclassified to Profit and Loss (Net of Tax)		-	-
Items that will be reclassified to Profit and Loss (Net of Tax)		-	-
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income		**4,732,335**	**13,468,291**
Earnings per Share (EPS) (Face value of Rs 10 each)			
Basic & Diluted EPS (Rs)	18'	0.12	0.30

Significant Accounting Policies '1'

The Accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm registration No: 302049E

For and on behalf of the Board

Navindra Kumar Surana
Partner
Membership No: 053816
Place: Kolkata
Date: 30th April, 2018

Ashok Machher
Director

Rahul Shah
Director

TUBED COAL MINES LIMITED

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

A. Equity Share Capital

	No. of Shares (Nos.)	Amount (Rs.)
As at 01/04/2016	45,294,500	452,945,000
Issued during the year	200,000	2,000,000
As at 31/03/2017	45,494,500	454,945,000
Reduction during the year	(20,000,000)	(200,000,000)
As at 31/03/2018	25,494,500	254,945,000

B. Other Equity

	Retained Earnings Amount (Rs.)
As at 01/04/2016	(242,615,901)
Profit /(Loss) for the year	13,468,291
As at 31/03/2017	229,147,610
Profit /(Loss) for the year	(4,732,335)
As at 31/03/2018	224,415,275

The accompanying Notes are an integral part of the Financial Statements.

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm registration No: 302049E

Navindra Kumar Surana
Partner
Membership No: 053816
Place: Kolkata
Date: 30th April 2018

For and on behalf of the Board

Ashok Machher
Director

Rahul Shah
Director

TUBED COAL MINES LTD.

Cash Flow Statement for the Period ended 31st March 2018

	Year Ended 31/03/2018	Year Ended 31/03/2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	6,971,397	16,565,982
Interest Income	(8,505,399)	(3,332,604)
Sundry balances Written Back	(135,148)	-
Loss/(Profit) on sale of Fixed Assets	-	(17,644,246)
Balance Written off	-	22,920
Interest Paid	-	122,200
Operating profit before working capital changes	(1,669,150)	(4,265,748)
Changes in working Capital:		
Change in Trade and other Receivables	-	105,239
Change in Trade and other Payables	(17,979)	1,115,194
Direct Taxes Paid	(2,383,373)	(2,826,000)
Net Cash Generated/ (Used) - Operating Activities	(4,070,502)	(5,871,315)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Amount realised against recoverable project expenses	79,294,076	137,981,977
Loans & Advances Given	(200,000,000)	-
Refund of Loans & Advances Given	200,000,000	-
Interest Received	10,014,000	52,017
Net Cash Generated/ (Used) - Investing Activities	89,308,076	138,033,994
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares	-	2,000,000
Reduction of Equity Share Capital	(200,000,000)	-
Proceeds from Share Application money	-	(1,200,000)
Interest Paid	(122,200)	-
Net Cash Generated/ (Used) - Financing Activities	(200,122,200)	800,000
Net Increase/ (Decrease) in Cash and Cash Equivalents	(114,884,626)	132,962,679
Add : Opening Cash and Cash Equivalents	133,056,889	94,210
Closing Cash and Cash Equivalents	**18,172,263**	**133,056,889**
Cash and cash equivalents comprise of:		
Cash in hand	38	16,633
Bank balances		
In current/checkin accounts	1,996,791	154,165
Demand deposits (less than 3 months maturity)	16,175,434	132,886,091
Short term, highly liquid investments		
Liquid mutual funds		
Bank overdraft		
Cash and cash equivalents at the end of the year	**18,172,263**	**133,056,889**

Notes:

1. The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard-7 (Ind AS 7) "Statement of Cash Flow".
2. Figures have been regrouped/ rearranged wherever necessary.

The Accompanying Notes are an integral part of the Financial Statements.

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm registration No: 302049E

Navindra Kumar Surana
Partner
Membership No: 053816
Place: Kolkata.
Date: 30th April, 2018

For and on behalf of the Board

Ashok Machher
Director

Rahul Shah
Director

TUBED COAL MINES LIMITED

Notes forming part of the Financial Statements

Company Information - The Tubed Coal Mines Limited (the Company) has been formed for mining of coal from Tubed Coal Block which was jointly awarded to The Tata Power Company Ltd. and M/s. Hindalco Industries Limited by Government of India, Ministry of Coal vide their letter dated 29th May, 2007 for production of coal for their proposed power plants. The Company is incorporated under the Companies Act , 1956 with the Registrar of Companies, Mumbai in the state of Maharashta and having registered office at Ahura Centre, Mahakali Caves Road, Mumbai- 400093. The shares of the Company are unlisted.

1 Significant Accounting Policies

A. Basis of Preparation

The Supreme Court of India, vide Judgment dated 25th August 2014 read with its Order dated 24th September 2014, has cancelled allocation of 204 coal blocks including Tubed Coal Block, earlier allotted to the Company, and has issued necessary directions to Central Government with regard to these coal blocks. In view of the said judgment, the going concern concept has been vitiated and accordingly, necessary provisions have been made in the financial statements to bring down the assets and liabilities to their realizable value. Further, the financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and, other relevant provision of the Act to the extent applicable.

As explained above, since the going concern concept has been vitiated, the financial statement has been prepared based on the Indian Accounting Standard (Ind AS) to the extent applicable including the disclosure requirement as mentioned therein and accounting policy as mentioned below:

The financial statements have been prepared on accrual basis and presented in Indian Rupees (Rs.) which is the Functional Currency of the Copmany.

The financial statements for the year ended 31st March 2018 have been approved by the Board of Directors on 30.04.2018.

B. Employee Benefits

Employee benefits of short term nature are recognized as expense as and when these accrue. Long term employee benefits and post employment benefits, whether funded or otherwise, are recognized as expense based on actuarial valuation at year end using the projected unit credit method. For discounting purpose, market yield of Government Bonds, at the balance sheet date, is used. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected 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 will not be reclassified to the statement of profit and loss.

C. Revenue Recognition

The Company does not have any income except interest income and profit on sale of assets. Income is recognized on accrual basis.

D. Taxation

Provision for current income tax is made in accordance with the Income tax Act, 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

E. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts.

F. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

G. Critical Estimates and Judgements

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

TUBED COAL MINES LIMITED

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

		As at	
		31/03/2018	31/03/2017
2	**Cash and Cash Equivalents**		
	Balance with Banks:		
	Deposits with initial maturity less than 3 months	16,175,434	132,886,091
	Current Accounts	1,996,791	154,165
	Cash on hand	38	16,633
		18,172,263	**133,056,889**
3	**Short-term Loans and Advances:**		
	Security Deposits (Unsecured, Considered Good)	4,000	4,000
		4,000	**4,000**

Additional information (Ind AS 107.7)	**Security deposits**	**Others**
Weighted average interest rate	-	-
Maturity period range	On Demand	-
Details of amounts past due, if any	-	-
Nature of security	Telephone deposit	-

		31/03/2018	31/03/2017
4	**Other financial assets- current:**		
	Interest accrued:		
	On Advance to Related Party	810,411	-
	On Deposits	974,575	3,293,587
		1,784,986	**3,293,587**
5	**Other current assets :**		
	Recoverable amount related to de-allocated Coal Block:	12,542,353	91,836,429
		12,542,353	**91,836,429**

6 **Share Capital:**

Authorized, Issued, Subscribed and Paid-up Share Capital

	As at 31/03/2018	As at 31/03/2017
Authorized:		
6,00,00,000 (As at Mar 31, 2017: 6,00,00,000) Equity shares of Rs.10/- each.	600,000,000	600,000,000
	600,000,000	**600,000,000**
Issued:		
25,494,500 (As at Mar 31, 2017: 4,52,94,500) Equity Shares of Rs.10/- each.	254,945,000	454,945,000
	254,945,000	**454,945,000**
Subscribed and Paid-up:		
25,494,500 (As at Mar 31, 2017: 4,52,94,500) Equity Shares of Rs.10/- each.	254,945,000	454,945,000
	254,945,000	**454,945,000**

Reconciliation of Shares outstanding at the beginning and at the end of the reporting period.

	As at 31/03/2018	As at 31/03/2017
Reconciliation of Share Capital (Numbers of Shares)		
Opening Balance	45,494,500	45,294,500
Add: Issued during the year	-	200,000
Less: Reduction during the year (refer note below)	(20,000,000)	-
Closing Balance	**25,494,500**	**45,494,500**
Reconciliation of Share Capital (Amount Rs.)		
Opening Balance	454,945,000	452,945,000
Add: Issued during the year	-	2,000,000
Less: Reduction during the year (refer note below)	(200,000,000)	-
Closing Balance	**254,945,000**	**454,945,000**

Note: As per the scheme appproved by National Company Law tribunal vide its order dated 4th October 2017 u/s. 66 of the Companies Act 2013, the Share Capital of the Company has been reduced from 4,54,94,500 no. of shares to 2,54,94,500 no. of shares by making refund of Rs.10 per share agreegating to Rs. 20 crores.

A) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder of equity share is entitled to one vote per share.

The equity shares issued during the year shall rank pari passu in all respect with the existing equity shares of the company.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	31st March 2018	Percentage of Holding	31st March 2017	Percentage of Holding
Hindalco Industries Limited	15,296,700	60%	27,296,700	60%
Tata Power Company Ltd.	10,197,800	40%	18,197,800	40%

Details of shareholders holding more than 5 % shares in the company

Equity Shares of Rs. 10 each fully paid	As at 31/03/2018	As at 31/03/2017
Hindalco Industries Limited, (% of holding - Current and Previous Year - 60 %)	15,296,700	27,296,700
The Tata Power Company Ltd.(% of holding - Current and Previous year - 40 %)	10,197,800	18,197,800
	25,494,500	**45,494,500**

C) The Company has not issued any bonus shares during the immediately preceeding 5 years

D) The Company has not allotted any shares pursuant to contracts without payment received in cash.

E) The Company has not bought back any shares during the immediately preceeding 5 years, however, the Company has made the capital reduction during the year as mentioned in clause (a) above.

TUBED COAL MINES LIMITED

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

7 Other Equity

	As at 31/03/2018	As at 31/03/2017
Surplus / (deficit) as per Statement of Profit & Loss	224,415,275	(229,147,610)
	(224,415,275)	**(229,147,610)**

For the period ended 31/03/2018 additions and deductions under each head since last balance sheet are as under:

	As at 31/03/2018	As at 31/03/2017
Retained Earnings:		
Opening Balance	229,147,610	242,615,901
(Profit)/Loss for the year	(4,732,335)	(13,468,291)
Closing Balance	**224,415,275**	**229,147,610**

	As at 31/03/2018	As at 31/03/2017
8 Short-term trade payables:		
Liability for Expenses	163,574	356,760
Salary & Other Emoluments	80,531	76,234
	244,105	**432,994**
9 Other Financial Liabilities		
Interest on Tax Payable	-	122,200
	-	**122,200**
10 Short-term Provisions:		
Provision for Gratuity	72,582	66,542
Provision for Leave Salary	88,041	63,437
	160,623	**129,979**
11 Other Current Liabilities		
Advance Against Assets	1,471,507	1,471,507
Statutory dues Payables	35,610	30,492
	1,507,117	**1,501,999**
12 Current Tax Liabilities (Net)		
Current Tax Liability (Net)	62,032	206,343
	62,032	**206,343**

TUBED COAL MINES LIMITED

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

		Year Ended	
		31/03/2018	31/03/2017
13	**Other Income:**		
	Interest Income		
	On Fixed Deposits	1,219,647	3,332,604
	On Advances	7,285,752	-
	Sundry balances Written Back	135,148	-
	Profit on Sale of Asset	-	17,644,246
		8,640,547	**20,976,850**
14	**Employee Benefit Expenses:**		
	Salary & Wages	873,558	2,720,160
	Contribution to Mining Provident Funds & other fund	-	21,069
		873,558	**2,741,229**
15	**Finance Costs:**		
	Interest Expenses on Taxes	-	122,200
		-	**122,200**
16	**Other Expenses:**		
	Bank Charges	1,419	3,492
	Books & Periodicals	-	320
	Electricity Charges	-	30,044
	Filing Fees	14,183	27,393
	Fuel Expense	-	1,000
	Guest House Expense	-	41,580
	Certification Fees	29,200	-
	Auditor remuneration and other Fees	172,750	166,750
	Mess Expense	-	3,828
	Outsourced contract Charges	-	543,433
	Fooding Expense	-	29,226
	Insurance	-	45,239
	Rent	-	158,994
	Repair & Maintainance	23,130	12,015
	Administration Expense	-	1,313
	Conveyance	-	4,330
	Hotel and Stay Expense	-	1,347
	Shifting Expense	-	34,425
	Miscellaneous Expenses	-	43,730
	Balance Writen off	-	22,920
	Professional Tax	2,500	2,500
	Professional Fees	188,250	-
	Office Expenses	263,689	210,035
	Telephone Expenses	21,453	47,185
	Travelling Expenses	79,018	116,340
		795,592	**1,547,439**
	(a) Details of Auditors' Remuneration are as follows:		
	Statutory Auditors:		
	Audit Fees	171,100	166,750
	Other Services	1,650	-
		172,750	166,750
17	**Tax Expenses:**		
	For Current Year	2,224,941	3,097,691
	For earlier Years	14,121	-
		2,239,062	**3,097,691**

TUBED COAL MINES LIMITED
Notes to Financial Statements for the year ended 31st March, 2018

		31-Mar-18	31-Mar-17
18	**Earning per Share (EPS):**		
	Profit / (Loss) after Tax as per the Profit & Loss Account for the year (` Rs)	4,732,335	13,468,291
	Weighted average number of Equity shares outstanding during the year		
	- No. of shares for Basic EPS	38,535,596	45,491,212
	- No. of shares for Diluted EPS	38,535,596	45,491,212
	Face value of per share (` Rs)	10	10
	Basic & Diluted EPS (` Rs)	0.12	0.30

19 Operating Lease:

The Company has not entered into any non-cancellable lease. However, the Company has entered into cancellable leasing arrangement for office, residential premises in respect of which during the year ended 31st March 2018 the Company has paid Rs. NIL (31/03/2017: Rs. 1,58,994) towards rent expenses.

20 Related Party Disclosures:

A. List of Related Parties:

Name	Relationship
Hindalco Industries Limited	Holding company
Tata Power Company Ltd.	Joint Venture Partner

B. Disclosure of transactions between the Company and Related Parties during the year in the ordinary course of business and status of outstanding balances at year end:

(a).Transactions for year ended:

Transactions	Related Party	31-Mar-18	31-Mar-17
Reimbursement of Expenses	Hindalco Industries Ltd.	7,383	14,625
Advance received for Share Application	Tata Power Company Ltd.	-	800,000
Sale of Fixed Assets	Hindalco Industries Ltd.	-	53,621,020
Loans and Advances received	Hindalco Industries Ltd.	-	1,471,507
Loans and Advances Given	Hindalco Industries Ltd.	120,000,000	-
	Tata Power Company Ltd.	80,000,000	-
Refund of Loans and Advances Given	Hindalco Industries Ltd.	120,000,000	-
	Tata Power Company Ltd.	80,000,000	-
Issuance of Equity Share Capital	Hindalco Industries Ltd.	-	1,200,000
	Tata Power Company Ltd.	-	800,000
Reduction of Equity Share Capital	Hindalco Industries Ltd.	120,000,000	-
	Tata Power Company Ltd.	80,000,000	-

TUBED COAL MINES LIMITED

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

(b). Outstanding balances as at: (Amount in Rs.)

		31-Mar-18	31-Mar-17
Liability for Expenses	Hindalco Industries Ltd.	9,224	1,841
Advances	Hindalco Industries Ltd.	1,471,507	1,471,507
Accrued Interest	Tata Power Company Ltd.	810,411	-

21 As the going concern concept has been vitiated there is no temporary differences and deductible differences on which deferred tax is required to be recognised.

22 There are no Micro and Small Enterprise to whom the Company owes dues, which are outstanding as on 31st March 2018. This information as required under the Micro, Small and Medium Enterprise Development Act 2006 has been determined on the basis of information available with the Company.

23 The disclosure and information which are applicable to the company have been disclose above

The Accompanying Notes are an integral part of the Financial Statements.

As per our Report annexed.
For SINGHI & CO.
Chartered Accountants
Firm registration No: 302049E

Navindra Kumar Surana
Partner
Membership No: 053816
Place: Kolkata
Date: 30th April, 2018

For and on behalf of the Board

Ashok Machher
Director

Rahul Shah
Director

AV MINERALS (NETHERLANDS) N.V.
Fit-for-Consolidation Balance Sheet as at 31 March, 2018

		Rs. in Millions	
ASSETS	Note No.	As at 31 March, 2018	As at 31 March, 2017
Non-current assets			
Financial assets			
Investment in subsidiaries	6	106,530.08	107,010.44
Loans	7	0.10	0.10
Total non-current assets		**106,530.18**	**107,010.54**
Current assets			
Financial assets			
Cash and cash equivalents	8	4.42	11.45
Loans	7	0.12	0.12
Total current assets		**4.54**	**11.57**
TOTAL ASSETS		**106,534.72**	**107,022.11**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	111,674.63	109,304.47
Other equity	9	(5,139.91)	(2,282.36)
TOTAL EQUITY		106,534.72	107,022.11
TOTAL EQUITY AND LIABILITIES		106,534.72	107,022.11

Summary of significant accounting policies 3

The accompanying notes are an integral part of the Fit-for-Consolidation Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of the board of directors

Mr. Anil Mathew
Director

Mr. ~~Anil~~ Malik
Director

Place: Mumbai
Date: 09-08-2018

AV MINERALS (NETHERLANDS) N.V.

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

	Note No.	Year Ended 31 March, 2018	Year Ended 31 March, 2017
		Rs. in Millions	
EXPENSES			
Finance Cost	5	0.02	—
Impairment Loss/(Reversal) (Net)	6	2,813.00	
Other expense	4	6.98	5.28
Total expenses		**2,820.00**	**5.28**
Profit/ (loss) for the year		**(2,820.00)**	**(5.28)**
Other comprehensive income (loss), net of tax			
Items that will be reclassified subsequently to profit and loss			
Exchange differences in translating the financial statements from functional currency to presentational currency		411.78	(2,246.02)
Other comprehensive income (loss) for the year, net of tax		**411.78**	**(2,246.02)**
Total comprehensive income (loss) for the year		**(2,408.22)**	**(2,251.30)**
Profit/ (loss) for the year attributable to:			
Owners of the Company		(2,820.00)	(5.28)
Other comprehensive income/ (loss) for the year attributable to:			
Owners of the Company		411.78	(2,246.02)
Total comprehensive income (loss) for the year attributable to:			
Owners of the Company		(2,408.22)	(2,251.30)

The accompanying notes are an integral part of the Fit-for-Consolidation Statement of Profit and Loss.

This is the Statement of Profit & Loss referred to in our report of even date.

For and on behalf of the board of directors

Mr. Anil Mathew
Director

Mr. Anil Malik
Director

Place: Mumbai

Date: 09-08-2018

AV MINERALS (NETHERLANDS) N.V.
Fit-for-Consolidation Statement of Changes in Equity for year ended 31 March, 2018

Rs. in Millions

	Retained earnings / (Deficit)	Exchange differences on translating the financial statements of a foreign operation	Equity share capital	Total
Balance as at 1 April, 2017	(2,193.50)	(88.86)	109,304.47	107,022.11
Proceeds from shares issued			1,920.83	1,920.83
Profit (loss) for the year	(2,820.00)			(2,820.00)
Other comprehensive income (loss) for the year		411.78		411.78
Total comprehensive income (loss) for the year	(2,820.00)	411.78		(2,408.22)
Foreign currency translation of other equity		(449.33)	449.33	—
Balance as at 31 March, 2018	(5,013.50)	(126.41)	111,674.63	106,534.72

	Retained earnings / (Deficit)	Exchange differences on translating the financial statements of a foreign operation	Equity share capital	Total
Balance as at 1 April, 2016	(2,188.22)	(138.03)	109,009.15	106,682.90
Proceeds from shares issued			2,590.51	2,590.51
Profit (loss) for the year	(5.28)			(5.28)
Other comprehensive income (loss) for the year		(2,246.02)		(2,246.02)
Total comprehensive income (loss) for the year	(5.28)	(2,246.02)		(2,251.30)
Foreign currency translation of other equity		2,295.19	(2,295.19)	—
Balance as at 31 March, 2017	(2,193.50)	(88.86)	109,304.47	107,022.11

The accompanying notes are an integral part of the Fit-for-Consolidation Statement of Changes in Equity.

This is the Statement of Changes in Equity referred to in our report of even date.

For and on behalf of the board of directors

Mr. Anil Mathew
Director

Mr. Anil Malik
Director

Place: Mumbai
Date: 09-08-2018

AV MINERALS (NETHERLANDS) N.V.

Fit-for-Consolidation Statement of Cash Flows for the year ended 31 March, 2018

	Rs. in Millions	
	Year Ended 31 March, 2018	**Year Ended 31 March, 2017**
Cash flow from/(used in) operating activities		
Profit (loss) for the year before income taxes	(2,820.00)	(5.28)
Less: Impairment Loss	2,813.00	
Cash generated from/(used in) operations	**(7.00)**	**(5.28)**
Cash flow from/(used in) investing activities		
Investment in subsidiary - Hindalco do Brasil Indústria E Comércio De Alumina Ltda	(1,920.83)	(2,590.51)
Cash generated from/(used in) investing activities	**(1,920.83)**	**(2,590.51)**
Cash flow from/(used in) financing activities		
Equity investment from Hindalco Industries Limited	1,920.83	2,590.51
Cash generated from/(used in) financing activities	**1,920.83**	**2,590.51**
Net increase/(decrease) in cash and cash equivalents	(7.00)	(5.28)
Cash and cash equivalents at the beginning of the year	11.45	16.91
Effects of exchange rate changes on cash held in foreign currency	(0.03)	(0.18)
Cash and cash equivalents at the end of the year	**4.42**	**11.45**
Cash and cash equivalents comprise of:		
Bank balances		
In current/checking accounts	4.42	11.45
Cash and cash equivalents at the end of the year	**4.42**	**11.45**
Reconciliation with balance sheet		
Cash and cash equivalents at the end of the year	4.42	11.45
Cash and cash equivalents as presented in balance sheet	**4.42**	**11.45**

The accompanying notes are an integral part of the Fit-for-Consolidation Statement of Cash Flows.

This is the Statement of Cash Flows referred to in our report of even date.

For and on behalf of the board of directors

Mr. Anil Mathew
Director

Mr. Anil Malik
Director

Place: Mumbai
Date: 09-08-2018

AV MINERALS (NETHERLANDS) N.V.

Notes to the Fit-for-Consolidation Financial Statements as at and for the year ended 31 March, 2018

1. **General Information**

A V Minerals (Netherlands) N.V. (A V Minerals or the Company) was incorporated in Amsterdam, the Netherlands on 18 April, 2007. The Company is a wholly-owned subsidiary of Hindalco Industries Ltd. (Hindalco). A V Minerals was formed as a holding Company for the direct investment in its wholly-owned subsidiary, A V Metals Inc. (A V Metals). A V Metals was incorporated in Ontario, Canada under the Canada Business Corporations Act (CBCA) on 1 February, 2007 as a holding Company for the direct investment in its wholly-owned subsidiary, A V Aluminum Inc. (A V Aluminum) Novelis Inc.

A V Aluminum was incorporated in Ontario, Canada under the CBCA. A V Aluminum was initially formed and incorporated as "6703534 Canada Limited" on 16 January, 2007, and its name was changed to A V Aluminum Inc. on 6 February, 2007. A V Aluminum was formed as a holding Company for the direct investment in its wholly-owned operating subsidiary, Novelis Inc. and its subsidiaries (Novelis).

Novelis is a Company incorporated in Ontario, Canada under the Canada Business Corporation Act on 21 September, 2004. Novelis produces aluminum sheet and light gauge products for use in the packaging market, which includes beverage and food can and foil products, as well as for use in the automotive, transportation, electronics, architectural and industrial product markets. Novelis is also the world's largest recycler of aluminum and has recycling operations in many of its plants to recycle both postconsumer aluminum and post-industrial aluminum. As at 31 March, 2018, Novelis had manufacturing operations in 10 countries on four continents, which include 24 operating plants, and recycling operations in 11 of these plants.

Effective 29 September, 2010, in connection with an internal restructuring transaction, pursuant to articles of amalgamation under the CBCA, Novelis was amalgamated with A V Aluminum, to form an amalgamated corporation named Novelis Inc., also a Canadian corporation.

As a result of the Amalgamation, Novelis and A V Aluminum continue Novelis' corporate existence, the amalgamated Novelis Inc. remains liable for all of Novelis and A V Aluminum's obligations and continues to own all of Novelis and A V Aluminum respective property. Since A V Aluminum was a holding Company whose sole asset was the shares of the pre amalgamated Novelis, the business, management, board of directors and corporate governance procedures of Novelis Inc. following the Amalgamation are identical to those of Novelis immediately prior to the Amalgamation. Novelis Inc., like A V Aluminum, remains an indirect, wholly-owned subsidiary of Hindalco.

In January, 2013, Novelis do Brasil Ltda., subsidiary of Novelis Inc.; and Novelis Inc., subsidiary of A V Metals Inc. (jointly as sellers), executed the Quota Purchase and Sale Agreement with AV Minerals (Netherlands) N.V. (buyer), parent of A V Metals Inc. and subsidiary of Hindalco, to sell the Alumina Assets (bauxite mining rights and exploration applications / permits, certain real estate properties, alumina refinery and other assets used in or related to the production of alumina). For that purpose, Novelis do Brasil Ltda. incorporated a limited liability subsidiary Company, Hindalco do Brasil Industria e Comercio de Alumina Ltda (Hindalco do Brasil), and transferred the Alumina Assets to Hindalco do Brasil by way of "drop down". The buyer acquired all the outstanding equity shares (quotas) of Hindalco do Brasil after the completion of the corporate reorganization, and transfer of licenses and permits, necessary for starting operations of Hindalco do Brasil.

2. **Basis of preparation**

These Fit-for-Consolidation Financial Statements ('the FFC FS') relate to AV Minerals which is presented on a non-consolidated, stand-alone basis as a separate financial statements.

The FFC FS have been prepared in conformity with the group accounting policies of Hindalco Industries Limited ('Hindalco'), which are in accordance with the recognition and measurement principles of Indian Accounting Standard notified under section 133 of the Companies Act 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] ('Ind AS') and other accounting principles generally accepted in India. The FFC FS have been prepared to facilitate Hindalco in preparation of its consolidated financial statements. The FFC FS does not include the disclosures as required under Ind AS in its entirety. The financial statements has been prepared on the historical cost basis.

The above accounting standards and interpretations are collectively referred to as Ind AS in the FFC FS.

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

These FFC FS have been prepared in U.S. Dollars (USD), which is the functional currency of the Company. The same has been translated into Indian Rupees (Rs) to facilitate Hindalco in preparation of its consolidated financial statements (Refer Policy 3(H)). There are no Fixed Assets, Inventories or Employees in the Company.

3. **Summary of significant accounting policies**

A. Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost. Exchange differences on monetary items are recognized in the statement of profit and loss in the period in which they arise.

B. Investments

A subsidiary is an investee controlled by the Company. Control exists when it has power over the entity, is exposed, or has right to variable returns from its involvement with the entity and has ability to affect those returns by using its power over entity.

Investments in subsidiaries is accounted for at cost less impairment losses, if any.

In accordance with Ind AS 27 "Separate Financial Statements", the Company has elected not to prepare consolidated financial statements as the Company is a wholly owned subsidiary of Hindalco Industries Limited, the ultimate holding Company, incorporated in India, which prepares the consolidated financial statements.

C. Impairment

At the end of each reporting period, the Company reviews the carrying amounts of investments in subsidiaries to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell 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.

D. Financial instruments

Financial assets are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis.

Financial liabilities, such as borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial guarantee contracts

Financial guarantee contracts are initially measured by the issuer at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined by using expected credit loss model; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

E. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

F. Income taxes

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

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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet 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 assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 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 each balance sheet date 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 assets and liabilities 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 balance sheet date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

G. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is 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 balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Litigation

Provision is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

H. Fit-for Consolidation Adjustments

For the purpose of the FFC FS, the Company's income and expense items are translated into Indian Rupees at average rates prevailing during the period. All assets, liabilities, equity and other reserves (except retained earnings) are translated into Indian Rupees at rates prevailing at the end of the period. All resulting exchange differences are accumulated in "Foreign Currency Translation Reserve", however, exchange differences arising on translating assets and liabilities are recognised through "Other Comprehensive Income" and exchange differences arising on re translating 'Equity Share Capital' item is recognised directly in Equity.

4. Other expenses

	Rs. in Millions	
	Year Ended 31 March, 2018	Year Ended 31 March, 2018
(Gain)/ loss on foreign currency transactions and translation (net)	0.01	0.03
Miscellaneous expenses	6.97	5.25
	6.98	5.28

5. Finance cost

	Rs. in Millions	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest expense	0.02	—
	0.02	—

6. Investment in subsidiaries

	Rs. in Millions	
Trade investments (unquoted, valued at cost)	As at 31 March, 2018	As at 31 March, 2017
Investments in equity instruments of subsidiary - equity shares in A V Metals Inc. - See Note 10 Related party disclosures	102,067.55	101,667.84
Investments in equity instruments of subsidiary - equity shares in Hindalco do Brasil Indústria E Comércio De Alumina Ltda - See Note 10 Related party disclosures	7,304.03	5,342.60
	109,371.58	107,010.44
Less: Aggregate amount of Impairment in the value of Investments	(2,841.50)	—
	106,530.08	107,010.44

The management at at the end of each reporting period assesses whether there is any indication that the investments may be impaired. When such indication exists, the management estimates the recoverable amount of those investments. The Hindalco do Brasil Indústria E Comércio De Alumina Ltda. (HDB) has incurred losses during current and previous years, hence management has determined the recoverable value of HDB of Rs. 4462.53 million based on fair value less cost of disposal. The fair value has been determined to be Level 3 in valuation hierarchy. The calculation of recoverable amount uses discounted cashflow projections based on financial budgets approved by the management.

Following are the significant assumptions were used in estimation of recoverable amount

	As at 31 March, 2018	As at 31 March, 2017
Sales growth rate	4%	
Estimated gross margin	22.00%	
Long term growth rate	5.00%	
Post tax discount rate	13.68%	-

Post tax discount rate reflects specific risks relating to the relevant industry and the country in which the investments are made. The management has determined the values assigned to each of the other assumptions above based on past performance and expectations for the future.

Details of composition of wholly-owned subsidaries

Name of the subsidiary	Principal activity	Place of incorporation	Place of in operation
A V Metals Inc.	Investments	Canada	Canada
Hindalco do Brasil Indústria E Comércio De Alumina Ltda.	Manufacturing	Brazil	Brazil

7. Loans

Long term loans (at amortised cost) consist of the following:

	Rs. in Millions	
	As at 31 March, 2018	**As at 31 March, 2017**
Advances to related parties		
Advance against Equity in AV Metals Inc. - See Note 10 Related party disclosures	0.10	0.10
Total long term loans	0.10	0.10

Short term loans (at amortised cost) consist of the following:

	Rs. in Millions	
	As at 31 March, 2018	**As at 31 March, 2017**
Loans to related parties		
Unsecured, considered good - See Note 10 Related party disclosures	0.12	0.12
Total short term loans	0.12	0.12

The carrying amounts of short term and long term loans and cash and cash equivalents are considered to be the same as their fair values.

8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Rs. in Millions	
	As at 31 March, 2018	As at 31 March, 2017
Bank balances		
In current/checking accounts	4.42	11.45
	4.42	11.45

The carrying amounts of short term and long term loans and cash and cash equivalents are considered to be the same as their fair values.

9. Equity

Equity share capital

	As at 31 March, 2018	As at 31 March, 2017
Authorized:	**Numbers of shares**	**Numbers of shares**
Ordinary shares of Euro 567.83 par value	5,000,000	5,000,000
Issued:	**Numbers of shares**	**Numbers of shares**
Ordinary shares of Euro 567.83 par value	2,319,748	2,291,993
Subscribed and Paid-up:	**Numbers of shares**	**Numbers of shares**
Ordinary shares of Euro 567.83 par value fully paid up shares issued and outstanding	2,319,748	2,291,993

Details of shareholders holding more than 5% equity shares in the Company on reporting date

	As at 31 March, 2018		As at 31 March, 2017	
Name of the shareholder	**Numbers of shares**	**Percentage of shareholding**	**Numbers of shares**	**Percentage of shareholding**
Hindalco Industries Limited	2,319,748	100%	2,291,993	100%

The Company during the preceding 5 years:
i. Has not allotted shares pursuant to contracts without payment received in cash.
ii. Has not issued shares by way of bonus shares.
iii. Has not bought back any shares.

AV MINERALS (NETHERLANDS) N.V.

Notes to the Fit-for-Consolidation Financial Statements as at and for the year ended 31 March, 2018

Movement in subscribed and paid-up equity share capital

	Numbers of shares	
	As at 31 March, 2018	As at 31 March, 2017
Equity shares outstanding at the beginning of the period	2,291,993	2,228,728
Additional equity shares allotted	27,755	63,265
Equity shares outstanding at the end of the period	2,319,748	2,291,993

	Rs. in Millions	
	As at 31 March, 2018	As at 31 March, 2017
Equity shares outstanding at the beginning of the period	109,304.47	109,009.15
Adjustment due to currency translation	449.33	(2,295.19)
Additional equity shares allotted	1,920.83	2,590.51
Equity shares outstanding at the end of the period	111,674.63	109,304.47

Reserves

	Rs. in Millions	
	As at 31 March, 2018	As at 31 March, 2017
Reserves representing unrealised gains/losses		
Foreign currency translation	(126.41)	(88.86)
Retained earnings / (Deficit)		
Surplus / (Deficit) in statement of profit and loss	(5,013.50)	(2,193.50)
	(5,139.91)	(2,282.36)

Movement in reserve

	Rs. in Millions	
	As at 31 March, 2018	As at 31 March, 2017
Surplus / (Deficit) in the statement of profit and loss		
Balance at the beginning of the period	(2,193.50)	(2,188.22)
Profit/ (loss) for the year	(2,820.00)	(5.28)
Balance at the end of the period	(5,013.50)	(2,193.50)
Foreign currency translation reserve		
Balance at the beginning of the period	(88.86)	(138.03)
Exchange difference for the year	(37.55)	49.17
Balance at the end of the period	(126.41)	(88.86)

A description of the nature and purpose of each reserve within equity

Foreign currency translation reserve

Foreign currency translation reserve includes all resulting exchange differences arising from (a) translating the assets and liabilities of the Company's foreign operations into Indian Rupees using exchange rates prevailing at the end of each reporting period and (b) translating income and expense items of the foreign operations at the average exchange rates for the period.

AV MINERALS (NETHERLANDS) N.V.

Notes to the Fit-for-Consolidation Financial Statements as at and for the year ended 31 March, 2018

10. Related party disclosures

A. Related parties with whom transactions have taken place during the year:

(a). **Subsidiary:**

AV Metals Inc.

Hindalco do Brasil Indústria E Comércio De Alumina Ltda

(b). **Parent:**

Hindalco Industries Limited, ultimate holding Company

B. Disclosure of transactions in the ordinary course of business between the Company and its related parties during the year and status of outstanding balances at the end of the period:

	Rs. in Millions			
	As at and for the Year Ended 31 March, 2018		As at and for the Year Ended 31 March, 2017	
	Subsidiary	Parent	Subsidiary	Parent
Transactions during the year:				
Equity investments from Hindalco Industries Limited		1,920.83		2,590.51
Equity investment in Hindalco do Brasil Indústria E Comércio De Alumina Ltda	1,920.83		2,590.51	
Outstanding balances as at the end of the period:				
Advances against equity in AV Metals Inc.	0.10		0.10	
Intercompany receivables balance from AV Metals Inc.	0.12		0.12	
Investments made by the Company in:				
AV Metals Inc.	102,067.55		101,667.84	
Hindalco do Brasil Indústria E Comércio De Alumina Ltda	4,462.53		5,342.60	

11. Deferred tax asset

As at 31 March, 2018 the Company has not recognized any deferred tax asset against net operating loss carry forwards, as it is not probable that taxable profits will be available against which these operating losses can be utilized.

Signature to notes 1 to 11

For and on behalf of the board of directors

Mr. Anil Mathew
Director

Mr. Anil Malik
Director

Place: Mumbai
Date: 09-08-2018

A V Metals Inc.

AV METALS INC.
Fit-for-Consolidation Balance Sheet as at 31 March, 2018

		Rs. in Millions	
ASSETS	**Note No.**	**As at 31 March, 2018**	**As at 31 March, 2017**
Non-current assets			
Financial assets			
Investment in subsidiary	5	101,817.89	101,419.15
TOTAL ASSETS		**101,817.89**	**101,419.15**
EQUITY AND LIABILITIES			
Equity			
Equity share capital		—	—
Other equity	6	101,817.77	101,418.94
TOTAL EQUITY		**101,817.77**	**101,418.94**
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings - short term	7	0.12	0.21
TOTAL LIABILITIES		**0.12**	**0.21**
TOTAL EQUITY AND LIABILITIES		**101,817.89**	**101,419.15**

Summary of significant accounting policies

The accompanying notes are an integral part of the Fit-for-Consolidation Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the board of directors

Director

Director
Anil Malik

Place: Mumbai
Date: 09-08-2018

AV METALS INC.

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

	Note No.	Year Ended 31 March, 2018	Year Ended 31 March, 2017
		Rs. in Millions	
EXPENSES			
Other expense	4	(0.09)	0.03
Total expenses		**(0.09)**	**0.03**
Profit/ (loss) for the year		**0.09**	**(0.03)**
Other comprehensive income (loss), net of tax			
Items that will be reclassified subsequently to profit and loss			
Exchange differences in translating the financial statements from functional currency to presentational currency		398.74	(2,181.31)
Other comprehensive income (loss) for the year, net of tax		**398.74**	**(2,181.31)**
Total comprehensive income (loss) for the year		**398.83**	**(2,181.34)**
Profit/ (loss) for the year attributable to:			
Owners of the Company		0.09	(0.03)
Other comprehensive income (loss) for the year attributable to:			
Owners of the Company		398.74	(2,181.31)
Total comprehensive income (loss) for the year attributable to:			
Owners of the Company		398.83	(2,181.34)

The accompanying notes are an integral part of the Fit-for-Consolidation Statement of Profit and Loss.

This is the Statement of Profit & Loss referred to in our report of even date.

For and on behalf of the board of directors

Director

Director
Anil Malik

Place: Mumbai
Date: 09-08-2018

AV METALS INC.

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

Rs. in Millions

	Share application money pending allotment	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Other equity (Refer note 6)	Total
Balance as at 1 April, 2017	0.10	(239.22)	(9.78)	101,667.84	101,418.94
Profit (loss) for the year		0.09			—
Other comprehensive income (loss) for the year			398.74		398.74
Total comprehensive income (loss) for the year		0.09	398.74		398.83
Foreign currency translation of other equity			(399.71)	399.71	—
Balance as at 31 March, 2018	0.10	(239.13)	(10.75)	102,067.55	101,817.77

	Share application money pending allotment	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Other equity (Refer note 6)	Total
Balance as at 1 April, 2016	0.10	(239.19)	(15.12)	103,854.49	103,600.28
Profit (loss) for the year		(0.03)			(0.03)
Other comprehensive income (loss) for the year			(2,181.31)		(2,181.31)
Total comprehensive income (loss) for the year		(0.03)	(2,181.31)		(2,181.34)
Foreign currency translation of other equity			2,186.65	(2,186.65)	—
Balance as at 31 March, 2017	0.10	(239.22)	(9.78)	101,667.84	101,418.94

The accompanying notes are an integral part of the Fit-for-Consolidation Statement of Changes in Equity.

This is the Statement of Changes in Equity referred to in our report of even date.

For and on behalf of the board of directors

Director

Director
Anil Malik

Place: Mumbai

Date: 09-08-2018

AV METALS INC.
Fit-for-Consolidation Statement of Cash Flows for the year ended 31 March, 2018

	Rs. in Millions	
	Year Ended 31 March, 2018	**Year Ended 31 March, 2017**
Cash flow from/(used in) operating activities		
Profit (loss) for the year before income taxes	0.09	(0.03)
Cash generated/(used in) operations	**0.09**	**(0.03)**
Cash flow from/(used in) financing activities		
Proceeds from borrowings	—	0.03
Repayment of borrowings	(0.09)	—
Cash generated from/(used in) financing activities	**(0.09)**	**0.03**
Net increase/(decrease) in cash and cash equivalents	—	—
Cash and cash equivalents at the beginning of the year	—	—
Cash and cash equivalents at the end of the year	—	—

The accompanying notes are an integral part of the Fit-for-Consolidation Statement of Cash flows.

This is the Statement of Cash Flows referred to in our report of even date.

For and on behalf of the board of directors

Director

Director
Anil Malik

Place: Mumbai
Date: 09-08-2018

AV METALS INC.

Notes to the Fit-for-Consolidation Financial Statements as at and for the year ended 31 March, 2018

1. **General Information**

A V Metals Inc. (A V Metals or the Company) was incorporated in Ontario, Canada under the Canada Business Corporations Act (CBCA) on 1 February, 2007 as a holding Company for the direct investment in its wholly-owned subsidiary, A V Aluminum Inc. (A V Aluminum). A V Metals is a wholly-owned subsidiary of A V Minerals (Netherlands) N.V. (A V Minerals), which was incorporated in Amsterdam, the Netherlands on 18 April, 2007. A V Minerals was formed as a holding Company for the direct investment in A V Metals and is a wholly-owned subsidiary of Hindalco Industries Ltd. (Hindalco).

A V Aluminum was incorporated in Ontario, Canada under the CBCA. A V Aluminum was initially formed and incorporated as "6703534 Canada Limited" on 16 January, 2007, and its name was changed to A V Aluminum Inc. on 6 February, 2007. A V Aluminum was formed as a holding Company for the direct investment in its wholly-owned operating subsidiary, Novelis Inc. and its subsidiaries (Novelis).

Novelis is a Company incorporated in Ontario, Canada under the Canada Business Corporation Act on 21 September, 2004. Novelis produces aluminum sheet and light gauge products for use in the packaging market, which includes beverage and food can and foil products, as well as for use in the automotive, transportation, electronics, architectural and industrial product markets. Novelis is also the world's largest recycler of aluminum and has recycling operations in many of its plants to recycle both postconsumer aluminum and post-industrial aluminum. As at 31 March, 2018, Novelis had manufacturing operations in 10 countries on four continents, which include 24 operating plants, and recycling operations in 11 of these plants.

Effective 29 September, 2010, in connection with an internal restructuring transaction, pursuant to articles of amalgamation under the CBCA, Novelis was amalgamated with A V Aluminum, to form an amalgamated corporation named Novelis Inc., also a Canadian corporation.

As a result of the Amalgamation, Novelis and A V Aluminum continue Novelis' corporate existence, the amalgamated Novelis Inc. remains liable for all of Novelis and A V Aluminum's obligations and continues to own all of Novelis and A V Aluminum respective property. Since A V Aluminum was a holding Company whose sole asset was the shares of the pre amalgamated Novelis, the business, management, board of directors and corporate governance procedures of Novelis Inc. following the Amalgamation are identical to those of Novelis immediately prior to the Amalgamation. Novelis Inc., like A V Aluminum, remains an indirect, wholly-owned subsidiary of Hindalco.

2. **Basis of preparation**

These Fit-for-Consolidation Financial Statements ('the FFC FS') relate to AV Metals which is presented on a non-consolidated, stand-alone basis as a separate financial statements.

The FFC FS have been prepared in conformity with the group accounting policies of Hindalco Industries Limited ('Hindalco'), which are in accordance with the recognition and measurement principles of Indian Accounting Standard notified under section 133 of the Companies Act 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] ('Ind AS') and other accounting principles generally accepted in India. The FFC FS have been prepared to facilitate Hindalco in preparation of its consolidated financial statements. The FFC FS does not include the disclosures as required under Ind AS in its entirety. The financial statements has been prepared on the historical cost basis.

The above accounting standards and interpretations are collectively referred to as Ind AS in the FFC FS.

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

These FFC FS have been prepared in U.S. Dollars (USD), which is the functional currency of the Company. The same has been translated into Indian Rupees (Rs) to facilitate Hindalco in preparation of its consolidated financial statements (Refer Policy 3(H)). There are no Fixed Assets, Inventories or Employees in the Company.

3. **Summary of significant accounting policies**

A. Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost. Exchange differences on monetary items are recognized in the statement of profit and loss in the period in which they arise.

B. Investments

A subsidiary is an investee controlled by the Company. Control exists when it has power over the entity, is exposed, or has right to variable returns from its involvement with the entity and has ability to affect those returns by using its power over entity.

Investments in subsidiaries is accounted for at cost less impairment losses, if any.

In accordance with Ind AS 27 "Separate Financial Statements", the Company has elected not to prepare consolidated financial statements as the Company is a wholly owned subsidiary of Hindalco Industries Limited, the ultimate holding Company, incorporated in India, which prepares the consolidated financial statements.

C. Impairment

At the end of each reporting period, the Company reviews the carrying amounts of investments in subsidiaries to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell 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.

D. Financial instruments

Financial assets are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis.

Financial liabilities, such as borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial guarantee contracts

Financial guarantee contracts are initially measured by the issuer at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined by using expected credit loss model; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

E. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

F. Income taxes

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

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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet 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 assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 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 each balance sheet date 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 assets and liabilities 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 balance sheet date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

G. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is 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 balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Litigation

Provision is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

H. Fit-for Consolidation Adjustments

For the purpose of the FFC FS, the Company's income and expense items are translated into Indian Rupees at average rates prevailing during the period. All assets, liabilities, equity and other reserves (except retained earnings) are translated into Indian Rupees at rates prevailing at the end of the period. All resulting exchange differences are accumulated in "Foreign Currency Translation Reserve", however, exchange differences arising on translating assets and liabilities are recognised through "Other Comprehensive Income" and exchange differences arising on re translating 'Other Equity' item is recognised directly in Equity.

4. Other expenses

	Rs. in Millions	
	Year Ended 31 March, 2018	**Year Ended 31 March, 2017**
Bank fee paid / (written back)	(0.09)	0.03
	(0.09)	0.03

5. Investment in subsidiary

	Rs. In Millions	
	As at 31 March, 2018	**As at 31 March, 2017**
Investments in equity instruments of subsidiary - 1,000 (previous period as at 31 March, 2017: 1,000) equity shares in Novelis Inc. - See Note 8 Related party disclosures	101,817.89	101,419.15
	101,817.89	101,419.15

Details of composition of Company wholly-owned subsidiary

Name of the subsidiary	Principal activity	Place of incorporation	Place of in operation
Novelis Inc.	Manufacturing	Canada	Canada

6. Equity

Equity share capital

	As at 31 March, 2018	As at 31 March, 2017
Authorized:	**Numbers of shares**	**Numbers of shares**
1,100 shares of nil par value	1,100	1,100
Issued:	**Numbers of shares**	**Numbers of shares**
1,100 shares of nil par value	1,100	1,100
Subscribed and paid-up:	**Numbers of shares**	**Numbers of shares**
1,100 shares of nil par value	1,100	1,100

The Company has one class of equity shares having a par value of Rs. Nil per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding

Details of shareholders holding more than 5% equity shares in the Company on reporting date

Name of the shareholder	As at 31 March, 2018 Numbers of shares	As at 31 March, 2018 Percentage of shareholding	As at 31 March, 2017 Numbers of shares	As at 31 March, 2017 Percentage of shareholding
AV Minerals (Netherlands) N.V.	1,100	100%	1,100	100%

The Company during the preceding 5 years:
i. Has not allotted shares pursuant to contracts without payment received in cash.
ii. Has not issued shares by way of bonus shares.
iii. Has not bought back any shares.

Movement in subscribed and paid-up equity share capital

	Numbers of shares	
	As at 31 March, 2018	As at 31 March, 2017
Equity shares outstanding at the beginning of the period	1,100	1,100
Equity shares outstanding at the end of the period	1,100	1,100

Other equity

	As at 31 March, 2018	As at 31 March, 2017
Share application money pending allotment - See Note 8 Related party disclosures	0.10	0.10
Foreign currency translation	(10.75)	(9.78)
Retained earnings		
Surplus in statement of profit and loss	(239.13)	(239.22)
Other equity		
Others	102,067.55	101,667.84
	101,817.77	101,418.94

Movement in reserve

	As at 31 March, 2018	As at 31 March, 2017
Surplus in the statement of profit and loss		
Balance at the beginning of the period	(239.22)	(239.19)
Profit/ (loss) for the period	0.09	(0.03)
Balance at the end of the period	(239.13)	(239.22)
Foreign currency translation reserve		
Balance at the beginning of the period	(9.78)	(15.12)
Exchange difference arising on translation of the foreign operation	(0.97)	5.34
Balance at the end of the period	(10.75)	(9.78)

A description of the nature and purpose of each reserve within equity

Foreign currency translation reserve

Foreign currency translation reserve includes all resulting exchange differences arising from (a) translating the assets and liabilities of the Company's foreign operations into Indian Rupees using exchange rates prevailing at the end of each reporting period and (b) translating income and expense items of the foreign operations at the average exchange rates for the period.

Other equity - Others

Other equity represents 'additional paid in capital' which had arisen at the time of purchase of shares by AV Minerals (Netherlands) N.V.

7. Borrowings - short term

	As at 31 March, 2018	As at 31 March, 2017
At amortised cost	**Carrying amount**	**Carrying amount**
Unsecured		
From banks	—	0.09
Others - related party - See Note 8 Related party disclosures	0.12	0.12
	0.12	0.21

The carrying amounts of short term loans and cash and cash equivalents are considered to be the same as their fair values,due to their short-term nature. The bank account with Deutsche Bank has been closed during the current year.

8. Related party disclosures

A. Related parties with whom transactions have taken place during the year:

(a). **Subsidiary:**

Novelis Inc.

(b). **Parent:**

AV Minerals (Netherlands) N.V.

Hindalco Industries Limited, ultimate holding Company

B. Disclosure of transactions in the ordinary course of business between the Company and its related parties during the year and status of outstanding balances at period end:

AV METALS INC.

Notes to the Fit-for-Consolidation Financial Statements as at and for the year ended 31 March, 2018

	Rs. in Millions			
	As at and for the Year Ended 31 March, 2018		As at and for the Year Ended 31 March, 2017	
	Subsidiary	Parent	Subsidiary	Parent
Transactions during the year:	—	—	—	—
Outstanding balances as at end of period:				
Advances against equity from AV Minerals (Netherlands) N.V.	—	0.10	—	0.10
Intercompany loan payable balance to AV Minerals (Netherlands) N.V.	—	0.12	—	0.12
Investment made by the Company	101,817.89	—	101,419.15	—

9. Deferred tax asset

As at 31 March, 2018, we have not recognised any deferred tax asset against net operating loss carry forwards, as it is not probable that taxable profits will be available against which such operating loss can be utilized.

10. Guarantees

The Company is a guarantor as primary obligor for all the obligations of Novelis Inc. under both the Term Loan Facility and Assets Based Loan Facility (ABL Facility). In addition to the guarantees, AV Metals has pledged 100% of the shares of Novelis Inc. as collateral for the two loans (first priority to the Term Loan Facility lenders and second priority to the ABL Facility lenders).

Signature to notes 1 - 10

For and on behalf of the board of directors

Director

Director
Anil Malik

Place: Mumbai

Date: 09-08-2018

Hindalco Guinea SARL

Balance Sheet as at 31st March, 2018

Particulars	Note	As at 31st March, 2018		As at 31st March, 2017	
		USD	INR	USD	INR
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	3	1,433.25	93,326	1,433.25	92,961
Reserves and Surplus	4	(1,433.25)	(93,326)	(1,202.27)	(77,979)
		-	-	230.98	14,981
Current Liabilities					
Other Current Liabilities	5	1,007.82	65,624	817.64	53,032
		1,007.82	65,624	817.64	53,032
		1,007.82	65,624	1,048.61	68,013
Assets					
Non-Current Assets					
Current Assets					
Financial Assets					
Cash and Cash Equivalents	6	922.19	60,049	962.98	62,459
Other Current Assets	7	85.63	5,576	85.63	5,554
		1,007.82	65,624	1,048.61	68,013
		1,007.82	65,624	1,048.61	68,013
Significant Accounting Policies	2				

The accompanying notes are an integral part of the financial statements

For Hindalco Guinea SARL

Director

Hindalco Guinea SARL

Statement of Profit and Loss for the Year Ended 31st March, 2018

Particulars	Note	Year ended 31st March 2018		Year ended 31st March 2017	
		USD	INR	USD	INR
Revenue from operations	8	-	-	-	-
Total Income		-		-	
Expenses					
Other Expenses	9	230.98	14,888	223.93	15,016
Total Expenses		230.98	14,888	223.93	15,016
Profit/ (Loss) before tax		(230.98)	(14,888)	(223.93)	(15,016)
Tax expense:					
- Current tax		-	-	-	-
- Deferred tax		-	-	-	-
Profit/(Loss) for the period		(230.98)	(14,888)	(223.93)	(15,016)
Other Comprehensive Income:					
Foreign Currency on Translation		-	(458)	-	1,856
		-	(458)	-	1,856
Total Comprehensive Income:		(230.98)	(15,347)	(223.93)	(13,160)
Earning per equity share face value of GNF 100,000 each					
Basic & Diluted	10	(2.31)	(148.88)	(2.24)	(150.16)
Significant Accounting Policies	2				

The accompanying notes are an integral part of the financial statements

For Hindalco Guinea SARL

Director

Hindalco Guinea SARL

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

A. Equity Share Capital

	USD	INR
Balance at the April 01, 2016	1,433.25	94,960
Changes in the Equity Share Capital during the year on account of shares issued	-	-
Currency translation adjustment	-	(1,999)
Balance at the March 31, 2017	1,433.25	92,961
Changes in the Equity Share Capital during the year on account of shares issued	-	-
Currency translation adjustment	-	365
Balance at the March 31, 2018	1,433.25	93,326

B. Other Equity

Particulars	USD			INR		
	Retained Earnings	FCTR	Total	Retained Earnings	FCTR	Total
Balance as at April 01, 2016	**(978.34)**	**-**	**(978.34)**	**(61,900)**	**(2,920)**	**(64,820)**
(a) Profit/(Loss) for the year	(223.93)	-	(223.93)	(15,016)	-	(15,016)
(b) Other comprehensive income for the year	-	-	-	-	1,856	1,856
Total comprehensive loss for the year	(223.93)	-	(223.93)	(15,016)	1,856	(13,160)
Balance as at March 31, 2017	**(1,202.27)**	**-**	**(1,202.27)**	**(76,916)**	**(1,064)**	**(77,980)**
(a) Profit/(Loss) for the year	(230.98)	-	(230.98)	(14,888)	-	(14,888)
(b) Other comprehensive income for the year	-	-	-	-	(458)	(458)
Total comprehensive loss for the year	(230.98)	-	(230.98)	(14,888)	(458)	(15,347)
Balance as at March 31, 2018	**(1,433.25)**	**-**	**(1,433.25)**	**(91,804)**	**(1,522)**	**(93,327)**

The accompanying notes are an integral part of the financial statements

For Hindalco Guinea SARL

Director

Hindalco Guinea SARL

Cash Flow Statement for the Year Ended 31st March, 2018

	Year ended 31st March 2018		Year ended 31st March 2017	
	USD	INR	USD	INR
Cash Flow from Operating Activities:				
Profit before Tax	(230.98)	(14,888)	(223.93)	(15,016)
Adjustments for:				
Currency Translation Reserve	-	-	-	-
	(230.98)	(14,888)	(223.93)	(15,016)
Change in Working Capital:				
Trade and Other Receivables				
Trade and Other Payables	190.19	-	177.62	11,910
	190.19	-	177.62	11,910
	(40.79)	(14,888)	(46.31)	(3,106)
Cash Flow from Financing Activities:				
Equity Share Capital	-	-	-	-
	-	-	-	-
Net Increase/ (decrease) in Cash and cash equivalents	(40.79)	(14,888)	(46.31)	(3,106)
Opening Cash and cash equivalents	962.98	62,459	1,009.30	66,871
Currency Adjustments	-	12,478	-	(1,307)
Closing Cash and cash equivalents	922.19	60,049	962.98	62,459

The accompanying notes are an integral part of the financial statements

For Hindalco Guinea SARL

Director

Hindalco Guinea SARL

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

1 **Corporate Information**

Hindalco Guinea SARL is a limited liability company domiciled in Guinea and incorporated under the statue of applicable law of the Republic of Guinea.

2 **Significant Accounting Policies**

A. Basis of Preparation

The financial statements has been prepared in US dollars and Indian Rupees (INR) and comply in all material aspects with generally accepted

B. Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the

C. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the

D. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not")
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date,

3 **Share Capital**

Particulars	As at 31st March 2018		As at 31st March 2017	
	USD	INR	USD	INR
Authorised Capital				
Equity Share Capital				
100 Equity Shares of GNF 100,000 each	1,433.25	93,326	1,433.25	92,961
Total	1,433.25	93,326	1,433.25	92,961
Issued, Subscribed & Paid up				
Equity Share Capital	1,433.25	93,326	1,433.25	92,961
Total	1,433.25	93,326	1,433.25	92,961

A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Year ended 31st March 2018			Year ended 31st March 2017		
	Number	USD	INR	Number	USD	INR
Equity Share						
At the beginning of the period	100.00	1,433.25	93,326	100.00	1,433.25	92,961
Outstanding at the end of the year	100.00	1,433.25	93,326	100.00	1,433.25	92,961

B. Terms/rights attached to equity shares

The company has only one class of shares having a par value at GNF 100,000/- per share.

C. Shares held by holding company and its subsidiaries and associates

Entire shareholdings is held by the holding company Hindalco Industries Limited.

D. Shares held by each shareholder holding more than 5% of equity share capital

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	%	Number	%
Equity Shares				
Hindalco Industries Ltd	100	100.00	100	100.00

Hindalco Guinea SARL

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

4 Other Equity

Particulars	As at 31st March 2018		As at 31st March 2017	
	USD	INR	USD	INR
Other Comprehensive Income:				
Currency translation reserve				
Opening	-	(1,064)	-	(2,920)
For the Year	-	(458)	-	1,856
	-	(1,522)	-	(1,064)
Retained Earnings				
Balance brought forward from previous year	(1,202.27)	(76,916)	(978.34)	(61,900)
Add: Profit / (Loss) for the period	(230.98)	(14,888)	(223.93)	(15,016)
	(1,433.25)	(91,804)	(1,202.27)	(76,916)
Total	(1,433.25)	(93,326)	(1,202.27)	(77,979)

5 Other Current Liabilities

Particulars	As at 31st March 2018		As at 31st March 2017	
	USD	INR	USD	INR
Miscellaneous Payables	140.77	9,166	140.77	9,130
Liability for Expenses	867.05	56,458	676.87	43,902
Total	1,007.82	65,624	817.64	53,032

6 Cash and Cash Equivalent

Particulars	As at 31st March 2018		As at 31st March 2017	
	USD	INR	USD	INR
Balance With Banks				
Current Account	922.19	60,049	962.98	62,459
Total [A + B]	922.19	60,049	962.98	62,459

7 Other Current Assets

Particulars	As at 31st March 2018		As at 31st March 2017	
	USD	INR	USD	INR
(Unsecured, Considered Good)				
Advance recoverable from Others	85.63	5,576	85.63	5,554
Total	85.63	5,576	85.63	5,554

8 Revenue from operations

Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
	USD	INR	USD	INR
Other Income	-	-	-	-
Total	-	-	-	-

9 Other Expenses

Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
	USD	INR	USD	INR
Audit Fees	-	-	177.62	11,910
Exchange Loss	-	-	-	-
General expenses	190.19	12,259	-	-
Bank Charges	40.79	2,629	46.32	3,106
Total	230.98	14,888	223.93	15,016

Hindalco Guinea SARL

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

10 Earnings/ (Loss) per Share (INR)

	Year ended 31st March 2018	Year ended 31st March 2017
Profit/(Loss) for the year	(14,888)	(15,016)
Weighted Average number of equity shares outstanding during the year	100	100
Basic and diluted earning/ (loss) per share	(148.88)	(150.16)
Nominal value of an equity share	GNF 100,000	GNF 100,000

For Hindalco Guinea SARL

Director

Hindalco do Brasil Industria E Comercio De Alumina LTDA

HINDALCO DO BRASIL IND. E COMERCIO DE ALUMINA LTDA   US$'000   Date: 20/08/2018

Balance Sheet as on March 31, 2018

US$'000

PARTICULARS	Schedules	Ind-AS 31-Mar-2018	Ind-AS 31-Mar-2017
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	6.491,41	6.579,55
Capital work in progress		5.246,12	3.517,70
Investment property	(2)	-	-
Goodwill	(3)	-	-
Other intangible assets	(4)	1.043,40	3.691,25
Intangibles under development			
Financial assets			
-Investment in subsidiaries (for standalone only)			
-Investments in equity accounted entities	(5)		
-Investments in debt and equity securities	(6)		
-Loans	(7)	27,78	25,91
-Others	(8)		
Deferred tax assets (Net)	(9)		
Advance tax assets (net of provision)			
Other non-current assets	(14)	5.167,56	
Total non-current assets		17.976,26	13.814,41
Current assets			
Inventories	(13)	12.945,85	9.615,25
Financial assets			
Investments in debt and equity securities	(6)		
Trade receivables	(12)	7.276,29	7.482,61
Unbilled revenue			
Cash and cash equivalents	(11)	2.924,36	1.784,00
Bank Balances other than above	(25)	-	-
Loans	(7)	49,64	78,17
Others	(8)	-	-
Current tax assets (net)			
Other current assets	(14)	3.958,37	7.689,58
		27.154,51	26.649,61
Non current assets classified as held for sale	(15)		-
Total Current Assets		27.154,51	26.649,61
TOTAL ASSETS		45.130,77	40.464,02

EQUITY AND LIABILITY			
Equity			
Equity Share Capital	(16)	112.171,22	82.371,22
Other Equity	(17)	(92.468,81)	(68.004,66)
Non-controlling interest			-
TOTAL EQUITY		19.702,41	14.366,56
2.051			
Non-current liabilities			
Financial Liabilities			
-Borrowings	(18)	-	-
-Trade payable	(22)	-	-
-Others	(19)	-	-
Provision	(20)	16.275,24	13.682,40
Deferred tax liabilities (Net)	(9)	-	-
Other non-current liabilities	(21)	-	-
Total non-current liabilities		16.275,24	13.682,40
Current liabilities			
Financial Liabilities			
-Borrowings	(23)	637,58	6.405,68
-Trade payables	(22)	7.806,05	5.685,77
-Others	(19)	-	79,48
Provisions	(20)	471,23	83,16
Current tax liabilities (net)		-	-
Other current liabilities	(21)	238,26	160,96
IAS 1.54(l)			
Liabilities Associated with group(s) of assets held for disposal	(15)	-	-
Total current liabilities		9.153,12	12.415,05
IAS 1.55			
TOTAL LIABILITIES		25.428,36	26.097,45
TOTAL EQUITY AND LIABILITIES		45.130,77	40.464,02

Vishal Raman Singh

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

PARTICULARS	Schedules	for the period ended 31st March 2018	for the period ended 31st March 2017
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations [Gross]	(16)	42.481,93	36.611,99
Less: Excise Duty		-	-
Net Revenue from Operations		42.481,93	36.611,99
Other Income	(17)	335,08	612,29
Total Income		**42.817,02**	**37.224,28**
EXPENSES			
Cost of Materials Consumed	(18)	26.841,17	18.274,38
Purchases of Stock-in-Trade			
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(19)	(4.069,21)	(1.881,44)
Employee Benefits Expense	(20)	7.184,50	6.803,43
Power and Fuel		3.027,22	3.840,70
(Gains)/losses on financial instruments	(21)	-	(1.778,18)
Finance Cost	(22)	3.851,51	3.853,08
Depreciation and Amortization		3.515,67	3.598,52
Impairment Loss/(Reversal) (Net)			
Exploration and evaluation expenditure			
Other Expense	(23)	25.731,30	23.434,15
Total Expenses		66.082,15	56.144,64
Profit/(loss) before exceptional items and tax		**(23.265,14)**	**(18.920,36)**
Exceptional Items			
Profit/(loss) before tax		**(23.265,14)**	**(18.920,36)**
Tax Expenses:	(24)		
Current Tax			
Deferred Tax			
Profit/ (Loss) for the period after tax and before share of associates and joint ventures		**(23.265,14)**	**(18.920,36)**
Share in Profit/ (Loss) of Associates (Net)			
Share in Profit/ (Loss) of Joint ventures (Net)			
Profit/ (Loss) from continuing operations		**(23.265,14)**	**(18.920,36)**
Profit/(loss) from discontinued operations	(15)	-	-
Profit/ (Loss) for the period		(23.265,14)	(18.920,36)
Other Comprehensive Income, net of tax			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit obligation			
Change in fair value of equity instruments designated irrevocably as FVTOCI			
Share of Other Comprehensive Income in Associates			
Share of Other Comprehensive Income in Joint Ventures			
Others (Specify)			
Less :-income tax expense			
		-	-
Items that will be reclassified subsequently to profit and loss			
Change in fair value of debt Instruments through Other Comprehensive Income			
The effective portion of gains and loss on hedging instruments in a cash flow hedge			
Net investment hedge			
Time value of options desginated in hedge relationship			
Exchange differences in translating the financial statements of a foreign operation		(1.199,02)	(648,82)
Share of other comprehensive income of associates			
Share of other comprehensive income of joint venture			
Others (Change in Fair value of Derivative)			
Less :-income tax expense			
		(1.199,02)	(648,82)
Other Comprehensive Income for the period, net of tax		(1.199,02)	(648,82)
Total Comprehensive Income for the period		(24.464,16)	(19.569,19)
Non-controlling interest			

Vichal Raman Singh

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Cash Flow Statement

US$'000

	Year ended 31st March 2018
Cash flow from/(used in) operating activities	
Profit for the period	(23.265,14)
Adjustment for:	
Income tax expense	
Share in Profit/ (Loss) of Associates (Net)	
Share in Profit/ (Loss) of Joint ventures (Net)	
Finance cost	3.851,51
Interest income	(228,23)
Dividend income	
Liabilities no longer required written back	
Profit/ (Loss) on PPE and Intangibles sold/ discarded (Net)	
Employee share based payment	
Gains(losses) on financial instruments	
Depreciation and Amortization	3.515,67
Impairment Loss/(Reversal) (Net)	
(Gain)/ Loss on assets held for sale	
Unrealised (gain)/ loss on foreign currency transactions and translation (N	(1.653,02)
Impairment loss (net) on	
Trade receivables	
Financial assets at amortised cost	
Financial assets at FVTOCI	
Hedge ineffectiveness on	
cash flow hedge	
fair value hedge	
Gains(losses) on extingiushment of debt	
Provision (Long - term) for ARO - Vargem mines/ Long term component o	98,93
Others [please describe]	
Others [please describe]	
Others [please describe]	
Others [please describe]	
Others [please describe]	
Others [please describe]	
Others [please describe]	
	(17.680,26)
Movement in working capital:	
(Increase)/decrease in trade receivables	225,78
(Increase)/decrease in trade receivables related party	
(Increase)/decrease in loans and advances (at amortised cost)	46,63
(Increase)/decrease in loans and advances (at amortised cost) related party	
(Increase)/decrease in other financial assets	
(Increase)/decrease in other financial assets related party	
(Increase)/decrease in inventories	(3.424,06)
(Increase)/decrease in other assets	(1.755,72)
(Increase)/decrease in other assets related party	
Increase/(Decrease) in trade and other payables	(806,66)
Increase/(Decrease) in trade and other payables related party	
Increase/(Decrease) in provision	1.608,65
Increase/(Decrease) in other financial liabilities	(79,48)
Increase/(Decrease) in other financial liabilities related party	
Increase/(Decrease) in other liabilities	188,79
Increase/(Decrease) in other liabilities related party	
Cash generated/(used) in operations	(21.676,34)

Vishal Raman Singh

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

	Year ended 31st March 2018
Cash flow from/(used) investing activities	
Payments to acquire property, plant and equipment	(1.993,39)
Proceeds from disposal of property, plant and equipment	
Payments for investment property	
Proceeds from disposal of investment property	
Payments for intangible assets	
Interest received	228,23
Dividend received	
Net cash inflow on disposal of subsidary	
Net cash inflow on disposal of associate and joint venture	
Purchase of debt and equity instruments including mutual funds	
Sale of debt and equity instruments including mutual funds	
Amounts advanced for inter-corporate deposits and loans	
Proceeds from repayments of inter-corporate deposits and loans	
Investment in fixed deposit	(3,07)
Proceeds from maturity of fixed deposit	
Related party [please specify nature of transaction]	
Related party [please specify nature of transaction]	
Related party [please specify nature of transaction]	
Related party [please specify nature of transaction]	
Related party [please specify nature of transaction]	
Related party [please specify nature of transaction]	
Cash generated/(used) in investing activities	(1.768,24)
Cash flow from/(used in) financing activities	
Proceeds from issue of equity instruments	29.800,00
Proceeds from issue of share warrants	
Payment for share issue cost	
Proceeds from borrowings	(5.789,38)
Payment for debt issue cost	
Repayment of borrowings	
Proceeds from government grant	
Finance cost paid	(170,39)
Dividend paid to owners including dividend distribution tax	
Purchase of interest from non-controlling interest	
Proceeds from disposal of partial interest in subsidary to non-controlling interest	
Others [please describe]	
Others [please describe]	
Others [please describe]	
Others [please describe]	
Related party [please specify nature of transaction]	
Related party [please specify nature of transaction]	
Related party [please specify nature of transaction]	
Related party [please specify nature of transaction]	
Cash generated/(used) in financing activities	23.840,22
Net increase/(decrease) in cash and cash equivalents	395,65
Cash and cash equivalents at the beginning of the year	1.784,00
Effects of exchange rate changes on cash held in foreign currency	744,70
Cash and cash equivalents at the end of the year	2.924,36
Cash and cash equivalents comprise of:	
Cash on hand	
Cheques on hand	
Bank balances	
In current/checkin accounts	0,26
Demand deposits (less than 3 months maturity)	2.924,10
Short term, highly liquid investments	
Liquid mutual funds	
Bank overdraft	
Cash and cash equivalents at the end of the year	2.924,36
Reconciliation with balance sheet	
Cash and cash equivalents at the end of the year	2.924,36
Less:- Bank overdraft	
Cash and cash equivalents as presented in balance sheet	2.924,36
Non cash investing activity	
Non cash financing activity	

Vishal Ramana Singh

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

SOCE FY18

Date: 20/08/2018
Page: 5/33

US$'000

FY2018	Equity Share Capital	Reserves and Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Total	Non-controlling interest	Total
Balance at beginning of the **Year** as per Ind-AS	82.371,22	(67.461,89)	(542,79)	14.366,54		
Proceeds from shares issued	29.800,00			29.800,00		
Proceeds from warrants issued				-		
Proceeds from Share Application pending allotment				-		
Profit for the period		(23.265,14)		(23.265,14)		
Other comprehensive Income for the period			(1.198,99)	(1.198,99)		
Total comprehensive income for the period	-	(23.265,14)	(1.198,99)	(24.464,13)	-	-
Balance at the end of the reporting period	112.171,22	(90.727,03)	(1.741,79)	19.702,41		

Note: SOCIE will be reported on YTD basis

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

(16) Statement of Profit and Loss for the period ended 31st March 2018

GIPL3 and IAS 18:35(b)

US$'000

Particulars	for the period ended 31st March 2018	for the period ended 31st March 2017
Sale of Products	42.580,81	36.167,79
Sale of Services		
Other Operating Revenues	(98,87)	444,20
Gross Revenue from Operations	**42.481,93**	**36.611,99**
Less: Excise Duty		
Net Revenue from Operations	**42.481,93**	**36.611,99**

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

		Date:	20/08/2018
(20)	**Employee Benefits Expense**	Page:	7/33
GIPL7(a)	Statement of Profit and Loss for the period ended 31st March 2018		US$'000

	Particulars	for the period ended 31st March 2018	for the period ended 31st March 2017
	Salaries, wages and bonus	4.906,84	4.449,96
	Post-employment benefits		
Ind AS 19.53	Contribution to Provident fund and other defined contribution funds	1.621,42	1.589,04
	Gratuity, pension and other defined benefit plan	656,24	764,43
	Employee share based payment		
Ind AS 102.51(a)	equity-settled share-based payment transactions		
	cash-settled share-based payment transactions		
	Staff welfare		
		7.184,50	6.803,43
	Less: Transferred to capital Work- in-Progress		
		7.184,50	6.803,43

Please provide description of the terms of defined contribution plans

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

(22) Finance cost

GIPL 4 and 7(e) Statement of Profit and Loss for the period ended 31st March 2018

US$'000

Reference	Particulars	for the period ended 31st March 2018	for the period ended 31st March 2017
	Interest expense	170,39	1.330,28
	Bank charges and fees	-	-
	Dividend on redeemable preference shares		
	Exchange differences regarded as an adjustment to borrowing costs		
	Unwinding of discount - ARO	3.886,79	1.890,52
	Other borrowing cost		
Ind AS 107.20(b)	Interest expense at effective interest rate	4.057,19	3.220,80
	Interest on direct and indirect taxes		
Ind AS 107:20(c)	Bank charges and fees on borrowing not forming part of effective interest rates		
Ind AS 23.6	(Gain) /Loss on foreign currency transactions and translation (Net)	(205,68)	632,28
		3.851,51	3.853,08
Ind AS 23.12	Less: Income on specific borrowings for qualifying assets		
		3.851,51	3.853,08
Ind AS 23.8	Less: Transfer to Capital work in progress		
		3.851,51	3.853,08

Ind AS 23.26(b) **Weighted average capitalisation rate applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset**

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Parmar Singh

		Date:	20/08/2018
(21)	**Gains/(losses) on financial instruments**	Page:	9/33
	Statement of Profit and Loss for the period ended 31st March 2018		US$'000
		for the period ended 31st March 2018	for the period ended 31st March 2017
Ind AS 107.20(a)(i)	Gains(loss) on financial assets designated at FVTPL (Net)		
Ind AS 107.20(a)(i)	Gains(loss) on financial liabilites designated at FVTPL (Net)		
Ind AS 107.20(a)(i)	Gains(loss) on financial assets measured at FVTPL (Net)		
Ind AS 107.20(a)(i)	Gains(loss) on financial liabilities measured at FVTPL (Net)		
	Gains(loss) on derivatives measured at FVTPL (Net)		
	Gain/Loss on change in Fair value	-	1.778,18
Ind AS 107.20(a)(v)	Gains(losses) on financial liabilites measured at amortised cost (Net)		
Ind AS 1.82(aa)/GIPL7(g	Gains(losses) on derecognition of financial assets measured at amortised cost (Net)		
Ind AS 107.20(a)(vii)	Gains(losses) on derecognition of debt measured at FVTOCI (Net)		
Ind AS 1.82(ca)/GIPL7(h	Gains(losses) on reclassification of financial assets at fair value (Net)		
		-	1.778,18

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Ramangh

Date: 20/08/2018
Page: 10/33

Other Expenses

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

	Particulars	for the period ended 31st March 2018	for the period ended 31st March 2017
	Consumption of Stores and Spares	3.325,60	4.511,24
	Repairs to		
	Buildings	493,04	405,82
	Machinery	924,68	863,76
	Others	1.740,97	1.711,44
	Rates and Taxes	503,04	252,72
	Rent	210,34	168,46
	Operating lease payments (including Rent)		
	Insurance	172,38	85,91
GIPL7(j)	Payment to Auditors		
	Audit fees	23,08	34,01
	Tax Audit fees		
	Taxation matters		
	Company Law matters		
	Other services		
	Reimbursement of expense		
Ind AS 38.126	Research and Development		
	Freight and Forwarding Expenses (Net)		
	Legal and professional fees	596,51	464,45
	Information technology and communication expense		
	Contract labour cost		
	Travelling and conveyance		
	Sales promotion, marketing and advertisement cost	33,13	45,87
Section 135-Companies Act	Corporate social responsibility activities		
Ibd AS 107.20(e)	Impairment loss on		
	Trade receivables		
	Financial assets at amortised cost		
	Financial assets at FVTOCI		
	Provision for Doubtful Loans, Advances and Debts (Net)	57,34	466,33
	Bad Loans, Advances and Debts written off/ (written back) (Net)		
	Pre-operative/ Incidental Expenditure written-off		
	Prior Period Items (Net)		
	Donation		
	Directors' Fees and Commission		
	(Gain)/ Loss on assets held for sale		
	(Gain)/ Loss on Change in Fair Value of Derivatives (Net)		
	(Gain)/ Loss on foreign currency transactions and translation (Net)		
	Cost of own Manufactured Products Capitalized/ Used		
	Tolling Expenses		
	Bauxite extraction cost (including incoming freight)	7.637,57	7.014,18
	Provision for ARO - Vargem mines		
	Provision for discount - ICMS		
	Bank charges and fees	189,35	405,96
	Others [describe]		
	Others [describe]		
	Others [describe]		
	Miscellaneous Expenses	9.464,18	7.103,75
		25.371,22	23.533,89
	Less: Transfer to Capital Work-in-Progress		
		25.371,22	23.533,89

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

			Date:	20/08/2018
(17)	Statement of Profit and Loss for the period ended 31st March 2018		Page:	11/33
				US$'000

	Particulars	for the period ended 31st March 2018	for the period ended 31st March 2017
GIPL 5(a)/IAS 18:35(b)/Ind AS 107.20(b)	Interest Income	228,23	467,51
GIPL 5(b) and IAS 18:35(b)	Dividend Income		
Ind AS 107.11A(d)	on investments derecognised during the reporting period		
Ind AS 107.11A(d)	on investments held at the end of the reporting period		
IndAS 16:68	Profit/ (Loss) on PPE and Intangibles sold/ discarded (Net)		
	Rent Income		
Ind AS 40.75(f)	from Investment properties		
	from Staff accomodation		
	Liabilities no longer required written back		
IndAS 16.74(d)	Insurance claims received		
	On Property Plant and Equipments		
	On Other items		
Ind AS 20.39(a)	Income from government grants		
	Other Non-Operating Income (Net)	106,86	144,78
		335,08	612,29

Description of nature of grant

N/A

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Laxman Singh

(19) Changes in Inventories of Finished Goods, Work-in-Progress a
Statement of Profit and Loss for the period ended 31st March 2018

US$'000

Particulars	for the period ended 31st March 2018	for the period ended 31st March 2017
Opening Stocks		
Work-in-Progress	6.034,01	3.561,17
Finished Goods	2.347,36	1.939,31
Stock-in-Trade		
	8.381,37	5.500,49
Less: Closing Stocks		
Work-in-Progress	8.586,48	6.034,01
Finished Goods	3.286,58	2.347,36
Stock-in-Trade		
	11.873,06	8.381,37
(Increase)/decrease in stocks	(3.491,69)	(2.880,88)
Add: Inventories acquired in business combination		
Add: Change in Excise Duty on Stock (Net)		
Add: Currency Translation Adjustment (Net)	(577,52)	999,45
	(4.069,21)	(1.881,44)

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Gupta

(18) **Cost of Materials Consumed**

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

Particulars	for the period ended 31st March 2018	for the period ended 31st March 2017
Copper concentrate		
Aluminium		
Bauxite		
Caustic soda	8.776,90	4.797,13
Oil Furnance	14.019,11	10.439,66
Rock Phosphate		
Anode		
Others	4.045,16	3.037,58
	26.841,17	18.274,38
Less:- Transfer to capital work in progress		
	26.841,17	18.274,38

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Ind AS
16.73(e)

FY2018

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

	Original Cost								
	As at 1st April 2017	Additions	CWIP Capitalized (Ind AS 16.74(b)	Acqusition through business combinations	Reclassified as held for sale	Disposals	Borrowing cost capitalized (GNVI 8.7.1)	Exchange Adjustments	As at period end 31/03/2018
Freehold land	10,53	-				-		(0,57)	9,97
Buildings	3.318,02	344,32				(117,66)		(182,24)	3.362,43
Leasehold Improvements	-	-				-		-	-
Plant and Equipment	4.730,62	1.321,52				(227,97)		(265,70)	5.558,46
Vehicles and Aircrafts	179,47	2,26				(51,21)		(7,88)	122,64
Furniture and Fixture	78,03	8,65				(2,89)		(4,80)	78,99
Computer Equipment	389,03	32,48				(10,35)		(21,06)	390,10
	8.705,69	1.709,23	-	-	-	(410,09)	-	(482,25)	9.522,58

	Depreciation					
	As at 1st April 2017	Depreciation charge	Disposals	Reclassified as held for sale	Exchange Adjustments	As at period end 31/03/2018
Freehold land	-	-	-		-	-
Buildings	464,56	101,92	-		(26,66)	539,81
Leasehold Improvements	-	-	-		-	-
Plant and Equipment	1.444,28	854,87	-		(89,78)	2.209,37
Vehicles and Aircrafts	62,69	25,30	(35,97)		(2,67)	49,35
Furniture and Fixture	18,00	8,71	-		(1,09)	25,61
Computer Equipment	136,61	78,89	-		(8,48)	207,02
	2.126,14	1.069,68	(35,97)	-	(128,69)	3.031,17

	Impairment							Net Book Value	
	As at 1st April 2017	Impairment charge [Ind AS 36:130(b)]	Impairment reversal [Ind AS 36:130(b)]	Disposals	Reclassified as held for sale	Exchange Adjustments	As at period end (YTD)	As at period end 31/03/2018	As at period end 31/03/2017
Freehold land	-						-	9,97	10,53
Buildings	-						-	2.822,61	2.853,45
Leasehold Improvements	-						-	-	-
Plant and Equipment	-						-	3.349,09	3.286,33
Vehicles and Aircrafts	-						-	73,29	116,78
Furniture and Fixture	-						-	53,37	60,03
Computer Equipment	-						-	183,08	252,42
	-	-	-	-	-	-	-	6.491,41	6.579,55

Negative value under "Disposals" column of Depreciation relates to accumulated depreciation on forklift sold during the period

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

	Original Cost									Net Book Value	
	As at 1st April 2017	Additions	CWIP Capitalized (Ind AS 16.74(b)	Acqusition through business combinations	Reclassified as held for sale	Disposals	Borrowing cost capitalized (GNVI 8.7.1)	Exchange Adjustments	As at period end (YTD) 31/03/2018	As at 31st March 2018	As at 31st March 2017
Capital Work-in-Progress	3.517,70	2.131,74	- 194,30					- 209,02	5.246,12	5.246,12	3.517,70
	3.517,70	2.131,74	- 194,30	-	-	-	-	- 209,02	5.246,12	5.246,12	3.517,70

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Ushal Raman [illegible]

US$'000

(1) Property, plant and equipment

Statement of Profit and Loss for the period ended 31st March 2018

Ind AS 16.74(a) Are there assets pledged as security (including those under finance lease) No

Ind AS 16.74(c) Is there capital expenditure contracted for at the end of the reporting period but not yet incurred No

Ind AS 16.74(b) Is there expenditure on capital work in progress pending capitalisation? Yes

Please provide a description of the material projects, expected completion date and the expenditure incurred during the year [Material is defined as an amount in excess of 10 percent of total capital work in progress]

Projects	
EQUIPMENT - MATERIALS	997,91
CIVIL - STRUCTURES TANKS SERVICES	606,97
ENGINEERING-EQUIPMENT-IMPLEMENTATION	508,75
THIRD PARTY ENGINEERING	474,24
CIVIL - STRUCTURES TANKS MATERIAL	278,36
PA 016/2016 - BASIC SYSTEM ENGINEERING	211,30
EQUIPMENT - SERVICES	201,36
ENG. PROPRIA SIST. SILOS ALUMINUM SPEC	180,74
RPAN132 / 16 FL AND PD ENVIRONMENTAL STUDIES	177,48
PA102-EIA_EMP MINES SAPE AND RANGE	173,04
ENG. PROPRIA SIST. LAMA FILTER	150,10
MONT.ELETROMEC.PLANTA PILOTO HIDRATO FIN	149,80
ENG. PROPRIA SIST. RESFR CALCINA FORNOS	128,29
ENG. PROPRIA SIST. ALUMINUM TRANSPORT	121,72
ENG. PROPRIA SIST. PRECIPITATION PLANT	119,36
CPAN128 / 17- WASTE BATTERY STABILIZATION	107,07
ENG. PROPRIA SIST. ALU BATELED MOORING	70,07
ENG. PROPRIA SIST. CARREG TRUCK BALA	64,99
ENG. PROPRIA PROJECTS INFRASTRUCTURE	63,45
LICENSING PROCESS MUD STACKING	59,82
1 TON ENGINE MACHINES.	52,67
PA: 3S4/17 AQ / INSTAL AREA CCM 28 FILTERS	51,97
ELECTRONICS - INSTRUMENTATION - MATERIALS	50,35
TUBULAO MATERIAL	43,30
ENG. PROPRIA SIST. ALUMIN MICRONIZATION	32,94
OTHERS	170,06

Ind AS 101.30 Has the entity used fair value as on April 1 2015 in its opening Ind AS statement of financial position as deemed cost for an item of property, plant and equipment ? No

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman

FY2018

US$'000

Statement of Profit and Loss for the period ended 31st March 2018	Original Cost								Amortisation						Impairment							Net Book Value	
	As at 1st April 2017	Additions	Acqusition through business combinations	Reclassified as held for sale	Disposals	Borrowing cost capitalized (GNVI 8.7.1)	Exchange Adjustments	As at 31st March 2018	As at 1st April 2017	Amortisation charge	Disposals	Reclassified as held for sale	Exchange Adjustments	As at 31st March 2018	As at 1st April 2017	Impairment charge	Impairment reversal	Disposals	Reclassified as held for sale	Exchange Adjustments	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Exploration and evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Trade name	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Technology and software	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Customer related intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Favourable energy supply contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Mining rights	191,19	-	-	-	-	-	(10,28)	180,91	-	(0,28)	-	-	-	(0,28)	-	-	-	-	-	-	-	180,63	191,19
Asset Retirement Obligation Marzagão and Carangola mines	9.529,55	-	-	-	-	-	(512,38)	9.017,17	(6.029,49)	(2.520,63)	-	-	395,71	(8.154,41)	-	-	-	-	-	-	-	862,77	3.500,06
Emission allowances																							
	9.720,74	-	-	-	-	-	(522,66)	9.198,09	(6.029,49)	(2.520,91)	-	-	395,71	(8.154,69)	-	-	-	-	-	-	-	1.043,40	3.691,25

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

(13) **Inventories**

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

Ind AS 2.36(b)

Nature	Ind-AS 31 March 2018	Ind-AS 31 March 2017
Raw Materials	532,24	680,76
Work-in-process	8.586,48	6.034,01
Finished Goods	3.286,58	2.347,36
Excise duty on Stock		
Stock in trade	-	-
Stores and Spare-parts	540,55	553,13
Coal and Fuel	-	-
Others (specify)		
	12.945,85	**9.615,25**

GIBS 6P(ii)	Are there inventories in transit as at period end ?	Yes	Yes
Ind AS 1.61	Are there inventories expected to be recovered after more than 12 months ?	No	No
Ind AS 2.36(h)	Are inventories pledged as security for liabilities ?	No	No
Ind AS 2.36(e)	Has any inventory been written down to NRV ?	No	No
Ind AS 2.36(f)	Has there been a reversal of any previous write down in the period?	Yes	Yes
	Mode of Valuation	Weighted Average	Weighted Average

	Ind-AS 31 March 2018	Ind-AS 31 March 2017
Details of Material in transit		
Finished Goods, wherein risks & rewards of ownership have not passed on to customers	1.021,00	490,40

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

		Date:	20/08/2018
		Page:	19/33

(12) **Trade receivables**

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

		Ind-AS 31 March 2018	Ind-AS 31 March 2017
	Outstanding for a period exceeding six months - Past due:		
Ind AS 7.37(a)	Secured, Considered Good		
Ind AS 7.37(a)	Unsecured, Considered Good		
Ind AS 107.37(b)	Unsecured, Considered Doubtful	105,92	129,69
	Less: Provision for Doubtful Amount	(105,92)	(129,69)
		-	-
Ind AS 7.8(a)	**Outstanding for a period exceeding six months - Past due (FVTPL):**		
Ind AS 7.37(a)	Secured, Considered Good		
Ind AS 7.37(a)	Unsecured, Considered Good		
Ind AS 107.37(b)	Unsecured, Considered Doubtful		
	Less: Provision for Doubtful Amount		
		-	-
	Outstanding for a period less than six months:		
Ind AS 7.37(a)	Secured, Considered Good Past Due		
Ind AS 7.37(a)	Unsecured, Considered Good Past Due		
	Secured, Considered Good		
	Unsecured, Considered Good	7.276,29	7.482,61
Ind AS 107.37(b)	Unsecured, Considered Doubtful		
	Less: Provision for Doubtful Amount		
		7.276,29	7.482,61
Ind AS 7.8(a)	**Outstanding for a period less than six months(FVTPL):**		
Ind AS 7.37(a)	Secured, Considered Good Past Due		
Ind AS 7.37(a)	Unsecured, Considered Good Past Due		
	Secured, Considered Good		
Ind AS 107.37(b)	Unsecured, Considered Doubtful		
	Less: Provision for Doubtful Amount		
		-	-
	Related parties		
	Outstanding for a period exceeding six months - Past due:		
Ind AS 7.37(a)	Secured, Considered Good		
Ind AS 7.37(a)	Unsecured, Considered Good		
Ind AS 107.37(b)	Unsecured, Considered Doubtful		
	Less: Provision for Doubtful Amount		
		-	-
	Outstanding for a period less than six months:		
Ind AS 7.37(a)	Secured, Considered Good Past Due		
Ind AS 7.37(a)	Unsecured, Considered Good Past Due		
	Secured, Considered Good		
	Unsecured, Considered Good		
Ind AS 107.37(b)	Unsecured, Considered Doubtful		
	Less: Provision for Doubtful Amount		
		-	-
		7.276,29	7.482,61

Ind AS 107.16 **Movement in the allowance for doubtful debts**

	31-Mar-18	31-Mar-17
Balance at beginning of the period	129,69	33,05
Impairment losses recognised on receivables		
Amounts written off during the year as uncollectible	-	-
Amounts recovered during the year	-	-
Impairment losses reversed	-	-
Foreign exchange translation gains and losses	-	-
Unwind of discount	-	-
Additional provision recognized	(23,77)	96,64
Balance at end of the period	105,92	129,69

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

(7) Loans

Date: 20/08/2018
Page: 20/33

Ind AS 107.8(f) **Statement of Profit and Loss for the period ended 31st March 2018**

US$'000

	Particulars	Ind-AS 31st March 2018	Ind-AS 31 March 2017
GIBS M(i)(a)	Security and Judical Deposits (see note 1 below)		
GIBS M(ii)(a)	Secured, Considered Good		
GIBS M(ii)(b)	Unsecured, Considered Good	27,78	25,91
GIBS M(ii)(c)	Doubtful		
GIBS M(iii)	Less:Provision for Doubtful Debt	-	-
		27,78	25,91
	Total Long term Loans and Advances	27,78	25,91
GIBS M(i)(c)	Others (Please specify)		
GIBS M(ii)(a)	Secured, Considered Good		
GIBS M(ii)(b)	Unsecured, Considered Good (Advances recoverable in cash or kinds)	49,64	78,17
GIBS M(ii)(c)	Doubtful		
GIBS M(iii)	Less:Provision for Doubtful Debt	-	-
		49,64	78,17
	Total Short Term Loans and Advances	49,64	78,17

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Singh

Cash and cash equivalents

(11) Statement of Profit and Loss for the period ended 31st March 2018 US$'000

GIBS6R(i)

Cash and cash equivalents	Ind-AS 31 March 2018	Ind-AS 31 March 2017
Cash on hand		
Cheques on hand		
Bank balances		
In current/checkin accounts	0,26	0,48
Demand deposits (less than 3 months maturity)	2.924,10	1.783,52
Short term, highly liquid investments		
Liquid mutual funds		
	2.924,36	1.784,00

GIBS6R(iv) **Is there cash and cash equivalents held in countries where there are restrictions on remittances ?** No

Ind AS 112.13 **Are there legal and contractual restrictions currently in place which makes cash and cash equivalents not available for use in the wider Group ?** No

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Singh

(25) **Statement of Profit and Loss for the period ended 31st March 2018**

US$'000

	Ind-AS 31 March 2018	Ind-AS 31 March 2017
Bank deposits- with maturity within (3 months to 12 months)		
Restriced Cash		
Earmarked balances with banks	-	-
Balances with banks held as margin money or guarantees		
Repatriation restrictions		
	-	-

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

(14) Other assets

Statement of Profit and Loss for the period ended 31st March 2018

Other current assets

US$'000

	Ind-AS 31- March - 2018	Ind-AS 31- March - 2017
Capital advances		
Advances other than capital advances;		
Advances to related parties		
Other advances		
Advance to suppliers	683,26	419,00
Others;		
Prepaid rent - Leasehold (un-amortised exp)		
Prepaid expenses	298,65	292,00
Export and other incentives		
Unutilized indirect tax credits	2.976,46	6.978,58
Inventories (Work in progress)		
Interest accrued on Investments and Deposits		
Derivative asset		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
Total	3.958,37	7.689,58

Other non-current assets

US$'000

	Ind-AS 31- March - 2018	Ind-AS 31- March - 2017
Capital advances		
Advances other than capital advances;		
Advances to related parties		
Other advances		
Advance to suppliers		
Others;		
Prepaid rent - Leasehold (un-amortised exp)		
Prepaid expenses		
Export and other incentives		
Unutilized indirect tax credits	5.167,56	-
Inventories (Work in progress)		
Interest accrued on Investments and Deposits		
Derivative asset		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
[Insert IGAAP lines relcassed]		
Total	5.167,56	-

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

(22) Statement of Profit and Loss for the period ended 31st March 2018

US$'000

	Ind-AS 31 March 2018	Ind-AS 31 March 2017
Trade payables	5.910,32	4.075,51
Accured expense	728,31	557,77
Accured payroll	1.167,42	1.052,49
	7.806,05	**5.685,77**

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Sgt

(23) Borrowings - Short term

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

		Ind-AS 31 March 2018	Ind-AS 31 March 2017	Nature of security and other significant terms [GIBS 6F(ii) & Ind AS 107.31]
	At amortised cost			
GIBS 6F(ii)	**Secured**			
	From banks			
	Cash Credit, Export Credit			
	Bank overdraft			
	From Others(Please specify)			
	Cash Credit, Export Credit			
	Bank overdraft			
	Others (please specify)			
	Bank of America for working capital purposes	-	5.000,00	Corporate Guarantee from Hindalco Industries Ltd.
		-	5.000,00	
GIBS 6F(ii)	**Unsecured**			
	From Banks			
	Buyers credit			
	Packing credit			
	Cash credit			
	Bank overdraft			
	From Others(Please specify)			
	Buyers credit			
	Packing credit			
	Cash credit			
	Bank overdraft			
	Others (Bill discounting)	637,58	1.405,69	Billdiscounting facility from ITAU Bank
		637,58	6.405,68	

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Singh

Statement of Profit and Loss for the period ended 31st March 2018

Ind AS 37.84(a) to (e)

US$'000

		Environmental Restoration	Ind-AS 31st March 2018	Brazil tax and legal matters	Restructuring	Legal claims against the Company including revenue matters	Rehabilitation cost relating to mine	Others [Mining TFRM and ICMS tax)
	Balance at the beginning of the period;	72,04	14.131,93					146,58
Add:	Additional provisions recognised	-						-
Less:	Amounts used (i.e. incurred and charged against the provision) during the period							
Less:	Reductions resulting from re-measurement or settlement without cost							
Add:	Unwinding of discount and effect of changes in discount rate		2.042,31					
Add:	Transfer to short term provision	(72,20)	(8,52)					(31,37)
	Exchange rate impact	0,16	941,80					0,33
	Others [describe]							
	Others [describe]							
	Others [describe]							
	the carrying amount at the end of the period;	-	16.159,70	-	-	-	-	115,54

Ind AS 37.85(a)&(b)

Brief description of the nature of the obligation, the expected timing of any resulting outflows of economic benefits and factors causing uncertainties and major assumptions

Environmental rehabilitation of Red Mud Pond and Carangola mines. Payments towards restoration of Red Mud Pond expected over the years FY19 to FY23 while for Carangola mines it is estimated to take place during the years FY18 to FY31

Ind AS 37:85(c) **Is there any expected reimbursement ?** No

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Singh

Date: 20/08/2018
Page: 27/33

(20) Provisions

Statement of Profit and Loss for the period ended 31st March 2018

US$'000

	Non Current portion of Provisions	Ind-AS 31 March 2018	Ind-AS 31 March 2017
	Employee benefits		
	Defined benefit plans		
Ind AS 19.138(a)	-In India		
Ind AS 19.138(a)	-Outside India		
	Post-employment medical benefits		
	-In India		
	-Outside India		
	Other long term benefits		
	-In India		
	-Outside India		
	Others		
	Environmental Restoration (Vargem mines)	-	328,30
	Asset retirement obligation (Red Mud Pond Marzagão)	15.198,12	12.196,35
	Brazil tax and legal matters		
	Restructuring		
	Legal claims against the Company including revenue matters		
	Rehabilitation cost relating to mine		
	TFRM and ICMS Tax Provision	115,54	169,98
	Asset retirement obligation (Carangola Mines)	961,58	987,77
	Others [describe]		
	Others [describe]		
	Others [describe]		
	Others [describe]		
	Others [describe]		
	Others [describe]		
	Others [describe]		
		16.275,24	13.682,40

US$'000

Current portion of Provisions	Ind-AS 31 March 2018	Ind-AS 31 March 2017
Employee benefits		
Compensated absence		
Employee bonus and short term incentive plans		
Others		
Environmental Restoration (Vargem mines)	361,00	83,16
Asset retirement obligation		
Brazil tax and legal matters		
Restructuring		
Environmental Restoration (Carangola Mines)	110,24	-
Others [describe]		
Others [describe]		
Others [describe]		
Others [describe]		
Others [describe]		
Others [describe]		
Others [describe]		
Others [describe]		
Others [describe]		
	471,23	83,16

	31st Mar 2018	31st March 2017
Movement in provision for ARO Marzgao Red Mud lake (BRL Million)		
Opening provision	38.141,64	31.919,68
Discount unwinding	6.512,07	6.221,96
Closing provision	44.653,71	38.141,64
	31st Mar 2018	31st March 2017
Movement in provision for ARO Marzgao Red Mud lake (INR Crore)		
Opening provision	12.196,35	8.883,36
Discount unwinding	2.007,37	1.890,53
Exchange rate impact	994,40	1.422,46
Closing provision	15.198,12	12.196,35
Movement in provision for ARO Carangola mines (INR Crore)		
Opening provision	987,77	
Discount unwinding	34,93	
Transfer to short term provision	(8,52)	
Exchange rate impact	(52,60)	
Closing provision (long term more short term)	961,58	987,77

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

(19) **Other financial liabilities**
Statement of Profit and Loss for the period ended 31st March 2018
Other current financial liabilities

US$'000

		Ind-AS 31- March - 2018	Ind-AS 31- March - 2017
	Derivative Liabilities	-	-
	Capital creditors		
GIBS 6G	Current maturities of long-term borrowings		
GIBS 6G	Current maturities of finance lease obligations		
GIBS 6G	Interest		
	accrued not due on borrowings	-	79,48
	accrued and due on borrowings		
	Customer security deposits		
	Unclaimed dividends		
	Application/Call Money Received Due for Refund		
	Derivative liability pending settlment		
	Others [please describe]		
	Total	-	**79,48**

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Singh

Movement in Reserve

GIBS 6B Statement of Profit and Loss for the period ended 31st March 2018

US$'000

		Ind-AS 31 March 2018	Ind-AS 31 March 2017
	Surplus in the Statement of Profit and Loss		
	Balance at the beginning of the period	(67.461,89)	(48.543,86)
	Profit/loss for the Year	(23.265,14)	(18.918,03)
	Transfer to debenture redemption reserve		
Ind AS 32.3	Dividend paid (including dividend distrubtion tax Rs _____)		
	Others [please describe]		
	Others [please describe]		
	Others [please describe]		
	Others [please describe]		
	Balance at the end of the period	(90.727,03)	(67.461,89)
	Securities premium reserve		
	Balance at the beginning of the period		
	Premium on employee options excercised		
	Premium on equity share warrants excercised		
	Others [please describe]		
	Others [please describe]		
	Others [please describe]		
	Balance at the end of the period		
	Debenture redemption reserve		
	Balance at the beginning of the period		
	Transfer from Surplus in the Statement of Profit and Loss		
	Others [please describe]		
	Others [please describe]		
	Others [please describe]		
	Balance at the end of the period		
Ind AS 21.5	***Foreign currency translation reserve***		
Ind AS 1:91	Balance at the beginning of the period	(542,79)	(110,97)
Ind AS 1.90	Exchange difference arising on translation of the foreign operation	(1.198,99)	(431,82)
Ind AS 12.8	Income tax relating to gains arising on translating the net assets of foreign operations		
Ind AS 107	Gain/loss on hedging instruments designated in hedges of the net assets of foreign operations		
	Income tax relating to gains/loss on hedge of the net assets of foreign operations		
	Gain/loss reclassified on disposal of foreign operation		
	Income tax relating to gain loss reclassified on disposal of foreign operation		
	Gain/loss on hedging instruments reclassified on dissposal of foreign operations		
	Income tax relating to gains/loss on hedging instruments reclassified on disposal of foreign operations		
	Others [please describe]		
	Others [please describe]		
	Others [please describe]		
	Balance at the end of the period	(1.741,79)	(542,79)

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Singh

US$'000

(17) **Statement of Profit and Loss for the period ended 31st March 2018**

		Ind-AS 31 March 2018	Ind-AS 31 March 2017
GIBS 6B(i)	**Reserves representing unrealised gains/losses**		
	Cash flow hedging		
	Investments revaluation equity instruments at FVTOCI		
	Investments revaluation debt instruments at FVTOCI		
Ind AS 21.52(b)	Foreign currency translation	(1.741,79)	(542,79)
		(1.741,79)	(542,79)
GIBS 6B(i) & (ii)	**Other Reserves**		
	Capital Reserves		
	Capital Redemption Reserve		
	Securities Premium Reserve		
	Debenture Redemption Reserve		
	Acturial Gain/(Loss) Reserves		
	Special Reserves		
	Business Reconstruction reserve		
	Share Options Outstanding Account		
	Surplus in statement of profit and loss	(90.727,03)	(67.461,86)
	General Reserve		
		(90.727,03)	(67.461,86)
	Share application money pending allotment		
	Others (Describe)		
	Total Other Equity	(92.468,81)	(68.004,66)

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

	Date:	20/08/2018
(21) Statement of Profit and Loss for the period ended 31st March 2018	Page:	31/33

Other current liabilities

US$'000

	Ind-AS 31 March 2018	Ind-AS 31 March 2017
Advance received from customer	14,76	39,89
Statutory Dues Payable	223,49	121,06
Long term incentive plan - current portion		
[other describe]		
[other describe]		
[other describe]		
[other describe]		
Current maturities of Long term debt		
Current maturities of Finance lease obligation		
Interest		
accrued not due on borrowings	-	-
accrued and due on borrowings		
Unclaimed dividends		
Application/Call Money Received Due for Refund		
Derivative Liabilities		
Liability for Capital Expenditure		
Security and other Deposits		
Other payables: Employees related liability		-
[other describes]		
[other describes]		
[other describes]		
[other describes]		
	238,26	**160,96**

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Sgl

(16) **Equity Share Capital**

GIBS6A & Ind AS 1.79(a)

Statement of Profit and Loss for the period ended 31st March 2018	Numbers of shares	US$'000
Equity Shares of Rs. each		Ind-AS 31 March 2018
Redeemable Cumulative Preference Shares of Rs. each		

GIBS6A & Ind AS 1.79(a)

Issued:	Numbers of shares	US$'000
Equity Shares of Rs. each	345.386.939	117.168,18
Redeemable Cumulative Preference Shares of Rs. each		
		117.168,18

GIBS6A & Ind AS 1.79(a)

Subscribed and Paid-up:	Numbers of shares	US$'000
Equity Shares of Rs. each fully paid-up	328.872.007	112.171,22
Less: Face Value of Equity Shares forfeited		
Add: Forfeited Shares (Amount originally Paid-up)		
Less: Treasury Shares		
		112.171,22

GIBS6A

Details of Shareholders holding more than 5% Equity Shares in the Company on Reporting Date

Name of the shareholder	Numbers of shares	Percentage of shareholding
AV MINERALS (NETHERLANDS) N.V.	328.872.006	100,000000%

GIBS6A

The Company during the preceding 5 years:
i. Has not allotted shares pursuant to contracts without payment received in cash.
ii. Has not issued shares by way of bonus shares.
iii. Has not bought back any shares.

Ind AS 1.79(a)(iv)

Movement in Subscribed and Paid-up Equity Share Capital	Numbers of shares	US$'000
Equity Shares Outstanding at the beginning of the period	74.490	22,5
Equity Shares Allotted pursuant to exercise of ESOP	-	0,00
Equity Shares Allotted pursuant to exercise of Share Warrants		
Additional Equity Shares Allotted	(21.559.558)	(6.523)
Equity Share issue during the period	38.000.000	11.497,73
Equity Shares Outstanding at the end of the period	16.514.932	4.996,95

Share capital	
As on 30st June 2017	91.181,22
Received in July 2017 - 7th July 2017	3.700,00
Received in September 2017 - 11th September 2017	3.100,00
	97.981,22
Received in October 2017	2.100,00
Received in November 2017	2.810,00
Received in December 2017	2.640,00
Received in February 2018	3.440,00
Received in March 2018	3.200,00
Impact of foreign currency	(0,00)
Total as on 31st March 2018	112.171,22

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Sigh

Disclose all Contingent liabilities:

HDB has the following Contingent liabilities as on 31st March 2018

Statement of Profit and Loss for the period ended 31st March 2018

Brazilian Reais (000)	US$'000
R$ 1.246	377,00

The contigent liability refers to claims from former employees & environmental claims, based on opinion of Ricardo Carneiro and BMP respectively, Lawyers representing Hindalco do Brasil

HINDALCO DO BRASIL IND. E COM. DE ALUMINA LTDA

Vishal Raman Singh